

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

**THE PENNSYLVANIA STATE
UNIVERSITY,**

Plaintiff,

v.

**VINTAGE BRAND, LLC;
SPORTSWEAR, INC., dba PREP
SPORTSWEAR; and CHAD
HARTVIGSON,**

Defendants.

**Case No. 4:21-cv-01091-MWB
Hon. Matthew W. Brann**

**MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF
PENN STATE'S MOTION TO AMEND JUDGMENT**

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Federal Rule of Civil Procedure 591

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Pursuant to Federal Rule of Civil Procedure 59, 15 U.S.C. §§ 1116 and 1118, and the Court’s inherent authority, Plaintiff The Pennsylvania State University (“Penn State”) respectfully requests that the Court issue a permanent injunction against Defendants Vintage Brand, LLC (“Vintage Brand”), Sportswear Inc. (“Sportswear”), and Chad Hartvigson (“Hartvigson”) (collectively, “Defendants”) in the form set forth in the Proposed Permanent Injunction filed herewith. Penn State submits that this narrowly tailored proposed Permanent Injunction is consistent with the jury’s findings of willful trademark infringement and unfair competition, as well as the jury’s findings on the Defendants’ affirmative defenses. In support of this motion, Penn State relies on and incorporates the testimony of record, all admitted trial exhibits, and the exhibits attached to this Memorandum.

I. BACKGROUND

A. Procedural History

This Motion is brought following a six-day jury trial on Penn State’s infringement claims pertaining to its rights in various word marks and logos, including the word marks (1) PENN STATE and (2) THE PENNSYLVANIA STATE UNIVERSITY; and the design marks (3)   (the “Lion Shrine Marks”); (4)   (the “University Seal”); (5)  (the “Pozniak Lion”); and (6)  (the “S Lion”) (collectively, the “Penn State Marks”). *See* ECF 67 (operative Second Amended Complaint). The court presided over jury selection on

November 12, 2024, and the trial in this matter commenced on the same day. ECF 306.

Following the parties' presentation of their respective evidence, on November 19, 2024, the jury deliberated and returned a verdict in Penn State's favor, finding that Defendants (1) infringed Penn State's trademarks and engaged in unfair competition in violation of the Lanham Act; and (2) engaged in unfair competition in violation of the Lanham Act as well as Pennsylvania common law. *See* ECF 335 at 2-5. The jury also determined that Defendants' misconduct was willful; declined to cancel the University Seal; and rejected Defendants' affirmative defenses of nominative fair use and aesthetic functionality. *Id.* at 5-6. The jury awarded compensatory damages of \$28,000. *Id.* at 7. The Court entered a judgment consistent with the jury's verdict on November 19, 2024. *See* ECF 337.

B. Relevant Trial Evidence

At trial, there was extensive evidence that demonstrates the need for a permanent injunction to be issued that will prevent continued confusion for consumers and harm to Penn State.

First, Caroline Gummo, a third-party retailer and Penn State licensee testified that "[t]he outcome of this case could have a significant impact on my business". *See* ECF 322-3 (Rough Trx., Day 3) at 161. She explained that if Penn State was not able to control the merchandise bearing its name and marks, "quickly, my

business would pretty much collapse. And you're going to open up a Pandora's box where anything could go in this market, and the Penn State marks are going to be mutilated and changed to the point of beyond recognition." *Id.* at 169. Another third-party witness, Scott Howell, testified as to how rampant infringement has required escalating security measures to distinguish authorized merchandise. *See* ECF 322-2 (Rough Trx., Day 2) at 53-55 (Howell).

Second, the jury heard and credited substantial evidence at trial that Defendants' conduct causes consumer confusion. *See* ECF 322-3 (Rough Trx., Day 3) at 70-76 (Franklyn testimony as to survey result showing net confusion rates of 27-39%, which surpass the benchmark of 15% confusion that is widely recognized as showing actionable confusion); ECF 322-6 (Maffey Trial Dep.) at 52:03-52:13, 54:25-55:13, 57:04-58:02 (testimony from Meghan Maffey that she visited vintagebrand.com to look for Penn State merchandise and believed that Penn State had licensed its marks to Defendants); Exhibit G (Partial Rough Trx., Day 5) at 75-80 (Erdem testimony that her consumer survey showed gross confusion levels of around 30-44%).

Third, multiple witnesses testified that Defendants' products do not meet Penn State's quality standards. *See* ECF 322-2 (Rough Trx., Day 2) at 131-32, 133-34 (Petulla); ECF 322-3 (Rough Trx., Day 3) at 168 (Gummo). *See also* ECF 322-2 (Rough Trx., Day 2) at 104 (Petulla testimony that Penn State's vintage

merchandise must be “in the better or best category. It’s a little bit of an elevated collection for the vintage merchandise.”).

Fourth, significant evidence at trial confirmed that Defendants will not stop infringing Penn State’s trademarks absent a court order enjoining this conduct. Defendants have been up-front about their intent—declaring in their responsive pleadings that while they temporarily deactivated the Penn State section of vintagebrand.com after this lawsuit was initiated, they intended to put that website back up after the case ends. *See* ECF 76, ¶ 96 (stating that Defendants the Penn State portion of vintagebrand.com was disabled while this litigation is pending, “but that Vintage Brand intends to re-enable the webpage ... when this lawsuit is resolved”). Erik Hartvigson testified at trial that reactivating the Penn State store will take only a few clicks. *See* Exhibit A (E. Hartvigson Trial Dep.) at 91:20-92:06. And at trial, Chad Hartvigson indicated that following this lawsuit, Defendants will not stop selling Penn State-related merchandise. *See* Exhibit B (Partial Rough Trx., Day 5) at 85. Evidence pertaining to other universities confirms that Defendants are willing to continue to sell merchandise that is alleged to infringe university trademark rights. Mr. Hartvigson testified that Defendants have been asked by multiple other universities, such as Notre Dame and Auburn, to stop using those schools’ trademarks, but merchandise from those schools remains up on the Vintage Brand website. *See id.* at 13. These schools have also filed suit against these same

Defendants. *See, e.g., Univ. of Ga. Athletic Ass'n, Inc. v. Vintage Brand, LLC*, No. 1:24-cv-3640 (N.D. Ga.) (with Notre Dame and Auburn as named plaintiffs). And critically, even following the jury's verdict in this case, Defendants continued to offer Penn State-related merchandise for sale on vintagebrand.com. *See* Exhibits C, D, E (Page Vault Captures taken November 22, 2024, showing Defendants offering to sell multiple pieces of Penn State merchandise).

Fifth, the evidence at trial showed that Defendants' infringing merchandise competes head-to-head with Penn State merchandise. Mr. Hartvigson testified that when a school's page is active on vintagebrand.com, people searching Google for vintage merchandise associated with that school will likely see results for Vintage Brand alongside results for other retailers. *See* Exhibit B (Partial Rough Trx., Day 5) at 28. Ms. Petulla testified that Defendants' infringing website and products are prominent on Google and appear alongside authorized merchandise. ECF 322-2 (Rough Trx., Day 2) at 153-55.

Finally, the evidence showed that the impact of using Penn State's name and trademarks on the Vintage Brand website was so strong that only an injunction prohibiting further use of the Penn State Marks will prevent further harm to Penn State. Specifically, the evidence at trial proved that a disclaimer will not obviate consumer confusion. *See* ECF 322-6 (Maffey Trial Dep.) at 54:25-55:1 (testimony from Meghan Maffey that when she visited the Penn State section of

vintagebrand.com, she did not see any disclaimer language or legalese); ECF 322-3 (Rough Trx., Day 3) at 51-53, 70-76 (Franklyn testimony that his survey respondents viewed screenshots of vintagebrand.com including disclaimer language, and that the survey still showed actionable levels of confusion); Exhibit G (Partial Rough Trx., Day 5) at 22-24, 43-44 (Erdem testimony that her survey showed, “[w]hen comparing confusion results or quality results across the disclaimer conditions, there are no differences” in the confusion rates); *id.* at 58 (Erdem testimony that her survey further showed that using language on a website that products are officially licensed will not affect confusion rates); Exhibit B (Partial Rough Trx., Day 5) at 68-69 (Hartvigson testimony confirming that he has previously stated, under oath, that using the phrase “officially licensed” does not make any difference to consumers). The jury’s verdict further confirmed that Defendants’ use of the Penn State Marks on their website, and not just on merchandise, causes consumer confusion. *See* ECF 334 at 34-36 (jury instructions on nominative fair use affirmative defense pertaining to whether use of Penn State’s name on Defendants’ website constituted fair use for which Defendants could not be liable); ECF 335 at 5 (jury verdict, finding that Defendants failed to show that their use of any of Penn State’s trademarks on the website constitutes nominative fair use).

II. LEGAL STANDARD

“A permanent injunction issues to a party after winning on the merits and is ordinarily granted upon a finding of trademark infringement.” *Lermer Germany GmbH v. Lermer Corp.*, 94 F.3d 1575, 1577 (Fed. Cir. 1996). The Lanham Act provides for the issuance of a permanent injunction against an infringer. 15 U.S.C. § 1116. This is because the right to exclude others is in fact the key benefit conferred on the trademark owner under the law. *College Sav. Bank v. Fla. Prepaid Postsecondary Educ. Expense Bd.*, 527 U.S. 666, 673 (1999) (“The hallmark of a protected property interest is the right to exclude others. That is ‘one of the most essential sticks in the bundle of rights that are commonly characterized as property.’”) (citation omitted); *see also Citizens Fin. Grp., Inc. v. Citizens Nat’l Bank of Evans City*, 383 F.3d 110, 126-32 (3d Cir. 2004) (vacating injunction entered by district court because it was not sufficiently broad, emphasizing that because jury found defendant’s mark to be infringing, plaintiff was entitled to an injunction broad enough to prevent confusion, and that the Lanham Act is not meant to protect infringers).

A plaintiff seeking a permanent injunction needs to demonstrate that: (1) it has suffered an irreparable injury; (2) remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted;

and (4) the public interest would not be disserved by a permanent injunction. *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006); *see also Hershey Co. v. Anykiss*, No. 1:18-CV-00843, 2019 WL 5692738, at *4 (M.D. Pa. Nov. 4, 2019) (reviewing relevant factors to consider in deciding on permanent injunction).

III. ARGUMENT

Here, all the factors weigh in favor of entering a permanent injunction to restrain Defendants from further violating Penn State's trademark rights.

A. Defendants' Infringement Has Caused, And Will Continue To Cause, Irreparable Harm To Penn State Absent A Permanent Injunction

First, Defendants' actions have caused Penn State irreparable harm and will continue to do so unless permanently enjoined. In light of the jury's infringement verdict, the Lanham Act gives Penn State a presumption of irreparable harm. 15 U.S.C. § 1116(a) ("... A plaintiff seeking any such injunction shall be entitled to a rebuttable *presumption of irreparable harm* upon a finding of a violation identified in this subsection in the case of a motion for a permanent injunction....") (emphasis added).

Defendants cannot overcome this presumption of irreparable harm. To start, the jury found that Defendants have committed willful trademark infringement. ECF 335. Courts in this circuit have long recognized that trademark infringement, by its very nature, tends to irreparably harm the trademark owner. *See, e.g., United States*

Soo Bahk Do Moo Duk Kwan Fed'n, Inc. v. Tang Soo Karate Sch., Inc., No. 3:12-CV-00669, 2015 WL 4920306, at *31 (M.D. Pa. Aug. 17, 2015) (“Once the likelihood of confusion caused by trademark [infringement] has been established, the inescapable conclusion is that there was also irreparable injury.”) (quoting *Kos Pharm., Inc. v. Andrx Corp.*, 369 F.3d 700, 726 (3d Cir. 2004)). Grounds for a finding of irreparable injury also include loss of control of reputation, loss of trade, and loss of good will. *Opticians Ass’n of Am. v. Indep. Opticians of Am.*, 920 F.2d 187, 195 (3d Cir. 1990).

The evidence at trial showed that Penn State faces significant harm to its reputation and goodwill as a result of Defendants’ willful infringement. Penn State imposes standards for quality and corporate responsibility on its licensees because “whenever Penn State’s approving something, they’re putting their reputation on the line and they’re endorsing this.” ECF 322-2 (Rough Trx., Day 2) at 49 (Howell). The jury’s verdict confirms that consumers are likely to believe that Defendants’ Penn State merchandise is authorized, sponsored, or approved by Penn State (ECF 335), meaning that consumers are likely to attribute any complaints about product quality or customer care concerns to Penn State, potentially harming Penn State’s reputation. See ECF 322-2 (Rough Trx., Day 2) at 83 (Petulla testimony that consumers sometimes contact Penn State Licensing directly to complain about product quality or shipping delays); see also ECF 322-2 (Rough Trx., Day 2) at 131-

32, 133-34 (Petulla testimony that Vintage Brand's sample products do not meet Penn State's quality standards); ECF 322-3 (Rough Trx., Day 3) at 168 (Gummo testimony on same). The potential harm to its reputation and goodwill that Penn State faces in the absence of a permanent injunction reflects that Penn State has no oversight or control over Defendants' products or methods. Even if Defendants had shown at trial (and they did not) that their products are not inferior to Penn State's authorized products, or if they argue that Defendants do follow corporate responsibility measures, those arguments do not mitigate the harm to Penn State. Without a permanent injunction, Penn State has no ability to monitor Defendants' merchandise or corporate responsibility standards going forward. Penn State has no way to know whether Defendants' customers are satisfied with their purchases and customer experience. *See AAMCO Transmissions, Inc. v. Dunlap*, 646 F. App'x 182, 183-84 (3d Cir. 2016) (affirming district court's finding that plaintiff would face irreparable harm because customers might impute complaints about infringer's services onto plaintiff). Therefore, Penn State faces ongoing and continual harm to its reputation and goodwill. *See Opticians*, 920 F.2d at 196 (discussing ongoing potential harm to reputation that plaintiff would face absent injunctive relief because of the loss of control over its marks).

Defendants also compete directly with Penn State for many of the same customers. *See, e.g.*, Exhibit B (Partial Rough Trx., Day 5) at 28 (C. Hartvigson);

ECF 322-2 (Rough Trx., Day 2) at 153-55 (Petulla). Interference with customer relationships constitutes irreparable harm. *Tantopia Franchising Co., LLC v. W. Coast Tans of PA, LLC*, 918 F. Supp. 2d 407, 419 (E.D. Pa. 2013) (“Pennsylvania courts have held that interference with customer relationships satisfies the irreparable harm requirement.”) (citations omitted). If Defendants are not enjoined, they will continue to divert customers away from Penn State’s authorized licensees and capitalize on Penn State’s goodwill, an irreparable injury to Penn State. *Id.*

In all, Penn State faces irreparable harm if an appropriate permanent injunction is not entered.

B. Remedies At Law Are Inadequate To Compensate For Penn State’s Injuries

Second, Penn State does not have an adequate legal remedy for Defendants’ continued bad acts absent injunctive relief. While the jury awarded Penn State \$28,000 in compensatory damages, this amount relates only to Defendants’ past infringing sales, and does not compensate Penn State for future infringement. Further, monetary damages are not enough. There is significant evidence here that Defendants will not stop infringing Penn State’s trademarks absent a court order enjoining this conduct. Defendants have been up-front about their intent—declaring in their responsive pleadings that while they temporarily deactivated the Penn State section of vintagebrand.com after this lawsuit was initiated, they intended to put that website back up after the case ends. *See* ECF 76, ¶ 96 (stating that Defendants the

Penn State portion of vintagebrand.com was disabled while this litigation is pending, “but that Vintage Brand intends to re-enable the webpage ... when this lawsuit is resolved”). Erik Hartvigson testified at trial that reactivating the Penn State store will take only a few clicks. *See* Exhibit A (E. Hartvigson Trial Dep.) at 91:20-92:06. And at trial, Chad Hartvigson indicated that following this lawsuit, Defendants will not stop selling Penn State-related merchandise, testifying that “[w]e will continue selling historical images.” *See* Exhibit B (Partial Rough Trx., Day 5) at 85. Given the evidence that Defendants have offered Penn State merchandise for sale following the jury verdict (*see* Exs. C, D, E), injunctive relief is necessary here. *See, e.g., Maduka v. Tropical Nats., Ltd.*, 409 F. Supp. 3d 337, 364 (E.D. Pa. 2019) (“monetary damages are inadequate in this case because they would not sufficiently deter Mr. Maduka from engaging in future infringement and unfair competition”).

The factor weighs in favor of a permanent injunction.

C. The Balance Of Hardships Warrants A Permanent Injunction.

Third, the balance of harms at issue weighs in favor of injunctive relief. “A basic purpose behind the balancing analysis is to ensure that the issuance of an injunction would not harm the infringer more than a denial would harm the mark’s owner.” *Opticians Ass’n of Am. v. Indep. Opticians of Am.*, 920 F.2d 187, 197 (3d Cir. 1990). And applying that analysis here shows that this factor weighs in favor of an injunction.

On the one hand, the evidence at trial confirms that Defendants will face little to no harm if the proposed Permanent Injunction is granted. First, given the jury's finding that Defendants' conduct is infringing, Defendants cannot complain of being harmed by an injunction that prohibits them from using marks that they have no right to use. *See AAMCO*, 646 F. App'x at 184 ("Given the arbitrator's ruling that the franchise agreement ended nearly five years ago, the District Court determined that a permanent injunction would merely prohibit Dunlap from engaging in activity to which he has no legal right."). Second, the Penn State section of *vintagebrand.com* was deactivated during most of this litigation, and there was no evidence at trial that this caused any harm to the Defendants. Third, given that Defendants' business model includes printing Penn State-related images onto merchandise only *after* receiving customer orders, Defendants do not have an inventory of Penn State merchandise that they would be unable to sell pursuant to this injunction. *See* ECF 322-4 (Rough Trx., Day 4) at 128 (Hartvigson testimony that "none of the products on Vintage Brand[s] website actually exist. These are all dynamic, meaning that they're made on demand with images and products. And once a consumer places an order for these products, then we actually print that product[.]"). Defendants, then, face no relevant harm. *See also Opticians*, 920 F.2d at 197 (finding no relevant harm to accused infringer because, "By virtue of this recalcitrant behavior, the [infringer] can hardly claim to be harmed, since it brought any and all difficulties occasioned

by the issuance of an injunction upon itself”, and noting that injunctive relief would not hinder defendant’s ability to sell other products). Of note, Defendants recently consented to a permanent injunction upon a finding of liability in a separate lawsuit brought by Baylor University. *See Baylor University v. Vintage Brand, LLC et al.*, No. 6:21-cv-00406 (W.D. Tex.), ECF 158 - Consent Judgment and Permanent Injunction.

Penn State, by contrast, faces significant harm if Defendants’ unlawful conduct is allowed to continue—including lost licensing fees, reputational harm, and lost goodwill. With respect to licensing fees, the evidence at trial showed that Penn State’s authorized licensees pay Penn State a small portion of their revenues in exchange for the ability to use Penn State’s trademarks, payments that Penn State has not received from Defendants. *See* ECF 322-2 (Rough Trx., Day 2) at 35-40 (Howell testimony about royalty payments that Penn State receives from its authorized licensees); *id.* at 163 (Petulla testimony that Defendants have never been granted permission to use Penn State’s marks); ECF 322-4 (Rough Trx., Day 4) at 147 (Chad Hartvigson testimony that no products sold on vintagebrand.com are licensed). The jury agreed that Penn State has suffered lost licensing revenues, awarding Penn State compensatory damages of \$28,000. ECF 335 at 7. This financial harm will compound if Defendants are able to use Penn State’s trademarks in the future. Beyond those lost licensing fees, Penn State’s harm also includes the

same harm to its reputation and goodwill that were discussed *supra* with respect to the irreparable harm that Penn State faces. *See supra*, § III.A-B.

The balance of harm, then, tips towards granting an injunction.

D. A Permanent Injunction Is In The Public Interest.

Finally, the public interest also favors granting injunctive relief here. The public has no interest in Defendants continuing to sell knock-off merchandise using the Penn State Marks, given that the jury has concluded that this merchandise is likely to cause confusion.

As the Third Circuit has recognized, “the most basic public interest at stake in all Lanham Act cases” is “the interest in prevention of confusion” given the public’s right not to be deceived or confused. *Kos*, 369 F.3d at 730. Here, a permanent injunction would protect the public from being confused about whether Defendants’ merchandise is authorized or approved by Penn State, and whether purchasers can trust that the merchandise satisfies the quality and corporate responsibility standards that Penn State and its licensees follow. *See Jama Corp. v. Gupta*, No. 3:99-CV-01624, 2008 WL 60204, at *4 (M.D. Pa. Jan. 3, 2008) (“In this case, the public would be protected by the issuance of an injunction. There would be no question as to the quality and manufacturer of ‘Old West’ cowboy boots, and would eliminate any possible confusion on the part of the consumer.”). The jury verdict rendered in this case adopted the substantial trial evidence that Defendants’ conduct is likely to cause

confusion. *See* ECF 322-3 (Rough Trx., Day 3) at 70-76 (Franklyn testimony as to survey result showing net confusion rates of 27-39%, which surpass the benchmark of 15% confusion that is widely recognized as showing actionable confusion); ECF 322-6 (Maffey Trial Dep.) at 52:03-52:13, 54:25-55:13, 57:04-58:02 (testimony from Meghan Maffey that she visited vintagebrand.com to look for Penn State merchandise and believed that Penn State had licensed its marks to Defendants); Exhibit G (Partial Rough Trx., Day 5) at 75-80 (Erdem testimony that her consumer survey showed gross confusion levels of around 30-44%). Therefore, the public interest weighs in favor of granting a permanent injunction that will eliminate the confusion caused by Defendants' infringing conduct. *See Kos*, 369 F.3d at 730 ("In light of our holding that 'there is a likelihood of consumer confusion created by' the use of confusingly similar marks, 'it follows that if such use continues, the public interest would be damaged. Conversely, a prohibition upon [defendant's] use of [its] mark[] would eliminate that confusion.'") (quoting *Opticians Ass'n of Am. v. Independent Opticians of Am.*, 920 F.2d 187, 198 (3d Cir. 1990)).

* * *

All four factors favor entering a permanent injunction to restrain Defendants from ongoing acts of trademark infringement and unfair competition.

IV. SCOPE OF THE PERMANENT INJUNCTION

The fundamental purpose of an injunction in a Lanham Act case is to prevent future violations of the rights of an owner of a registered mark. *See* 15 U.S.C. § 1116(a). This includes any use of an infringing mark “on or in connection with any goods or services.” 15 U.S.C. § 1125.

Here, the injunction must be broad enough to cover actions taken by Defendants in concert with third parties. At trial, Chad Hartvigson disclosed for the first time that Vintage Brand has recently changed its manufacturing and distribution systems—those services are apparently no longer provided by Sportswear, but by a separate entity that Penn State believes to be Vintage Brand, Inc. *See* ECF 322-4 (Rough Trx., Day 4) at 158; Exhibit F (Tennessee business entity records for Vintage Brand, Inc.—a company separate from Defendant Vintage Brand LLC—which lists Erik Hartvigson as its registered agent). Defendants should not be able to circumvent the injunction by shifting their business operations, particularly given that Defendants did not disclose this change during discovery.

Second, as part of prohibiting any ongoing infringement, Defendants should be enjoined from using Penn State’s trademarks on or in connection with any online store or commercial website. To this end, Defendants were allowed to present to the jury their argument that nominative fair use protected their use of the Penn State Marks on the Vintage Brand website. The jury rejected this defense. *See* ECF 335.

Given that the jury found Defendants were not fairly using Penn State's trademarks on the Vintage Brand website, Defendants should not be permitted to continue using those trademarks on vintagebrand.com or any other commercial website.

Finally, the injunction should require Defendants to either deliver to Penn State or to destroy materials using the Penn State Marks and which Defendants used in preparing the merchandise and advertising material at issue in this case (excluding authentic memorabilia retained solely as part of a physical collection). This provision would require Defendants to give to Penn State or to destroy the digital image files Defendants have in their possession that relate to Penn State. Given that content from Defendants' website is added or removed with the click of a few buttons, for as long as Defendants have those digital images in their system, there is a continuing risk that the infringing merchandise could be reposted for sale.

V. CONCLUSION

Because all four factors weigh decidedly in Penn States's favor, the Court should amend the judgment by issuing a permanent injunction prohibiting future infringement by Defendants, as set forth above and in Penn State's Proposed Permanent Injunction.

Dated: December 3, 2024

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE WITH WORD COUNT

Pursuant to Local Rule 7.8(b)(2), I hereby certify that this brief complies with the word-count limit and contains fewer than 5,000 words for a total word count of 4179.

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CERTIFICATE OF SERVICE

I hereby certify that I electronically filed the foregoing Memorandum of Points and Authorities in Support of Plaintiff's Motion to Amend Judgment with the Clerk of the Court using the CM/ECF system on December 2, 2024, which constitutes service on Defendants pursuant to Fed. R. Civ. P. 5(b)(2)(E):

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

THE PENNSYLVANIA STATE
UNIVERSITY,

Plaintiff,

v.

VINTAGE BRAND, LLC; et al.,

Defendants.

Case No. 4:21-cv-01091-MWB
Hon. Matthew W. Brann

JURY TRIAL DEMANDED

TABLE OF EXHIBITS

Exhibit	Description
A	Designated Trial Testimony (By Deposition) of Erik Hartvigson, from October 24, 2022 Deposition
B	Partial Rough Draft of the Trial Transcript Day 5, November 18, 2024 (Chad Hartvigson Cross-Examination)
C	Page Vault Capture 1 taken November 22, 2024
D	Page Vault Capture 2 taken November 22, 2024
E	Page Vault Capture 3 taken November 22, 2024
F	Tennessee Business Entity Records — Vintage Brand, Inc.
G	Partial Rough Draft of the Trial Transcript Day 5, November 18, 2024 (Tulin Erdem Examination)

Exhibit A

EHartvigson-FINAL

Designation List Report



Hartvigson, Erik

2022-10-24

PL Designations	00:15:18
DEF Counter	00:06:20
PL Counter-Counter	00:00:16
TOTAL RUN TIME	00:21:54



Documents linked to video:

P-77

P-265

P-298



EHartvigson-FINAL

DESIGNATION	SOURCE	DURATION	ID
5:15 - 5:17	Hartvigson, Erik 2022-10-24 5:15 First I'm going to ask you, can you please state 5:16 your full name for the record? 5:17 A. Erik Hartvigson.	00:00:05	EHartvigson-FINA L.1
18:14 - 18:20	Hartvigson, Erik 2022-10-24 18:14 Q. Have you ever been to Penn State? 18:15 A. I've been to Penn State once. 18:16 Q. When were you at Penn State? 18:17 A. Would have been the fall of maybe 2018. 18:18 Q. And why did you go there? 18:19 A. Chad and I went there before a football game to 18:20 pass out Vintage Brand koozies.	00:00:26	EHartvigson-FINA L.2
24:02 - 24:25	Hartvigson, Erik 2022-10-24 24:02 Q. So when we were talking about the paid search 24:03 that you manage for Prep Sportswear, you had mentioned 24:04 DSA campaigns and generic keyword searches. For Vintage 24:05 Brand, does Vintage Brand do the same types of 24:06 advertising? 24:07 A. We don't do any keyword campaigns, but we do 24:08 have a DSA campaign. 24:09 Q. Has Vintage Brand ever done keyword campaigns? 24:10 A. Not -- not to my memory, no. 24:11 Q. Why not? 24:12 A. Just DSA campaigns -- they're both text ads, and 24:13 so we -- we go with a DSA campaign. 24:14 Q. But why don't you do the generic keyword 24:15 campaign? 24:16 A. We've just never -- never really -- it's kind of 24:17 an outdated model, but we just have never -- never gone 24:18 down that path really. 24:19 Q. Have you talked about dropping that for Prep 24:20 Sportswear? 24:21 A. No. No. We've -- we continue -- we've always 24:22 continued doing it with Prep Sportswear. But, you know, 24:23 the -- the Prep Sportswear one was going for a long 24:24 time. But, yeah, we just never -- never did any generic 24:25 keywords campaigns for Vintage.	00:01:21	EHartvigson-FINA L.3
25:02 - 25:22	Hartvigson, Erik 2022-10-24 25:02 Q. So looking at this invoice, I just want to make	00:01:12	EHartvigson-FINA L.4

EHartvigson-FINAL

DESIGNATION	SOURCE	DURATION	ID
 P-77.2.1	25:03	sure I understand everything that's explained on here.	
	25:04	So looking at page 2, it has a description with four	
	25:05	different items listed. The first one is GB Smart	
	25:06	Shopping.	
	25:07	Do you see that?	
	25:08	A. Yes.	
	25:09	Q. What does that refer to?	
	25:10	A. That is a shopping campaign.	
	25:11	Q. What is a shopping campaign?	
	25:12	A. If you are on the Google tab and you click the	
	25:13	shopping tab, it's a visual ad, unlike the DSA, which is	
	25:14	a text ad.	
	25:15	Q. For the shopping campaign, does Vintage Brand	
	25:16	supply any specific information to Google, or is this	
	25:17	just from Google crawling your website?	
	25:18	A. It's -- yeah, Google -- Google knows exactly	
	25:19	what we have on our website, and then it could -- it	
	25:20	could serve up those ads essentially. And, yeah, like I	
25:21	said, it's a visual picture of the product compared to a		
25:22	text ad that would be a DSA.		
 Clear			
29:24 - 30:06	Hartvigson, Erik 2022-10-24	00:00:28	EHartvigson-FINA L.5
	29:24	And so you were involved with founding Vintage	
	29:25	Brand?	
	30:01	ERIK HARTVIGSON	
	30:02	A. Yes.	
	30:03	Q. How did you get involved with starting Vintage	
	30:04	Brand?	
	30:05	A. I believe Chad brought up the idea to me and --	
	30:06	in 2017, and -- and kind of went from there.	
30:07 - 30:21	Hartvigson, Erik 2022-10-24	00:00:43	EHartvigson-FINA L.6
	30:07	Q. Did you contribute any capital into the company?	
	30:08	A. No.	
	30:09	Q. Did you transfer any other assets into the	
	30:10	company?	
	30:11	A. No.	
	30:12	Q. And aside from cofounder, do you have any	
	30:13	other -- are you -- you're the president and secretary	
	30:14	of Vintage Brand?	
	30:15	A. Yeah, for corporate documentations, I believe	
	30:16	I'm listed as president and secretary.	

EHartvigson-FINAL

DESIGNATION	SOURCE	DURATION	ID
	30:17 Q. What are some of the things you've done in your 30:18 capacity as president and secretary?		
	30:19 A. Nothing, to my knowledge.		
	30:20 Q. Do you file any documents with the State?		
	30:21 A. No, I haven't filed any documents.		
32:15 - 33:03	Hartvigson, Erik 2022-10-24	00:00:35	EHartvigson-FINA L.7
	32:15 Q. But you remain president and secretary of 32:16 Vintage Brand?		
	32:17 A. Yes.		
	32:18 Q. And you're also a member of Vintage Brand?		
	32:19 A. I'm a -- I'm a cofounder.		
	32:20 Q. And you're an owner of Vintage Brand?		
	32:21 A. I don't know if -- I don't know if that would -- 32:22 if that necessarily is correct or not. I am a 32:23 cofounder, but I don't know what -- essentially if that 32:24 means the same or not.		
	32:25 Q. Do you own 20 percent of the company?		
	33:01 ERIK HARTVIGSON		
	33:02 A. I own a percentage. I don't know exactly what 33:03 percentage, but I own a -- I own a percentage of it.		
37:16 - 37:19	Hartvigson, Erik 2022-10-24	00:00:11	EHartvigson-FINA L.8
	37:16 Q. Okay. So who are the people that you work with 37:17 related to Vintage Brand?		
	37:18 A. Vintage Brand is just Chad, Michelle, and 37:19 myself.		
41:07 - 41:14	Hartvigson, Erik 2022-10-24	00:00:19	EHartvigson-FINA L.9
	41:07 Q. Do you report to anyone at Sportswear?		
	41:08 A. Chad.		
	41:09 Q. Do you report to anyone at Vintage Brand?		
	41:10 A. I defer to Chad on most things.		
	41:11 Q. Does anyone report to you at Sportswear?		
	41:12 A. No.		
	41:13 Q. Does anyone report to you at Vintage Brand?		
	41:14 A. No.		
48:05 - 48:18	Hartvigson, Erik 2022-10-24	00:00:44	EHartvigson-FINA L.10
	48:05 Q. How do customers communicate with Vintage Brand?		
	48:06 A. In regards to, like, an order or...?		
	48:07 Q. An order or anything, if they want to contact 48:08 the company.		

EHartvigson-FINAL

DESIGNATION	SOURCE	DURATION	ID
	48:09 A. I believe we have a chat function on the		
	48:10 website.		
	48:11 Q. Is the chat function administered by a third		
	48:12 party?		
	48:13 A. It's -- yeah, I don't -- yeah, yeah. I think		
	48:14 so. I don't know what -- what company is involved in		
	48:15 it, but I'm guessing it's a third party.		
	48:16 Q. Do customers ever contact Vintage Brand by		
	48:17 phone?		
	48:18 A. No.		
48:22 - 49:04	Hartvigson, Erik 2022-10-24	00:00:19	EHartvigson-FINA L.11
	48:22 Q. Has Vintage Brand ever had a phone number that		
	48:23 customers could use?		
	48:24 A. No.		
	48:25 Q. Do customers contact Vintage Brand by email?		
	49:01 ERIK HARTVIGSON		
	49:02 A. I believe if you -- I believe if you respond to		
	49:03 an email that we sent out, that that's -- but I'm not		
	49:04 sure if -- if there's an email.		
59:15 - 59:22	Hartvigson, Erik 2022-10-24	00:00:17	EHartvigson-FINA L.12
	59:15 Q. And you said that, during the holidays, it might		
	59:16 be eight to 10 people that provide customer service for		
	59:17 Vintage Brand?		
	59:18 A. That's for Sportswear.		
	59:19 Q. Oh, I'm sorry.		
	59:20 About how many people would provide customer		
	59:21 service for Vintage Brand during the holidays?		
	59:22 A. Last holiday was just Claire and myself.		
66:10 - 66:22	Hartvigson, Erik 2022-10-24	00:00:29	EHartvigson-FINA L.13
	66:10 Q. So let me ask you -- I've asked -- or I've asked		
	66:11 you a few times in this deposition about your title at		
	66:12 Vintage Brand.		
	66:13 A. Uh-huh.		
	66:14 Q. And I think just about every time you've		
	66:15 clarified that, for corporate documentations --		
	66:16 A. Uh-huh.		
	66:17 Q. -- you're the president. Why are you adding in		
	66:18 that clarification?		
	66:19 A. Because I don't see the role as president having		
	66:20 any practical meaning. I sign as president, but		

EHartvigson-FINAL

DESIGNATION	SOURCE	DURATION	ID
	66:21 that's -- doesn't give me any type of extensive roles		
	66:22 that I know of.		
67:02 - 67:19	Hartvigson, Erik 2022-10-24	00:00:32	EHartvigson-FINA L.14
	67:02 Q. If you're a president or secretary of the		
	67:03 company, do you know if that means that you have certain		
	67:04 obligations to the company?		
	67:05 A. No.		
	67:06 Q. No, you don't know?		
	67:07 A. No -- no, I don't know if that gives me any		
	67:08 particular obligations.		
	67:09 Q. Do you know why you are the president of the		
	67:10 company?		
	67:11 A. We only have three members, three cofounders, so		
	67:12 it was gonna be one of the three of us.		
	67:13 Q. Why isn't Chad the president?		
	67:14 A. I don't know.		
	67:15 Q. Why isn't Michelle the president?		
	67:16 A. I don't know.		
	67:17 Q. Have you ever discussed this with Chad or		
	67:18 Michelle?		
	67:19 A. No.		
74:20 - 74:25	Hartvigson, Erik 2022-10-24	00:00:21	EHartvigson-FINA L.15
	74:20 Q. Who would you consider to be Vintage Brand's		
	74:21 competitors?		
	74:22 A. I don't know if we have any competitors.		
	74:23 Q. Are you aware if there are any other companies		
	74:24 that sell vintage college merchandise?		
	74:25 A. I don't know.		
77:20 - 77:22	Hartvigson, Erik 2022-10-24	00:00:08	EHartvigson-FINA L.16
	77:20 Q. Do you know whether Vintage Brand's business has		
	77:21 grown since the company was founded in 2017?		
	77:22 A. Yeah.		
80:18 - 80:20	Hartvigson, Erik 2022-10-24	00:00:05	EHartvigson-FINA L.17
	80:18 Q. Who is target -- I'm sorry, who is Vintage		
	80:19 Brand's target customer?		
	80:20 A. I don't think we necessarily have one.		
80:21 - 80:23	Hartvigson, Erik 2022-10-24	00:00:10	EHartvigson-FINA L.18
	80:21 Q. Have you had conversations with anybody at		
	80:22 Vintage Brand about your target customer?		


EHartvigson-FINAL

DESIGNATION	SOURCE	DURATION	ID
	80:23 A. Not that I could recall, no.		
80:24 - 81:06	Hartvigson, Erik 2022-10-24	00:00:24	EHartvigson-FINAL.19
	80:24 Q. Thinking specifically about Dom, have you had		
	80:25 conversations with him about Vintage Brand's target		
	81:01 ERIK HARTVIGSON		
	81:02 customer?		
	81:03 A. Not that I could recall.		
	81:04 Q. Is Vintage Brand's target customer someone in		
	81:05 their forties or fifties who's a big sports fan and an		
	81:06 alumni of a school?		
81:09 - 81:09	Hartvigson, Erik 2022-10-24	00:00:03	EHartvigson-FINAL.20
	81:09 THE WITNESS: I think our customer could be		
81:10 - 81:11	Hartvigson, Erik 2022-10-24	00:00:03	EHartvigson-FINAL.21
	81:10 anybody. That's a very specific demographic right		
	81:11 there.		
83:07 - 83:18	Hartvigson, Erik 2022-10-24	00:00:47	EHartvigson-FINAL.22
	83:07 Q. Is there a page on Vintage Brand's site where		
	83:08 you can see artwork across all different colleges and		
	83:09 universities?		
	83:10 A. Yes.		
	83:11 Q. How?		
	83:12 A. I believe if you go to -- if you -- if you go to		
	83:13 a T-shirt product page, for instance, for -- for, let's		
	83:14 say, college, and you just have T-shirts and college, I		
	83:15 believe if you just have those two filters, it will just		
	83:16 show a bunch of -- a bunch of different designs of		
	83:17 historically -- it's a group of different products		
	83:18 decorated in historical artwork.		
83:19 - 83:19	Hartvigson, Erik 2022-10-24	00:00:02	EHartvigson-FINAL.23
	83:19 Let me know if you need any help.		
83:20 - 84:04	Hartvigson, Erik 2022-10-24	00:00:27	EHartvigson-FINAL.24
	83:20 Q. So you said go to Vintage Brand's website?		
	83:21 A. Yeah, if you go to any -- any T-shirt or if you		
	83:22 go into any store and click "T-shirts," let's say --		
	83:23 Q. And let me -- and I want to stop you. When you		
	83:24 say go to any store --		
	83:25 A. Uh-huh.		
	84:01 ERIK HARTVIGSON		
	84:02 Q. -- what do you mean by "store"?		


EHartvigson-FINAL

DESIGNATION	SOURCE	DURATION	ID
	84:03 A. It's -- it's the store, could be just how...		
	84:04 just organizes the historical artwork.		
89:17 - 89:21	Hartvigson, Erik 2022-10-24	00:00:16	EHartvigson-FINA L.25
89:17	Q. Why on the home page, the header where there's		
89:18	different options -- there's, I think, college,		
89:19	professional, et cetera -- why is there not an option at		
89:20	the header to view all products?		
89:21	A. I don't know.		
89:22 - 89:24	Hartvigson, Erik 2022-10-24	00:00:05	EHartvigson-FINA L.26
89:22	Q. Do you do any work with updating the Vintage		
89:23	Brand website?		
89:24	A. No.		
89:25 - 90:17	Hartvigson, Erik 2022-10-24	00:00:55	EHartvigson-FINA L.27
89:25	Q. Have you ever made edits to the content on the		
90:01	ERIK HARTVIGSON		
90:02	Vintage Brand website?		
90:03	A. Not that I can recall, no.		
90:04	Q. Do you have access to whatever program or		
90:05	software is used to edit the website?		
90:06	A. No.		
90:07	Q. So if you -- if -- say, if Chad asked you to		
90:08	change the wording on the website, would you even be		
90:09	able to do that?		
90:10	A. I think I could -- I could change the		
90:11	description of a -- of a product, but that's it.		
90:12	Q. How would you do that?		
90:13	A. I would just edit in our software tool		
90:14	essentially, just edit the wording of it.		
90:15	Q. Have you ever used that software tool and made		
90:16	changes to the website?		
90:17	A. Yes.		
90:18 - 91:09	Hartvigson, Erik 2022-10-24	00:00:46	EHartvigson-FINA L.28
90:18	Q. What changes have you made to the website?		
90:19	A. Like the example I -- I just explained, the		
90:20	description, I would -- I could alter the description.		
90:21	That's it.		
90:22	Q. And there have been times in the past where you		
90:23	have done that?		
90:24	A. Yeah.		

EHartvigson-FINAL

DESIGNATION	SOURCE	DURATION	ID
	90:25 Q. What -- can you recall specifically what wording		
	91:01 ERIK HARTVIGSON		
	91:02 you changed on the website?		
	91:03 A. I -- I -- I haven't changed any of the wording.		
	91:04 I've just added if there's a description under a --		
	91:05 under a design label essentially.		
	91:06 Q. Have you ever, I'm gonna say, like, added		
	91:07 products, by which I mean made products, you know,		
	91:08 viewable to the customer and able to be purchased. Have		
	91:09 you ever added products to the website?		
91:11 - 91:14	Hartvigson, Erik 2022-10-24	00:00:11	EHartvigson-FINA L.29
	91:11 THE WITNESS: I've -- like I said, I scan		
	91:12 the assets. And then when they're -- they're ready to		
	91:13 go on the website, I can just click a button, and it		
	91:14 could -- it could go on.		
91:16 - 92:06	Hartvigson, Erik 2022-10-24	00:00:39	EHartvigson-FINA L.30
	91:16 Q. Have you ever done the steps to take a product		
	91:17 down from the website?		
	91:18 A. I could click a button, and it could be off the		
	91:19 website.		
	91:20 Q. Did you click buttons or the button to remove		
	91:21 the Penn State store from the website?		
	91:22 A. I believe so.		
	91:23 Q. Do you know -- or let me ask you, what would be		
	91:24 involved to put that website back up, that store back		
	91:25 up?		
	92:01 ERIK HARTVIGSON		
	92:02 A. Essentially just to activate the store, you just		
	92:03 press a button essentially.		
	92:04 Q. So it would be easy to do; it would require		
	92:05 pressing a button?		
	92:06 A. Yeah, a couple buttons.		
92:17 - 92:21	Hartvigson, Erik 2022-10-24	00:00:16	EHartvigson-FINA L.31
 P-298.1	92:17 Q. So I'm gonna hand you what has been... it		
	92:18 doesn't have the sticker on it, for which I apologize,		
	92:19 but I can represent for the record this was marked		
	92:20 previously as Exhibit 15.		
	92:21 A. (Reviews exhibit.)		
92:22 - 93:03	Hartvigson, Erik 2022-10-24	00:00:27	EHartvigson-FINA



EHartvigson-FINAL

DESIGNATION	SOURCE	DURATION	ID
	92:22 Q. Do you recognize what's shown on this page, on 92:23 this document? 92:24 A. Yes. 92:25 Q. What is it? 93:01 ERIK HARTVIGSON 93:02 A. This looks like it's the -- the store... the -- 93:03 the -- the store related to Penn State.		L.32
93:04 - 93:25	Hartvigson, Erik 2022-10-24	00:01:07	EHartvigson-FINA
 P-298.13	93:04 Q. Okay. Now I'm gonna ask you to turn to -- it's 93:05 marked as page 13 of 77. It has the Bates stamp in the 93:06 lower right ending in 7337. 93:07 A. Okay. 93:08 Q. So you'll see there's a grid of nine products 93:09 here. Looking at the two T-shirts that are the far 93:10 right top and middle, do you see that, those two 93:11 T-shirts? 93:12 A. Far right top and middle, yeah. 93:13 Q. Yes. 93:14 They're both images that have the words "Penn 93:15 State Basketball," and then a picture of a lion's face 93:16 below. 93:17 Do you see that? 93:18 A. Uh-huh. 93:19 Q. And I'll tell you, so we refer to this in this 93:20 case as the Pozniak Lion logo. Just so when I say 93:21 "Pozniak," you know what I'm talking about. 93:22 Do you recognize this particular image or this 93:23 artwork? 93:24 A. Not necessarily. But, yeah, it's on the 93:25 website, so I vaguely have recollection.		L.33
 P-298.13.1			
 Clear			
95:11 - 95:19	Hartvigson, Erik 2022-10-24	00:00:26	EHartvigson-FINA
	95:11 Do you have any involvement in picking which 95:12 images Vintage Brand uses on the products it sells? 95:13 A. Chad curates the artwork. 95:14 Q. Do you have any role in that? 95:15 A. No. 95:16 Q. Do you know whether Vintage Brand takes into 95:17 account any other entity's intellectual property -- 95:18 A. I don't know. 95:19 Q. -- in selecting products?		L.34

EHartvigson-FINAL

DESIGNATION	SOURCE	DURATION	ID
95:20 - 96:01	Hartvigson, Erik 2022-10-24 95:20 Do you ever research whether there's 95:21 intellectual property in any of the images used? 95:22 A. No. 95:23 Q. Can you recall any discussions about trademark 95:24 rights in the images you use? 95:25 A. I can't recall any conversations. 96:01 ERIK HARTVIGSON	00:00:19	EHartvigson-FINA L.35
96:05 - 96:07	Hartvigson, Erik 2022-10-24 96:05 Q. Have you ever chosen not to use a certain image 96:06 for sale because of trademark or copyright issues? 96:07 A. I defer to Chad when it comes to...	00:00:10	EHartvigson-FINA L.36
96:08 - 96:12	Hartvigson, Erik 2022-10-24 96:08 Q. Do you know of any instances where Vintage Brand 96:09 has not used a certain image because of trademark or 96:10 copyright concerns? 96:11 A. I can't think of any -- any of those kind of 96:12 discussions.	00:00:10	EHartvigson-FINA L.37
96:13 - 96:22	Hartvigson, Erik 2022-10-24 96:13 Q. Why did you take the Penn State store down from 96:14 the Vintage Brand website? 96:15 A. I believe Chad told me to. 96:16 Q. What do you recall about that conversation? 96:17 A. Nothing besides him telling me to take the store 96:18 down. 96:19 Q. Did he say why you would take the store down? 96:20 A. I don't believe so. 96:21 Q. Did you ask him? 96:22 A. No.	00:00:27	EHartvigson-FINA L.38
103:06 - 103:08	Hartvigson, Erik 2022-10-24 103:06 Q. In performing your job duties, do you take any 103:07 steps to respect other companies' intellectual property? 103:08 A. I don't know.	00:00:09	EHartvigson-FINA L.39
103:14 - 103:20	Hartvigson, Erik 2022-10-24 103:14 Q. I'm asking you personally. Is there anything 103:15 you do as part of your job to protect other companies' 103:16 intellectual property? 103:17 A. I make sure all of our ads have Vintage Brand. 103:18 Q. And how does that protect people's intellectual	00:00:25	EHartvigson-FINA L.40

EHartvigson-FINAL

DESIGNATION	SOURCE	DURATION	ID
	103:19 property?		
	103:20 A. So they know where they're going.		
103:21 - 104:03	Hartvigson, Erik 2022-10-24	00:00:26	EHartvigson-FINA L.41
	103:21 Q. So that the... user -- what do you mean "they		
	103:22 know where they're going"?		
	103:23 A. If somebody's clicking on a Vintage Brand ad,		
	103:24 they know they're going to vintagebrand.com.		
	103:25 Q. And is this the ad -- ads that are done through		
	104:01 ERIK HARTVIGSON		
	104:02 the Google dynamic ads?		
	104:03 A. Yes.		
104:10 - 104:12	Hartvigson, Erik 2022-10-24	00:00:04	EHartvigson-FINA L.42
	104:10 Q. Are you aware of any policy at Vintage Brand		
	104:11 about trademarks?		
	104:12 A. I don't know.		
112:05 - 112:11	Hartvigson, Erik 2022-10-24	00:00:11	EHartvigson-FINA L.43
	112:05 (Exhibit 27 marked.)		
	112:06 THE WITNESS: (Reviews exhibit.)		
	112:07 BY MS. ELLER:		
 P-265.1.1	112:08 Q. Do you recognize this document?		
	112:09 A. It looks like it's a Terms of Use.		
	112:10 Q. And this is on the Vintage Brand website?		
 Clear	112:11 A. Yes, I believe so.		
114:05 - 114:08	Hartvigson, Erik 2022-10-24	00:00:13	EHartvigson-FINA L.44
	114:05 Q. Have you ever considered whether Vintage Brand		
	114:06 should obtain licenses for the -- for -- related to the		
	114:07 apparel it sells?		
	114:08 A. It's not my role.		
114:11 - 114:21	Hartvigson, Erik 2022-10-24	00:00:40	EHartvigson-FINA L.45
	114:11 Q. Have you ever considered it?		
	114:12 A. No.		
	114:13 Q. Can you recall any conversations with anyone at		
	114:14 Vintage Brand about trademark licensing?		
	114:15 A. No.		
	114:16 Q. Can you recall any discussions at Vintage Brand		
	114:17 about whether or not Vintage Brand needs permission to		
	114:18 use certain images?		
	114:19 A. It's not my role.		
	114:20 Q. Can you recall any conversations about it?		

EHartvigson-FINAL

DESIGNATION	SOURCE	DURATION	ID
	114:21 A. Not off the top of my head.		
115:18 - 116:16	Hartvigson, Erik 2022-10-24	00:01:16	EHartvigson-FINAL.46
	115:18 Q. What do you know about how Vintage Brand		
	115:19 acquires the memorabilia with -- for the images that are		
	115:20 used on products?		
	115:21 A. Like I say, Chad curates the artwork and the		
	115:22 assets.		
	115:23 Q. What do you mean by "curates"?		
	115:24 A. Finds.		
	115:25 Q. How -- what do you know about how he finds this		
	116:01 ERIK HARTVIGSON		
	116:02 memorabilia?		
	116:03 A. Like I said, I'm not involved in the process.		
	116:04 Q. Have you ever been involved with acquiring		
	116:05 memorabilia?		
	116:06 A. I can't remember. I mean, like I said, he does		
	116:07 it on his own. But, no, I can't think off the top of my		
	116:08 head.		
	116:09 Q. So you don't recall any instances where you were		
	116:10 involved in acquiring memorabilia?		
	116:11 A. Yeah, not -- not that I can think of.		
	116:12 Q. Have you ever seen the actual pieces of		
	116:13 memorabilia that Vintage Brand owns, like the collection		
	116:14 of memorabilia?		
	116:15 A. So I've scanned it. So I've seen -- I've seen		
	116:16 pretty much all of it, because I scan it.		
118:14 - 119:17	Hartvigson, Erik 2022-10-24	00:01:09	EHartvigson-FINAL.47
	118:14 Q. Okay. So can you walk me through the process,		
	118:15 the scanning process that you -- that you are		
	118:16 responsible for?		
	118:17 If you can walk me through -- and this is		
	118:18 just -- just so I can kind of understand what happens.		
	118:19 Are you given a piece of memorabilia or are you given,		
	118:20 you know, several pieces?		
	118:21 Just kind of, like, how does that work from your		
	118:22 end? Like, what are the steps that you're taking?		
	118:23 A. Yeah, I'm -- I'm given pieces of memorabilia.		
	118:24 And then I scan it. And then --		
	118:25 Q. What do you use to scan it?		
	119:01 ERIK HARTVIGSON		

EHartvigson-FINAL

DESIGNATION	SOURCE	DURATION	ID
	119:02 A. It's a scanner. I don't know what kind of 119:03 scanner it is.		
	119:04 Q. Is it -- or approximately how big is the 119:05 scanner?		
	119:06 A. (Demonstrating.)		
	119:07 Q. Okay. And just so the record -- I would say 119:08 that you did about two and a half feet --		
	119:09 A. Yeah.		
	119:10 Q. -- maybe?		
	119:11 A. That's about right.		
	119:12 Q. Do you remember scanning a pennant?		
	119:13 A. I've scanned lots of pennants.		
	119:14 Q. And is the scanner big enough to fit the pennant 119:15 on it?		
	119:16 A. No, I usually have to do two scans for a 119:17 pennant.		
119:24 - 120:09	Hartvigson, Erik 2022-10-24	00:00:30	EHartvigson-FINA L.48
	119:24 If you have, let's say, a program that you're 119:25 going to scan, I'm assuming you put it on the scanner, 120:01 ERIK HARTVIGSON 120:02 maybe close the lid, press a button; is that correct? 120:03 A. Yeah, that's about right. 120:04 Q. Is there anything you do to make -- make it 120:05 scanned in a certain way? 120:06 A. No, it's just a scan. 120:07 Q. Okay. So are you just trying to get an accurate 120:08 image of the memorabilia? 120:09 A. Yeah.		
120:25 - 121:10	Hartvigson, Erik 2022-10-24	00:00:26	EHartvigson-FINA L.49
	120:25 Q. So, Mr. Hartvigson, just a few additional 121:01 ERIK HARTVIGSON 121:02 questions. I know we looked at the Vintage Brand 121:03 website today. Am I correct to assume that you spend 121:04 time on the Vintage Brand website just as part of your 121:05 normal job? 121:06 A. Yes, I spend time on the website. 121:07 Q. So would you say that you're familiar with the 121:08 website? 121:09 A. Yeah, I would say I'm relatively familiar with 121:10 the website.		

PL Designations	00:15:18
DEF Counter	00:06:20
PL Counter-Counter	00:00:16
TOTAL RUN TIME	00:21:54



Documents linked to video:

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Exhibit B

1 PENN STATE v. VINTAGE BRAND

2 (Proceedings commenced at 10:29 a.m.)

3 THE COURT: We're back on the record now in the
4 matter of the Pennsylvania State University against Vintage
5 Brand, LLC, et. al, docketed in this Court at Civil No.
6 4:21-CV-01091. The jury remains in the jury room because the
7 Court needs to make some rulings on some issues that Counsel
8 have raised with the Court in camera.

9 So let me begin with what I have in front of me,
10 and I think there's some other issues that Counsel want to
11 take up with me, again, based on our conversations, as I said
12 this morning in chambers.

13 First, I find that Counsel may cross-examine Chad
14 Hartvigson in a limited manner regarding other trademark
15 disputes involving Vintage Brand. Specifically, Penn State
16 may ask whether some of the universities on the screenshot in
17 question have requested that Vintage Brand stop using their
18 logos. I will not permit a more specific question or any
19 follow-up questions. To go beyond that question based on what
20 was presented in Mr. Hartvigson's direct examination would, in
21 this Court's mind, present significant Federal Rule of
22 Evidence 403 concerns.

23 Second, although I do not believe it is entirely
24 necessary, I will issue a limiting instruction to the jury
25 regarding Chad Hartvigson's testimony as related to copyright

1 symbols. So I intend to instruct the jury as following when
2 we begin this morning with the jury in the courtroom. This is
3 what I'm going to tell them:

4 Members of the jury, last Friday, you heard Chad
5 Hartvigson testify regarding pieces of memorabilia that
6 contain copyright symbols. Copyright law is not relevant to
7 this case. You may consider that testimony only for the fact
8 that Vintage Brand made efforts not to utilize memorabilia
9 that contained copyright symbols. You may consider it for no
10 other purpose.

11 So any objection to those instructions?
12 Ms. Wheatley?

13 MS. WHEATLEY: No, Your Honor.

14 THE COURT: Mr. Fetters?

15 MR. FETTERS: No objection to the copyright
16 instruction. I would like to make an objection, Your Honor,
17 respectfully with respect to granting the Plaintiff limited
18 permission to inquire as to the other claims and lawsuits.
19 The Defendant's position is that that subject matter has not
20 -- the door has not been opened to that subject matter, which
21 was previously ruled upon in a Motion In Limine. The issue of
22 other products related to other universities and pro teams
23 being available on the Vintage Brand website was first
24 introduced during the opening statement by Plaintiff. It was
25 subsequently introduced with substantive evidence through the

1 testimony of Mr. Howell, a CLC employee, who testified to the
2 effect, summarizing that the look and feel of Vintage Brand's
3 website is similar to the look and feel of officially-licensed
4 websites and therefore contributed to consumer confusion,
5 including among the reasons that both officially-licensed
6 retailers and Vintage Brand-offered products related to other
7 universities that was introduced by the Plaintiff.

8 The -- it came in first through my opening
9 statement and where I used a Plaintiff-marked exhibit, which
10 was a screenshot of the Vintage Brand homepage. It came in
11 without objection by the Plaintiff where I also discussed the
12 fact that the Vintage Brand website offered products related
13 to other universities. And then during Mr. Hartvigson's
14 testimony, I asked him to walk the jury through the layout and
15 general structure of the Vintage Brand homepage using that
16 exhibit which was identified by Plaintiff and introduced
17 without objection.

18 So I showed the jury an exhibit that had been
19 admitted. Mr. Hartvigson explained in general terms that
20 products are organized in clusters related to miscellaneous
21 different universities with sport memorabilia designs, in
22 addition to consumers being able to search for specific
23 designs related to specific universities, and he did not
24 identify any colleges or universities by name.

25 And in addition to the procedural objections of

1 both waiver and that these matters were first introduced by
2 the Plaintiff, we further object because the issue of the
3 shopping experience on the Vintage Brand website, we contend,
4 is a core aspect of the likelihood of confusion analysis for
5 the jury. And so by simply introducing that core aspect of
6 the likelihood of confusion, we do not contend that that
7 opened the door in any way to matters that were previously
8 precluded by Your Honor's Motion In Limine.

9 THE COURT: Very good. The objection's noted.
10 It's overruled. And, Mr. Fetters, as I think you appreciate,
11 while Ms. Wheatley is going to examine on this particular
12 point in a very limited way, it's going to give you an
13 opportunity in a redirect examination to reorient
14 Mr. Hartvigson on that question, again, in a very limited way.
15 You're, of course, as you appreciate, not precluded from doing
16 that.

17 MR. FETTERS: Yes, Your Honor. I understand that.
18 And I have one other procedural matter to raise with the Court
19 that we kind of learned about after meeting with you in
20 chambers. We understand that Plaintiff's intention is to have
21 Mr. Franklyn be present in the courtroom to observe
22 Mr. Hartvigson's testimony, and I understand that by virtue of
23 Your Honor's docket entry 282, pretrial order of
24 sequestration, item No. 9, says witnesses will sequestered
25 pursuant to Federal Rule of Evidence 615.

1 We think it's entirely fair that Mr. Franklyn be
2 allowed to observe Dr. Erdem's testimony because he's been
3 disclosed as providing rebuttal expert opinions in relation to
4 Dr. Erdem, but we do not think that there's any legitimate
5 reason for him to observe Mr. Hartvigson's testimony. The
6 sequestration order would apply to him for that purpose, and
7 we think that it would be unfair that, to the extent he so
8 chooses, he could pick and choose things that he hears from
9 Mr. Hartvigson's cross examination and implement that to the
10 extent he so chooses with respect to his rebuttal opinions as
11 to Dr. Erdem. So we would ask that he be sequestered.

12 THE COURT: So no objection to having Professor
13 Franklyn listen to Professor Erdem's testimony. The objection
14 is to the cross examination or redirect examination of your
15 client, Mr. Hartvigson?

16 MR. FETTERS: That's correct.

17 THE COURT: What's your response? Mr. Finkelson,
18 go ahead.

19 MR. FINKELSON: I'll respond, Your Honor. We
20 didn't read the sequestration order as applying to expert
21 witnesses. It generally does not, in my experience.
22 Mr. Franklyn is here. This is not a big deal for us. He can
23 sit in the courtroom and listen to the testimony. If it's the
24 Court's preference that he sit in our conference room, we have
25 no objection to that either.

1 THE COURT: At least with regard to Mr. Hartvigson.

2 MR. FINKELSON: He'll be here for, yes --

3 THE COURT: For Dr. Erdem, he's welcome to come in.

4 MR. FINKELSON: Thank you.

5 THE COURT: So, Professor Franklyn, if you don't
6 mind, I think if the -- if the courtroom security officers
7 have not opened up one of the conference rooms, I'm going to
8 have them do that for you now, and I'm going to exclude you,
9 at least for the purpose of listening to Mr. Hartvigson's
10 cross examination and redirect examination, and we'll see you
11 again this afternoon. Thank you, sir.

12 MR. FINKELSON: Then, Your Honor. The one other
13 issue --

14 THE COURT: You have another matter you wanted to
15 raise.

16 MR. FINKELSON: -- which I'll get Ms. Wheatley to
17 address in detail. But we would move the Court to exclude the
18 testimony of Dr. Erdem today on the issues of who has the
19 responsibility for quality. It's our understanding that
20 Ms. Erdem intends to introduce that testimony in support of
21 aesthetic functionality opinion, which she did not disclose in
22 her report, admitted in her deposition that she did not have,
23 and she similarly admitted at deposition that her
24 quality-related questions were not part of her likelihood of
25 confusion analysis and are not part of her likelihood of

1 confusion numbers.

2 We obviously have a broader objection in this case
3 which we would raise to the Court to any issues relating to
4 aesthetic functionality, which we do not believe is a defense
5 that is properly in the case or has properly been asserted or
6 framed by -- by the Defendants.

7 Ms. Wheatley, anything to add to that?

8 MS. WHEATLEY: I think that largely covers it. But
9 I think it's important to note on the record, as Mr. Finkelson
10 said, that the quality question Professor Erdem asked was not
11 included in her finding as to net confusion, so she's
12 expressly acknowledged it's not relevant to likelihood of
13 confusion.

14 It appeared to be aimed at the since-excluded
15 commercial impression survey done by Professor Franklyn as to
16 whether the trademark was functioning as an identifier of
17 source. But it's already been agreed that since that survey
18 is out, then that cannot come in. The rebuttal opinion is no
19 longer relevant.

20 And quality, whether individuals have an opinion as
21 to who is responsible for the quality of the product is not
22 relevant to aesthetic functionality, even if aesthetic
23 functionality were properly in the case, which it is not.

24 THE COURT: Mr. McKenna?

25 MR. MCKENNA: Yes. Thank you, Your Honor.

1 Dr. Erdem hasn't been offered as -- hasn't offered opinions
2 about aesthetic functionality. Her question about who is
3 responsible for quality is directly relevant both to the
4 questions of trademark use, as to whether the features on the
5 products are being used to indicate who made the goods and
6 who's responsible for them. Plaintiffs have made -- have had
7 a number of witnesses testify as to quality and responsibility
8 for quality. Her survey question is directly relevant to
9 that. Plus it's directly relevant to likelihood of confusion.
10 One of the questions always has to do with true source
11 confusion.

12 So Dr. Erdem presented her -- the results of her
13 study where she asks a number of different questions. She did
14 ask questions about who put the product out. She also asked
15 questions about business relationship. She also asked a
16 question about whether people believed Penn State was
17 responsible for quality. All of that is reported and
18 disclosed in her report. There's no -- there's never been a
19 suggestion that this is somehow new information. All of it is
20 directly relevant both to the Plaintiff's affirmative burden
21 in proving likelihood of confusion and to the question about
22 -- about trademark use, which we have maintained throughout is
23 -- is a threshold element of infringement and the Plaintiffs
24 have to prove. So we haven't offered it as evidence of
25 aesthetic functionality. It's being offered by Dr. Erdem in

1 exactly that way, and it's been disclosed to them the entire
2 time.

3 THE COURT: And this related to one or two of the
4 slides that I think you were going to display to her?

5 MR. MCKENNA: The slide just has the questions from
6 her -- from her report, Your Honor, that ask, Do you believe
7 -- do you have an opinion as to whether -- or do you -- I
8 can't remember them off the top of my head. But the first
9 question is basically, do you have a view about who is
10 responsible for quality, and the second is do you believe Penn
11 State is -- and or Vintage Brand, as sort of a checklist
12 question. So the things that are on the slides are just
13 literally screenshots from her survey about that. And then a
14 description of her results.

15 THE COURT: Right.

16 MS. WHEATLEY: Your Honor, may I briefly respond?
17 Hearing now that this is going to be offered for the issue of
18 trademark use underscores why this testimony should not be
19 admitted.

20 Dr. Erdem did not offer an opinion on trademark use
21 within her report. It's well outside the scope of her report.
22 The only one to address whether a trademark functions as a
23 function, was Professor Franklyn. That evidence has been
24 excluded. And Dr. Erdem did not purport to offer an opinion
25 on that. So it's highly prejudicial to have this evidence now

1 recast in something that was outside the scope of her report.
2 The fact witness testimony as to quality went to the factual
3 issue of quality of the products and control of quality of the
4 products.

5 It was not related at all, and no fact witness
6 testified, to my knowledge, as to consumer perception as to
7 who controlled the quality of the products. In fact, I
8 believe Your Honor specifically said that fact witnesses could
9 not testify as to consumer perception as to who controlled the
10 quality of the products.

11 So this is not in response to any testimony that
12 came from fact witnesses in this case. So this is highly
13 prejudicial. This quality question is not presented as going
14 to this issue. And it would not go to this issue anyway.
15 It's not a recognized way of testing for trademark use. In
16 fact, I know of no recognized survey for trademark use, which
17 Your Honor recognized in excluding Professor Franklyn's
18 survey.

19 And so we would take the position that this should
20 not be introduced in this way and at this late date.

21 MR. MCKENNA: Just quickly, Your Honor. Dr. Erdem
22 didn't offer anything about her description of those -- those
23 questions about responsibility for quality as any sort of
24 rebuttal to Mr. Franklyn's first survey. She didn't mention
25 that as the reason for doing it. She won't testify to that

1 today.

2 She asked the question because the question of who
3 is responsible for the quality is a central question in every
4 trademark infringement case. It's simply not true that their
5 witnesses haven't testified to that. They testified
6 extensively as to quality control and who guarantees that.
7 Consumer's perception about that question is directly relevant
8 to likelihood of confusion.

9 THE COURT: And you're -- I assume, Mr. McKenna,
10 the scope of your examination of your witness, your expert is
11 pretty limited on that point, isn't it?

12 MR. MCKENNA: It's going to ask her -- if she
13 represents that she tested to see what consumer's views were
14 about who was responsible for quality, I'll ask her how she
15 did that. She'll explain the questions, and I'll ask her what
16 her results were.

17 THE COURT: Yeah. I will allow that. The
18 objection, to the extent that there is an objection, is
19 overruled. Anything else, Counsel, before I bring the jury
20 in?

21 MR. MCKENNA: Not from us, Your Honor.

22 MR. FETTERS: Your Honor, I would just ask -- I see
23 that Counsel's perhaps is going to use an easel with the
24 witness. I would just ask permission to move so that -- at
25 different points -- so I can also see what's being put up

1 there.

2 THE COURT: Right. So -- put the white noise on.

3 (A discussion was held at sidebar off the record.)

4 THE COURT: Box the jury, please.

5 (At 10:45 a.m., the jury entered the courtroom.)

6 THE COURT: Ladies and gentlemen, I hope you had a
7 restful weekend. We continue with this trial today with the
8 Defense case. There were some matters I needed to speak to
9 Counsel about this morning that will actually speed the trial
10 along a little bit. So I know you've been wondering where
11 have we been for the last hour and 15 minutes, well, we've
12 been attending to some, I would describe as some ministerial
13 matters, but will move the case forward, I hope, in a
14 satisfactory fashion.

15 With that said, Mr. Hartvigson, we had completed
16 your direct examination. If you would take the witness stand.
17 Again, you remain under oath. I think there are some
18 questions on cross examination Counsel wish to make.

19 THE WITNESS: Thank you, sir.

20 THE COURT: Ms. Wheatley, go right ahead.

21 MS. WHEATLEY: Thank you, Your Honor.

22 CROSS EXAMINATION

23 BY MS. WHEATLEY:

24 Q. Good morning, Mr. Hartvigson.

25 A. Good morning.

1 Q. I believe you testified that Vintage Brand sells
2 merchandise related to other universities, correct?

3 A. Yes.

4 Q. And your Counsel showed an image of the Vintage Brand
5 website with apparel from seven other universities. Can you
6 put that up, Mr. Burkhart? I believe this was previously
7 published during your direct examination.

8 Mr. Hartvigson, it is the case that two of the
9 universities shown on this screen, Notre Dame and Auburn, have
10 asked you to stop using their trademarks, correct?

11 A. Yes.

12 Q. And you have not stopped using their trademarks, correct?

13 A. Yes.

14 Q. So Penn State is not the only university which has asked
15 you to stop doing what you're doing, correct?

16 A. Yes.

17 Q. All right. Mr. Hartvigson, you know trademarks are
18 important, yes?

19 A. Can you repeat that, please?

20 Q. You know trademarks are important, yes?

21 A. Yes.

22 Q. And Vintage Brand has trademarks?

23 A. Can you try and speak into the speaker. It's really hard
24 to hear you.

25 Q. Vintage Brand has trademarks?

1 A. Yes.

2 Q. Prep Sportswear owns trademarks, too?

3 A. Yes, it does.

4 Q. And if we can pull up the slides from Mr. Finkelson's
5 opening, I just want to point out what those are. So here on
6 this slide, you have the Vintage Brand logo, correct?

7 A. Yes.

8 Q. You also have the Prep Sportswear logo and the Prep
9 Sportswear word mark, correct?

10 A. Yes.

11 Q. And the word marks mean you own those words in any font,
12 correct? That's your name.

13 A. Yes.

14 Q. Okay. And you know that registering trademarks is
15 important, correct?

16 A. Yes.

17 Q. You've personally been involved with registering Vintage
18 Brand and Prep Sportswear's trademarks?

19 A. Yes.

20 Q. And so you know that Prep Sportswear registered its name
21 Prep Sportswear?

22 A. Yes.

23 Q. You have a registration for that. And then it got even
24 more protection by getting a second registration for Prep
25 Sportswear, right?

1 A. What do you mean by a second registration?

2 Q. A second registration certificate for a second trademark
3 registration certificate?

4 A. Yes.

5 Q. Okay. And Prep Sportswear got a third trademark
6 registration certificate for Prep Sportswear, correct?

7 A. That, I'm not sure.

8 Q. Well, you submitted a declaration for a third
9 registration for Prep Sportswear, correct?

10 A. Yeah. If you say so, I'll take your word for it.

11 Q. Okay. And Prep Sportswear also protected the Prep
12 Sportswear logo by getting a separate trademark registration
13 for that?

14 A. Yes.

15 Q. And Prep Sportswear has two additional trademark
16 registrations for the Prep Sportswear logo?

17 A. Yes.

18 Q. And Vintage Brand has a trademark registration for its
19 name and logo?

20 A. Yes.

21 Q. Okay. And Vintage Brand has applied for a second
22 trademark registration, as well?

23 A. Yes.

24 Q. And you personally submitted sworn declaration to support
25 those registrations, correct?

1 A. Yes, I did.

2 Q. And you personally obtained samples showing that you were
3 using your trademarks as a trademark, correct?

4 A. Yes, I did.

5 Q. So you know the Trademark Office examines trademarks?

6 A. Yes.

7 Q. And the Trademark Office decides if they're valid
8 trademarks, correct?

9 A. Yes, they do.

10 Q. So you've spent significant time and money securing your
11 company's trademarks, correct?

12 A. Yes.

13 Q. And you're proud of your trademark the same way Penn
14 State is proud of its trademarks, right?

15 A. Yes.

16 Q. Okay. And you know other companies can own their own
17 trademarks, too?

18 A. Yes.

19 Q. And those trademarks can be just as valuable as your
20 trademarks are?

21 A. Yes.

22 Q. So you know that a professional sports team, like the
23 Steelers, has trademarks, correct?

24 A. Yes.

25 Q. A trademark in the Steelers name?

1 A. Yes.

2 Q. Trademark in the Steelers logo?

3 A. Yes.

4 Q. And the Steelers can put their trademarks on the front of
5 merchandise?

6 A. Yes.

7 Q. And that means the Steelers approve that merchandise,
8 correct?

9 A. That, I do not know.

10 Q. Okay. And you agree that the Steelers can control who
11 uses the Steelers name on merchandise, right?

12 A. I don't know.

13 Q. Okay. And you know that companies have to respect
14 others' trademark rights, correct?

15 A. That, I don't know.

16 Q. You don't know if companies have to respect trademark
17 rights?

18 A. Can you clarify the question?

19 Q. Companies can't use someone else's trademark, correct?

20 A. Correct.

21 Q. And so Vintage Brand's policy is it considers whether an
22 image is a registered trademark before putting it on
23 merchandise, correct?

24 A. Yes.

25 Q. Okay. And Vintage Brand's position is that it will not

1 use registered trademarks, right?

2 A. Yes.

3 Q. So before you ever started selling Penn State products,
4 you performed a trademark search in 2018 to see what
5 trademarks Penn State owned, right?

6 A. Yes, that's correct.

7 Q. Okay. And when you did your trademark search, you
8 searched for the words Penn State?

9 A. Yes, I did.

10 Q. And you looked on the Trademark Office website, right?

11 A. Yes.

12 Q. Okay. And you found that Penn State had registrations
13 for Penn State?

14 A. Yes.

15 Q. Okay. And you found out that those registrations covered
16 apparel?

17 A. Yes.

18 Q. So yes or no, Mr. Hartvigson, based on your own policy
19 that Vintage Brand does not use registered trademarks, you
20 should not have used Penn State on your products, correct?

21 A. We did not.

22 Q. Mr. Hartvigson, this jury has seen many, many products
23 from your company that say Penn State, correct?

24 A. They've seen products that have the words Penn State
25 imbedded in a composite historical image that's in the public

1 domain.

2 MS. WHEATLEY: Your Honor, move to strike public
3 domain. Motion in limine.

4 MR. FETTERS: No objection to that striking. I
5 think if Mr. Hartvigson limits his comments to your personal
6 understanding with respect to public domain.

7 THE COURT: The Motion to strike is granted.

8 Ladies and gentlemen, you're to disregard that
9 answer. I think Counsel will reorient what Mr. Hartvigson is
10 able to testify to. Ms. Wheatley, go right ahead.

11 MS. WHEATLEY: Your Honor, we would ask for a
12 limiting instruction for the jury as to the relevance of
13 public domain.

14 THE COURT: I will provide that but not at this
15 time. I want -- I would like to be able to -- the opportunity
16 to craft an appropriate limiting instruction on that point.
17 My staff will make a note of that accordingly. Thank you.

18 BY MS. WHEATLEY:

19 Q. Mr. Hartvigson, I'm surprised to hear this from you,
20 composite image. This is the first time we've heard that in
21 this trial. Is it your position that it is not all right to
22 use Penn State alone on a t-shirt?

23 A. Yes. We have not used Penn State alone on a t-shirt.

24 Q. So you agree that would be trademark infringement and
25 that would be wrong?

1 A. Well, that's not what I said. I said that we did not use
2 Penn State alone on any item that we've offered.

3 Q. But you agree you would -- that would be trademark
4 infringement?

5 A. I did not agree to that. I said that we did not use Penn
6 State alone on any items.

7 Q. Okay. And you don't use Penn State alone on any items
8 because that would be covered by Penn State's trademark
9 registration, correct?

10 A. That's correct.

11 Q. But what you are telling this jury is that if you add
12 another picture, then it's okay?

13 A. No. We didn't add another picture. We took historical
14 images that Penn State was part of the composite that had
15 multiple graphic elements within that image, and we used
16 those.

17 Q. Let me try and give an illustration so we -- the jury can
18 understand fully what you're saying.

19 So, Mr. Hartvigson, it's your position that you
20 would not stand and copy this? (Indicating)

21 A. That's correct.

22 Q. But add the lion shrine, and it's perfectly okay?

23 A. Well, we didn't add the lion shrine. The pennant that we
24 reproduced, we used the entire composite graphical elements
25 there within that image.

1 Q. So if you copy two trademarks at the same time, the jury
2 should find it's fine. But copying one trademark, that's a
3 bridge too far.

4 A. Well, if you look at the image of the lion, that is not
5 the trademark that Penn State has.

6 Q. Mr. Hartvigson, you didn't answer my question. Two --
7 two trademarks is fine, but one trademark is not. That's the
8 position you're taking here?

9 A. No, that's not the position.

10 Q. So you add another image to a trademark, and it's fine to
11 use. That's the position you're --

12 A. We are not adding anything to images. We're taking
13 images, as we find them, historical images, and we're using
14 the entire composite of that image.

15 Q. So, for example, let's say you found an old magazine --
16 Nike's been around a long time, right?

17 A. Yes.

18 Q. So you found an old magazine that had the Nike swoosh
19 over a picture of a basketball player. You could just print
20 that on a t-shirt, and that's perfectly fine?

21 A. Those aren't the types of images that we're looking for
22 or actually using in our business.

23 Q. But you would say it's fine. It's in an old magazine;
24 it's got the Nike swoosh; but it's got another picture, so
25 it's fine?

1 A. I have no opinion on that.

2 Q. But for Penn State, if you find an old magazine or
3 program and you find the Penn State trademark on top of
4 another image, your position is it is fine, then, to take it
5 and copy it onto a t-shirt?

6 A. I would need to see the image.

7 Q. But that's what you've done, right, Mr. Hartvigson?
8 You've taken images that have Penn State, which is a
9 registered trademark, which you know you're not supposed to
10 use, and you've put them on t-shirts?

11 A. I -- I don't believe that's what we're doing.

12 Q. You've taken images with Penn State, right?

13 A. We do have historical images that the words Penn State
14 are part of the composite graphical image, yes.

15 Q. And you've printed it on a t-shirt.

16 A. Yes.

17 Q. And your defense is that there are other pictures in
18 there?

19 A. It's one picture. A composite, meaning that there's
20 other graphical elements within that image. We're not taking
21 other images and laying them over and making those images from
22 scratch. These are historical images that already existed in
23 the market.

24 Q. So let's look at the Pozniak lion, and you can explain
25 this some more. Can you pull that up, Mr. Burkhart. So this

1 is a product you offered on your website, correct?

2 A. Yes, it is.

3 MS. WHEATLEY: And may I publish to the jury?

4 THE COURT: Any objection?

5 MR. FETTERS: Is this an admitted exhibit?

6 MS. WHEATLEY: Yes. It's part of an admitted
7 exhibit.

8 MR. FETTERS: No objection.

9 THE COURT: Duly admitted again, if it wasn't
10 admitted, and you may publish.

11 MS. WHEATLEY: Thank you, Your Honor.

12 BY MS. WHEATLEY:

13 Q. So, Mr. Hartvigson, in this image -- Simon, are you able
14 to white out the lion basketball and the Pozniak lion. So
15 this is Penn State alone on a mug. Penn State has a
16 registration for Penn State on mugs. You agree, you would not
17 do this?

18 A. That's correct.

19 Q. All right. Mr. Burkhardt, can you move the white box up
20 so we've got the Pozniak lion and Penn State showing? And,
21 Mr. Hartvigson, here (indicating) we've got two Penn State
22 trademarks, Penn State and the Pozniak lion, both registered.
23 Now is this not okay?

24 A. I don't know.

25 Q. Okay. And let's show the word basketball and the lion.

1 But now you want the jury to find that this is not
2 infringement?

3 A. That's -- that's not what I said.

4 Q. Do you consider this to be infringement?

5 A. No, I do not.

6 Q. Okay. So you're asking the jury to find that because a
7 lion and basketball have been added to two Penn State
8 trademarks --

9 A. No.

10 Q. -- this is not infringement?

11 A. I believe that's being taken out of context. On our
12 website, if this was being sold, it would have Vintage Brand
13 on the page and it would say that the product is made by
14 Vintage Brand, and it would fully disclose that this is not
15 being made by Penn State, not approved by Penn State, not
16 licensed by Penn State, and that the product is coming from
17 Vintage Brand.

18 Q. Mr. Hartvigson, you really didn't answer my question.
19 You want the jury to find that because you added a lion and
20 basketball, this is not infringement?

21 A. I would like the jury to find that this is not
22 infringement based on the fact that this is being sold by
23 Vintage Brand, made by Vintage Brand, and fully disclosed four
24 different spots on a page that it has nothing to do with Penn
25 State.

1 Q. Mr. Hartvigson, your mugs don't say Vintage Brand on
2 them, correct?

3 A. The ceramic mug does not.

4 Q. So just so we're clear on your position, when you add
5 images to trademarks, you want this jury to find it's a
6 get-out-of-jail-free card for trademark infringement?

7 A. We are not adding images to trademarks. We are taking
8 historical composite graphics and reproducing those on items.

9 Q. Now I'd like to talk a little bit about the distinction
10 between Sportswear and Vintage Brand.

11 I believe you testified that for Sportswear, you
12 invented a whole new manufacturing process that let you print
13 t-shirts for less than \$6 a shirt.

14 A. That's correct.

15 Q. And you used existing banner technology and you figured
16 out how to apply that to fabric t-shirts.

17 A. Yes.

18 Q. And that's truly impressive. But Vintage Brand uses an
19 entirely separate and different printing process for
20 sportswear, correct?

21 A. That is correct.

22 Q. And Vintage Brand is a very different kind of company
23 from Prep Sportswear, fair to say?

24 A. Yes.

25 Q. So during the period that Vintage Brand sold Penn State

1 products, it had no employees, right?

2 A. That is correct.

3 Q. No physical office?

4 A. We did have a physical office, yes.

5 Q. Mr. Hartvigson, I believe you've answered this question
6 before. Vintage Brand, during the period it manufactured --
7 or it sold the Penn State products had no physical office,
8 correct?

9 A. Well, we're required to have a physical place of
10 business, which we had registered with the State of
11 Washington.

12 Q. But that was a home address?

13 A. Yes.

14 Q. And that was not where employees -- there were no
15 employees. But that was not where the founders worked out of,
16 correct?

17 A. That's correct.

18 Q. And you had no phone number?

19 A. No.

20 Q. And you paid no salaries to anyone?

21 A. No.

22 Q. You did no advertising?

23 A. We did do advertising, yes.

24 Q. You did Google advertising, correct?

25 A. That's correct.

1 Q. But that was it?

2 A. Yes.

3 Q. No other marketing?

4 A. Well, no, I mean, it's been detailed. You know, we did
5 come to Beaver Stadium, and we handed out 2000 Vintage
6 Brand-branded koozies to fans at Beaver Stadium for free. We
7 did other things like that in other places. We also donated
8 different things to alumni clubs and things that have asked us
9 for items to give away.

10 So there's other ways that we were out there in the
11 marketplace.

12 Q. You didn't donate items for the Penn State Alumni Club,
13 correct?

14 A. No, we did not.

15 Q. I believe you ignored that inquiry?

16 A. No. We did, I believe, respond initially to that. But
17 it was after this Complaint was filed, and the website was no
18 longer up. And so we chose that that probably wasn't a good
19 communication to continue that.

20 Q. We'll get into that in a minute, but -- so it's your
21 testimony the Penn State Alumni Club e-mailed you, despite
22 seeing nothing to do with Penn State on your website?

23 A. I don't know why they e-mailed us, other than what I've
24 heard in this case.

25 Q. But Vintage Brand has spent millions of dollars on ads on

1 Google?

2 A. Yeah.

3 Q. Over \$4 million, right?

4 A. Yes.

5 Q. And Vintage Brand generates most of its traffic through
6 Google?

7 A. Not most.

8 Q. I believe we heard Ms. Young testify that most of your
9 traffic came through Google?

10 A. Yes. I believe that was a couple of years ago, that
11 testimony.

12 Q. So during the period relevant to this case?

13 A. Yes, that's correct.

14 Q. And fair to say, when people are searching Google for
15 Vintage Brand, and then they add a university name and a type
16 of merchandise, your website often pops up?

17 A. Yeah. Our website will pop up alongside other websites.

18 Q. And when something is branded, it means it has a
19 trademark on it, correct?

20 A. Would you -- could you expand on that question?

21 Q. Mr. Hartvigson, yesterday you testified -- or on Friday,
22 you testified that your wrapping paper was Vintage
23 Brand-branded?

24 A. That's correct.

25 Q. By that, you meant it had the Vintage Brand brand on it,

1 right?

2 A. Yes. It has the logo and the name, and some of the
3 slogans for the company.

4 Q. So your name, Vintage Brand, means you sell vintage
5 brands.

6 A. We don't sell vintage brands. The name of the company is
7 Vintage Brand, and what we're selling are historical images.

8 Q. But people -- people aren't Googling vintage historical
9 images, are they?

10 A. I'm sure they are.

11 Q. Do you have any evidence to support that?

12 A. No, not with me.

13 Q. I'd also like to discuss how you got from founding
14 Sportswear to founding Vintage Brand. I think you said Prep
15 Sportswear started out selling high school sports and club
16 merchandise?

17 A. Yes.

18 Q. And then later on, Sportswear got in to selling college
19 merchandise?

20 A. Yes.

21 Q. Sportswear started with some small colleges?

22 A. Yes.

23 Q. And then Sportswear signed a standard license with CLC?

24 A. Yes.

25 Q. And you testified on Friday that that license with CLC

1 end in and around 2020?

2 A. Yes.

3 Q. But you didn't testify about what caused the end of the
4 license between Sportswear and CLC, right?

5 A. Correct.

6 Q. And back in 2016 --

7 MR. FETTERS: Objection, Your Honor. Beyond the
8 scope. She just established that what the witness didn't
9 testify to was the circumstances surrounding the termination
10 of that relationship. In fact, when we were going to raise
11 that, there was an objection on an MIL ground that precluded
12 that. So to the extent she -- that Counsel is intending to
13 engage further in that topic, we would object for those
14 reasons.

15 MS. WHEATLEY: Mr. Hartvigson testified extensively
16 as to his knowledge of CLC and the time line of that
17 relationship. I think I am entitled to explore the fact that
18 it ended and why, particularly since he did testify that it
19 did end.

20 MR. FETTERS: It's limited to the date in which it
21 ended. And if -- the reason it was limited in that way was
22 because of the objection that was sustained. And so if you
23 establish with the witness as a prerequisite to this topic did
24 you discuss the circumstances in which that relationship
25 ended, he quite could have said no. It's beyond the scope of

1 direct.

2 MS. WHEATLEY: There has never been an objection
3 sustained with respect to why the relationship with CLC ended.

4 THE COURT: Well, I'd note the objection. I'm
5 going to sustain the objection. I think if you can move on
6 with some other lines of inquiry with this witness, please.

7 BY MS. WHEATLEY:

8 Q. Well, as of 2016, you understood that CLC had told you
9 they would not --

10 MR. FETTERS: Objection, Your Honor. She's getting
11 into the very substance of what I just objected to.

12 THE COURT: Well, hold on. Why don't you get your
13 question out there, and then I have a better sense of where
14 we're going with it.

15 BY MS. WHEATLEY:

16 Q. As of 2016, CLC had told you unless you changed certain
17 things, that they would not renew your license, correct?

18 MR. FETTERS: Objection, Your Honor. She's now
19 just testified to the subject matter of which I objected to a
20 moment ago.

21 MS. WHEATLEY: I do not understand in any way to be
22 objectionable to establish the time line of when
23 Mr. Hartvigson knew that his license to use University
24 trademarks was likely to not be renewed.

25 THE COURT: Is this the extent of this examination

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1 of this witness on that topic?

2 MS. WHEATLEY: On the topic of why the license was
3 not renewed? Absolutely.

4 THE COURT: The objection overruled. You may ask
5 that question. Why don't you ask the question for the witness
6 again, please.

7 BY MS. WHEATLEY:

8 Q. So as of 2016, Mr. Hartvigson, you knew that CLC had
9 threatened not to renew your license to use University
10 trademarks because of conduct by your company that they
11 disagreed with, correct?

12 A. Yeah. The conduct was they came -- performed an audit on
13 the company, and we were entirely open and let them audit the
14 company. And when the auditors came, they decided they wanted
15 to have all the data from our K through 12 market, the
16 schools. And so we let them audit all of the colleges that we
17 had license for through CLC, and it was 102 colleges. And we
18 were fully open to everything they wanted to look at.

19 And we knew that LRG, who was a much smaller
20 competitor, was trying to establish at that point in time a
21 licensing for the high school market, despite the fact that we
22 had already been in that market for, at that time, about 13
23 years. And when they asked for all of the K through 12 sales
24 data, we figured out that they were evaluating whether or not
25 they could start a K through 12 licensing market and try and

1 come back and make us pay a license in to things that they
2 were -- that weren't requiring a license.

3 So we told them, here, you can look at all the
4 college stuff, but we're not going to allow you to look at the
5 K through 12. So then they did. They threatened me. They
6 threatened me and told me if I didn't give them the K through
7 12 sales data, which they had no right to, that they would
8 nonrenew my license at the end of the year, because the CLC
9 license is renewable every single year. So they can do that
10 to you.

11 So we said no. I wasn't going to let them take
12 that sales data from the company. And what did they do? They
13 nonrenewed my license. And so we lost the license. So you're
14 right.

15 Q. Can we pull up the Learfield letter. In fact, what
16 Learfield told you, which was their -- the predecessor to CLC
17 was Prep's unauthorized use of our client's institution's
18 trademarks constitutes trademark infringement and it violates
19 our client institutions trademark rights and federal and state
20 law. That's what they told you, correct?

21 A. You have this wrong. Let me play this out for you. So
22 this is Learfield. This 2016. Okay. This a separate
23 agreement with LRG and Learfield.

24 CLC, their firm ING announced their merger in 2018.
25 This is dated 2016, if you notice at the top. And then they

1 rebranded the merger as CLC, and that started -- the
2 Department of Justice approved that on December --

3 MS. WHEATLEY: Your Honor, Motion to strike. The
4 witness is purposefully violating the Motion In Limine, which
5 is he well aware of.

6 MR. FETTERS: Your Honor, I mean I've objected to
7 this whole line of inquiry to begin with, in part, because of
8 the anti-trust Motion In Limine that was sustained during
9 direct. Counsel is insisting --

10 MS. WHEATLEY: Your Honor, may we have a sidebar?
11 He seems to be attempting to --

12 THE COURT: Well, I don't think we need to have a
13 sidebar, but I think, having opened the door, Mr. Hartvigson's
14 answering the question. You might want to -- having given out
15 the answer, you might want to move on to another line of
16 inquiry. So the objection is -- the objection is sustained.
17 Go ahead.

18 BY MS. WHEATLEY:

19 Q. Well, Mr. Hartvigson, you admit Learfield changed its
20 name to CLC?

21 A. Learfield and ING merged, and in 2019, they rebranded it
22 back to the original CLC name, that is correct.

23 Q. Thank you. And so in 2016, you knew that license was
24 likely not to be renewed?

25 A. That's not true.

1 Q. Well, they sent you a letter saying that it was likely to
2 not be renewed, correct?

3 A. They sent us a letter, and we were working with our
4 Counsel and their Counsel to expand on some of the areas --
5 they were adding schools to their license, and they would like
6 us to add those schools is what that correspondence was about.

7 Q. Well I believe they accused you of trademark
8 infringement, correct?

9 A. I don't believe so.

10 Q. Okay. Well, I just read it to you. So they did,
11 correct?

12 A. I don't think that's the case.

13 Q. Okay. But -- so after you received that letter, in 2017,
14 you came up with the idea to start Vintage Brand, correct?

15 A. Yes.

16 Q. Okay. And the plan was Vintage Brand would offer
17 vintage-style products related to colleges and universities?

18 A. The idea was to create a new --

19 Q. Mr. Hartvigson, I really would like you to answer my
20 questions that are a yes or no with a yes or no. You were
21 able to say whatever you wanted yesterday with your Counsel.
22 I would just appreciate it if you could just answer the
23 question.

24 A. I will answer your questions.

25 THE COURT: Why don't you ask that question again,

1 with that admonition.

2 BY MS. WHEATLEY:

3 Q. The plan was Vintage Brand would offer vintage-style
4 products related to colleges and universities?

5 A. Yes.

6 Q. And Vintage Brand would not secure license from anyone,
7 correct?

8 A. That's correct.

9 Q. And Vintage Brand, when it was set up, it was pretty much
10 only a website, correct?

11 A. Only a website. Can you give a little more definition
12 beyond that?

13 Q. Had no manufacturing capabilities, correct?

14 A. That's correct.

15 Q. Did not provide any customer service?

16 A. That's correct.

17 Q. Had no employees?

18 A. Correct. We had the three cofounders.

19 Q. Just a website.

20 A. Yeah. Just a website.

21 Q. And so by the time Sportswear's license with CLC ended in
22 2020, Vintage Brand was up and running, right?

23 A. Yes.

24 Q. And so you had found a way to continue making money off
25 of universities after the license ended, correct?

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1 A. I don't think that's what we were doing, but --

2 Q. But you -- you continued to sell university-related
3 products on Vintage Brand after Sportswear's license ended?

4 A. Yes.

5 Q. So you've mentioned this idea of historical collectables
6 and historical images several times. And it's your position,
7 right, that all Penn State-related images are on a collectable
8 either owned or borrowed by Vintage Brand?

9 A. Yes.

10 Q. And I believe you testified yesterday you have criteria;
11 you have a policy related to which collectables you will use
12 to pull an image from and print on a piece of apparel or
13 merchandise?

14 A. Yes.

15 Q. And so I've got your policy up here. You tell me if it's
16 accurate.

17 THE COURT: Ms. Wheatley, are you going to leave
18 that board where it is? What are you looking for, Mr. Fetter?

19 MR. FETTERS: I just want to see what's on it.

20 THE COURT: Yeah. Can the jury see it if you tip
21 it over? Why don't you bring it over, not really where
22 Mr. Finkelson is, but in that -- actually, I can't read it
23 either. That's fine. Thank you.

24 MR. FETTERS: Maybe if I just look at it real
25 quick. Okay. Thanks.

1 THE COURT: That's fine. Thank you. Go right
2 ahead.

3 BY MS. WHEATLEY:

4 Q. So is what's up there your policy for how a -- a
5 collectable can be used to create Penn State merchandise?

6 A. That was my criteria.

7 Q. Okay. And the first criteria is that it has to appear on
8 memorabilia from before 1989, right?

9 A. That is correct.

10 Q. Okay. And a lot of testimony you gave on Friday was
11 about this historical memorabilia and the importance of
12 history to you, correct?

13 A. Yes.

14 Q. You told the jury about the historical dating process you
15 go through?

16 A. Yes.

17 Q. And you told this jury you go to shows for collectors?

18 A. Yes.

19 Q. You develop relationships with dealers?

20 A. Yes.

21 Q. You talk with experts?

22 A. Yes.

23 Q. I believe you said you use online sources like Sports
24 Logos dot net?

25 A. Correct.

1 Q. So you research these things?

2 A. Yes.

3 Q. And can we pull up Mr. Fetters' slide from his opening
4 statement showing some of his memorabilia.

5 So Mr. Fetters showed this in his opening statement
6 and called it historical memorabilia, correct?

7 A. Yes.

8 Q. And then you went through these actual items with the
9 jury on Friday.

10 A. Yes.

11 Q. Okay. And this one, Defendant's 218, the little growling
12 kitten in the corner, I believe you testified that that was
13 from the early 50s, somewhere between 1950 and 1954?

14 A. Yes, I believe so.

15 Q. And you know this because you've done the research and
16 you've consulted experts?

17 A. Yes.

18 Q. Mr. Burkhardt, can you pull up the registration for
19 Envision? Mr. Hartvigson, do you see this trademark
20 registration for Envision?

21 A. Yes.

22 Q. It's owned by 3M Company, correct?

23 A. Yes.

24 Q. It was first used in 2012?

25 A. Yes.

1 Q. Can you pull out the kitten memorabilia? I think you
2 have it up there with you, the decal, Defendant's 218.

3 A. Yes.

4 Q. Okay. And can you pull it out and show the jury the back
5 of it?

6 A. (The witness complies.).

7 Q. It says 3M Envision, correct?

8 A. Yes.

9 Q. You can put that up on the screen. So this is not
10 historic. It's not old. Envision didn't exist until 2012,
11 right?

12 MR. FETTERS: Objection, Your Honor. Lack of
13 personal knowledge as to Envision.

14 THE COURT: No. The objection's -- it's noted.
15 It's overruled. Go ahead, Ms. Wheatley.

16 THE WITNESS: So 3M makes the printable material
17 that this is printed on. Okay. So the backing there, that's
18 the material that the graphic has actually been printed on.
19 It has nothing to do with the graphic.

20 BY MS. WHEATLEY:

21 Q. I want to make sure I understand your testimony. You sat
22 up here, you showed these items to this jury. Your Counsel
23 called them historic. You told these very moving stories
24 about these collectors who had collected these items and you
25 said they're rare and old, right?

1 A. That's correct.

2 Q. This is not rare and old, correct?

3 A. No. So this has been -- this image has been reproduced
4 onto paper. The 3M has a patent or a trademark, it probably
5 has a patent, too, on the material. That's an adhesive that
6 they're printing on. That's the material that somebody has
7 taken that historic image and printed it onto. So you have
8 two separate things here.

9 Q. Mr. Hartvigson, you never once yesterday said the word
10 reproduction, did you?

11 A. I can't remember.

12 Q. You presented those to this jury as historic memorabilia.

13 A. This is historic memorabilia. That's an image from, we
14 believe, the early 1950s.

15 Q. Mr. Hartvigson, this was printed sometime after 2012,
16 right?

17 A. Yes, onto this paper.

18 Q. So someone else printed that -- this, in that time
19 period, correct?

20 A. Somebody has reproduced that 1950s image onto
21 newly-created materials to create this -- this sticker.

22 Q. So you didn't discover this historic item. This was
23 around and being sold. It's how you got it.

24 A. Yes. We did purchase it. That's correct.

25 Q. So you took a new sticker and you copied it on to a piece

1 of merchandise?

2 A. No. We took a historic image that somebody else enhanced
3 and reprinted, and we used that historic image.

4 Q. So your story is now not that you find actual historic
5 items, real game tickets, real buttons, things from the past
6 that have been collected that you curate; your story is now
7 that you find new stickers, and if you believe the image is
8 old, you think it's fine to print on a t-shirt?

9 A. No, that's not my story.

10 Q. This is not an old item, is it, Mr. Hartvigson?

11 A. This is -- this right here is not an old item; it's an
12 old image.

13 Q. That's not what you told the jury, is it?

14 A. There's plenty of other items up here. They're all
15 originals. You can see them by looking at them, touching
16 them. So I think you're wrong.

17 Q. Mr. Hartvigson, you had every opportunity to come clean
18 yesterday, right?

19 MR. FETTERS: Objection, Your Honor.

20 Argumentative.

21 THE COURT: No. You can ask the question, for what
22 it's worth.

23 BY MS. WHEATLEY:

24 Q. You could have told this jury these are not old items
25 when your Counsel had called them historic, correct?

1 A. They are historic. They are old items.

2 Q. Not this one, right?

3 A. No, not this individual one. That's correct.

4 Q. You could have -- when you saw your Counsel put that on
5 an opening slide, you should have -- you could have said we
6 can't put that up there. That's not actually historic, right?

7 A. No, I don't believe so.

8 Q. Okay. And that's one that you have, in fact, printed on
9 items, correct? You showed the posters yesterday to the jury?

10 A. That's correct.

11 Q. And that one says Penn State, correct?

12 A. Penn State is part of the composite of that historical
13 image, yes.

14 Q. The composite image that appears on a sticker from the
15 last 10 years?

16 A. Yes.

17 Q. So you don't really follow criteria number one all that
18 carefully, right?

19 A. That's not correct. That's a historical image from the
20 1950s, so it meets the criteria right there. It's pre-1989.

21 Q. Mr. Hartvigson, I asked you if these were your criteria.
22 Your Counsel looked at them. Memorabilia from before 1985 --
23 89. And your story about collectors. That was the point,
24 right, that these are real items?

25 A. That's correct.

1 Q. That one's not a real item?

2 A. There's 25,000 items in the collection. We've seen a lot
3 of them. And they are original items.

4 Q. 25,000 items, you couldn't really spend much time on your
5 historical dating process for each one, right, Mr. Hartvigson?

6 A. We did our best.

7 Q. Now, your second criteria, is that there's no copyright
8 symbol on any image, right?

9 A. Correct.

10 Q. And you understand, because you've been here the whole
11 time, that copyright is not a defense to trademark
12 infringement, right?

13 A. Yes.

14 Q. But that's your criteria, and you said, in your
15 testimony, that you make sure that every single image does not
16 contain a copyright notice, right?

17 A. Yes.

18 Q. Can we pull up, Mr. Fetter's slide with the buttons from
19 yesterday and show a close-up of Defendant's 203.

20 BY MS. WHEATLEY: Can we publish this to the jury?

21 THE COURT: Yes. You may publish.

22 BY MS. WHEATLEY:

23 Q. So Mr. Hartvigson, that's a copyright notice next to the
24 Pozniak lion, correct?

25 A. That's correct.

1 Q. The initials RNP stand for Mr. Pozniak, right?

2 A. I'll take your word for that.

3 Q. But you heard testimony that he came up with this and he
4 gave it to the University, right?

5 A. I did.

6 Q. And you used the Pozniak lion on merchandise, correct?

7 A. We did not use this image.

8 Q. But you used that design on merchandise, correct?

9 A. Not this design, but we did use the Pozniak lion.

10 Q. So it's your policy, then, that the same image appears on
11 multiple items. If you can find one that lacks a copyright,
12 then it's fine to use?

13 A. That's not what we were doing. This image here never
14 made it to the website because of that copyright notice that
15 was on the button. So it was thrown aside. And then through
16 discovery, when you asked for everything that we owned that
17 was related to Penn State, we provided that button.

18 Q. So, Mr. Hartvigson, it's your testimony that if you had
19 put Penn State, the Pozniak lion, and Nittany Lions on
20 something, that would have violated your policy, but Penn
21 State basketball plus the Pozniak lion is just fine?

22 A. No. Number two there reads must not have a copyright
23 symbol. So if something had a copyright symbol on the
24 article, which this button does, we would discard that.

25 Q. Okay. So you're making very fine distinctions, correct?

1 A. We're looking at every individual piece, sports
2 collectables that we receive and going through each individual
3 one.

4 Q. So you just sort through, and if you find one that you
5 think slips under, meets your criteria, then you can use it,
6 despite how many times you see that it has a trademark or a
7 copyright notice; is that fair to say?

8 A. The copyright notice goes with the individual item. If
9 something has a copyright on it, we discard that one.

10 Q. So you knew the Pozniak lion was used with a copyright
11 notice?

12 A. We saw it on -- on this button, yes.

13 Q. But you used it anyway.

14 A. I just -- I think I just answered that. We did not use
15 this button or this design here.

16 Q. You used the Pozniak lion anyway?

17 A. We used the Pozniak lion, yes.

18 Q. Let's talk about your third criteria. Your third policy
19 is that the image is not currently being used with educational
20 services or athletic teams by the college from which the
21 memorabilia originated, right?

22 A. Correct.

23 Q. You know that Penn State is used with education, correct?

24 A. Correct.

25 Q. It's the name of the whole university.

1 A. Is that a question?

2 Q. Yes.

3 A. Yes.

4 Q. And you know that the Penn State Nittany Lions are a
5 football team, right?

6 A. Yes.

7 Q. Can we pull up a photograph of James Franklin. So this
8 is a photograph of the coach of the football team. He's got
9 Penn State on, so we know that Penn State is used with
10 athletics, correct?

11 A. Yes.

12 Q. Okay. And you know that the Pennsylvania State
13 University is also used with education, correct?

14 A. Yes.

15 Q. Okay. And you know that the University seal trademark
16 appears on diplomas, correct?

17 A. Yes.

18 Q. Okay. So you know the University seal trademark is used
19 with education, too?

20 A. Yes.

21 Q. And you're sitting right there when Ms. Petulla testified
22 that the S lion is used with athletics, correct?

23 A. I'm not so sure about that.

24 Q. You don't recall hearing that from Ms. Petulla?

25 A. No.

1 Q. Can we pull up a picture of Michael Shrewsbury.

2 Here's Penn State's basketball coach wearing the S
3 lion on his shirt.

4 MS. WHEATLEY: May I publish this to the jury?

5 THE COURT: Any objection?

6 MR. FETTERS: Lack of foundation. When was this
7 photo taken. Lack of personal knowledge.

8 BY MS. WHEATLEY:

9 Q. Mr. Hartvigson, do you know who Michael Shrewsbury is?

10 A. No.

11 Q. But judging by this photograph, if he's a basketball
12 coach wearing the S lion, do you agree the S lion is used with
13 athletics?

14 A. I was going to raise the same question of, you know, what
15 year is this image?

16 Q. Does it matter?

17 A. It does.

18 Q. Why?

19 A. Because we did an extensive search for that being used in
20 the marketplace in early 2018, and we were unable to find
21 anybody using it.

22 Q. So it's your testimony that you did an extensive search
23 of the marketplace for Penn State using its trademarks in
24 2018?

25 A. The S lion image, in particular.

1 Q. So you saw that the S lion appeared on merchandise then?

2 A. No, that's what I just said. We could not find anything
3 in 2018, early 2018.

4 Q. But you heard Mr. Howell testify it was being sold in
5 2011. You heard Ms. Gummo. You heard Ms. Petulla. It was
6 used very extensively you now know, correct?

7 A. I heard them say that, yes.

8 Q. You also heard Ms. Esposito testify that the lion shrine
9 appears on every single Penn State campus, correct?

10 A. Yes.

11 Q. So the lion shrine is also used with education?

12 A. Yes.

13 Q. So none of the Penn State trademarks you used meet your
14 criteria, correct?

15 A. Yes.

16 Q. So let's talk about unique. Mr. Hartvigson, a lot of
17 your memorabilia is game programs; is that correct?

18 A. A portion of it.

19 Q. You brought a number of them to this trial?

20 A. Yes.

21 Q. Have you ever read them?

22 A. I've read through some of them.

23 Q. Let's look inside a few now. I think these are several
24 that were shown in your Counsel's opening.

25 MS. WHEATLEY: Permission to approach, Your Honor?

1 THE COURT: You may.

2 BY MS. WHEATLEY:

3 Q. Could you turn to page 18 of this piece of memorabilia.
4 This is a program from November 11th, 1967; is that correct?

5 A. Yeah. It's from 1967.

6 Q. Could you turn to page 18, please.

7 A. (The witness complies.) Okay. Page 18.

8 Q. Okay. Could you show the jury the image there, and could
9 we put that on the screen for the jury?

10 COURTROOM DEPUTY: Is this marked as an exhibit?

11 MS. WHEATLEY: It is. It's Defendant's 166. It's
12 the inside.

13 BY MS. WHEATLEY:

14 Q. So, Mr. Hartvigson, this indicates that lion shrine
15 apparel has been being sold since 1967, correct?

16 MR. FETTERS: Objection. Hearsay.

17 THE WITNESS: I don't know what you're looking at.

18 THE COURT: Hold on. I've got to rule on the
19 objection. Do you want to respond to that hearsay objection?

20 MS. WHEATLEY: Your Honor, it's -- we're not using
21 this for the truth of the matter asserted. This is an example
22 of advertising in a document the Defendants have already
23 authenticated. And so the image itself is the purpose for
24 which it is being reviewed, the fact that he was on notice.

25 THE COURT: I note the objection. Overrule it.

1 You may proceed.

2 BY MS. WHEATLEY:

3 Q. So, Mr. Hartvigson, do you see a tie?

4 A. A tie, yes.

5 Q. The authentic Nittany Lion tie?

6 A. Yes. That's what it says.

7 Q. It's got little lion shrines on it?

8 A. Yes.

9 Q. So if you looked inside your memorabilia, you would have
10 known that Penn State has been selling lion shrine merchandise
11 since 1967?

12 A. Is there a question?

13 Q. Yes. So if you had looked inside your own memorabilia,
14 you would have known that Penn State has been selling lion
15 shrine merchandise in since 1967?

16 A. I guess if I would have read all these ads, yes.

17 Q. So the lion shrine memorabilia is not -- on merchandise
18 is not unique, correct?

19 A. Well, images that we're finding are unique. It's not
20 saying the lion shrine is.

21 Q. But, in fact, the lion shrine is very, very commonly used
22 on Penn State merchandise, and it has been commonly used for
23 70 years or so?

24 A. Oh, yeah, I'll take your word for that.

25 MS. WHEATLEY: Your Honor, may I approach?

1 THE COURT: You may.

2 BY MS. WHEATLEY:

3 Q. This is a piece of your memorabilia program from October
4 26th, 1985, correct?

5 A. 1986, yes.

6 Q. And this is another one that your Counsel showed in
7 opening?

8 A. Yes.

9 Q. Okay. And can you turn to page 33. Actually, I
10 apologize, Mr. Hartvigson.

11 A. This one's backwards.

12 Q. Yeah. Defendant's 148.

13 MS. WHEATLEY: May I approach, Your Honor?

14 THE COURT: You may.

15 BY MS. WHEATLEY:

16 Q. Here you go. All right. Can you show the jury page 33?

17 A. (The witness complies)

18 Q. So this is an add for Lions Pride, correct?

19 A. Yes.

20 Q. So it's in your memorabilia.

21 A. Yes.

22 Q. You know now that Lions Pride is a local retailer of Penn
23 State products.

24 A. Yes.

25 Q. It shows they were selling seal merchandise 40 years ago,

1 correct?

2 A. Yes.

3 Q. Mr. Burkhart, could you put that on the screen so the
4 jury can see it more clearly. All right.

5 Could you also turn to page 39. Could you show
6 that to the jury when you get there.

7 A. (The witness complies.)

8 Q. Mr. Burkhart, could you put that image on the screen.

9 MS. WHEATLEY: May we publish to the jury? I
10 believe this one is admitted, as well.

11 COURTROOM DEPUTY: It's already on the screen.

12 THE COURT: I think it previously had been
13 admitted, too?

14 COURTROOM DEPUTY: Yes.

15 THE COURT: You may publish.

16 BY MS. WHEATLEY:

17 Q. Mr. Hartvigson, do you see here that Penn State
18 memorabilia was being sold 40 years ago by the Penn State book
19 store?

20 A. Yes.

21 Q. All right. Do you see that the lion shrine logo and the
22 seal also appear on this merchandise?

23 A. Yes.

24 Q. And you're aware that the Penn State book store is still
25 around, still selling similar items?

1 A. Yes.

2 Q. Could you go to page 93. Do you see the
3 officially-licensed lion shrine design that was being
4 advertised there?

5 A. Yeah. It looks like a trophy.

6 Q. So you know that the lion shrine was being advertised as
7 officially-licensed back in the 1908's in your own
8 memorabilia?

9 A. Can you repeat that question, please?

10 Q. You know that the lion shrine was being advertised as
11 officially-licensed in the 1980s in your own memorabilia?

12 A. Yes. You've just shown that.

13 Q. Did this give you any pause about using images of the
14 lion shrine?

15 A. I did not go through all the game programs that we have
16 in our collection and read all the pages. We were interested
17 in imagery on the covers of the publication.

18 Q. Did you actually sell any items with that image on the
19 cover?

20 A. No.

21 Q. Could you also look at page 53. Can we put that on the
22 screen. Thank you, Mr. Burkhart.

23 So this one's the student book store. Do you see
24 that, and also more Penn State and University seal
25 merchandise?

1 A. Yes.

2 Q. With notes, A portion of all sales goes to Penn State
3 University?

4 A. Yes.

5 Q. So if you looked inside these, you would have known that
6 local businesses have been selling Penn State-branded
7 merchandise for many decades, correct?

8 A. Yes.

9 Q. Okay. And you would have been able to tell that they had
10 been doing it with permission, correct?

11 A. I don't think that I saw in there that it said with
12 permission, but I'll take your word for it.

13 Q. Well you noted that some of them said
14 officially-licensed; some said authentic?

15 A. Yes.

16 Q. And you heard testimony today that these -- these same
17 companies are authorized by Penn State?

18 A. Yes.

19 Q. So the same images that you used on your merchandise are
20 widely available and have been for a long time, correct?

21 A. Not the same images that we're using. Composites that
22 are within those images.

23 Q. The trademarks in those images.

24 A. Correct.

25 Q. So unique should come off the list too, correct?

1 A. No. I believe what we're selling is very unique.

2 Q. I'd like to talk about ownership a bit. Can we pull up
3 the stipulated facts.

4 Mr. Hartvigson, it's your position in this case
5 that Penn State does not own these images, correct?

6 A. Correct.

7 Q. And I believe you testified many of the images you use
8 are on tickets?

9 A. Yes.

10 Q. And you heard Ms. Esposito testify that Penn State
11 tickets were made by the Penn State campus print shop,
12 correct?

13 A. Yes, I heard her testify to that.

14 Q. Okay. So Penn State created the ticket images, correct?

15 A. I'm not sure about the ones that we have, but.

16 Q. Plaintiff's 293, do you recognize this design,
17 Mr. Hartvigson? Oh, well, I'll --

18 A. Yes.

19 MS. WHEATLEY: Has this one been admitted? Sorry.

20 COURTROOM DEPUTY: Yes.

21 BY MS. WHEATLEY:

22 Q. So you recognize this design, Mr. Hartvigson?

23 A. Yes.

24 Q. And you heard Ms. Esposito testify that this image comes
25 from a ticket?

1 A. That's correct.

2 Q. And you agree with that?

3 A. I do.

4 Q. Okay. And so you know Penn State created this image in
5 the first place?

6 A. I'm not sure about that, but that ticket happens to be
7 from 1929.

8 Q. And do you have any reason to doubt Ms. Esposito's
9 testimony that in 1929, Penn State created its own tickets?

10 A. No, I don't.

11 Q. So, Mr. Hartvigson, you know that Penn State was highly
12 likely to have created the images that are on the tickets in
13 your collection, right?

14 A. I don't know that.

15 Q. Well, you -- you've done historical research. So you
16 could have found this out?

17 A. Well, yes, we have done historical research. And those
18 tickets, the ones that we have, do not say anywhere on there
19 that they were created by Penn State.

20 Q. Okay. But fair to say if they don't say anything on
21 there, you don't know who created it?

22 A. That's correct.

23 Q. Then can we pull up the TTA declaration?

24 COURTROOM DEPUTY: What's it marked as?

25 MS. WHEATLEY: This is not marked as an exhibit.

1 This is just for the witness.

2 BY MS. WHEATLEY:

3 Q. Mr. Hartvigson, about a month ago, you submitted a sworn
4 declaration to the Trademark Office, correct?

5 A. Yes.

6 Q. Okay. And you stated -- and by sworn, I mean you
7 submitted under penalty of perjury, correct?

8 A. Yes.

9 Q. You stated, None of the images on Vintage Brand's website
10 were created by any school, college, our university, correct?

11 A. Yes.

12 Q. And you had no way of making that statement under oath,
13 did you?

14 A. That's not true.

15 Q. Mr. Hartvigson, you've just acknowledged you don't know
16 who created the ticket that this image came from.

17 A. We did our research, and we found that we couldn't come
18 to a conclusion that the school had created those tickets.

19 Q. Mr. Hartvigson, when you submitted this declaration under
20 oath -- and may I publish it to the jury?

21 MR. FETTERS: For impeachment purposes, we don't
22 think it should be published to the jury.

23 THE COURT: Are you impeaching the witness?

24 MS. WHEATLEY: Yes.

25 THE COURT: I would not publish it.

1 BY MS. WHEATLEY:

2 Q. Mr. Hartvigson, you said, under penalty of purgery, under
3 oath, None of the images on Vintage Brand's website were
4 created by any school, college, or university.

5 It's a pretty definitive statement, don't you
6 agree?

7 A. Yes.

8 Q. And you're saying you made that under oath, entirely
9 definitive statement, based on simply looking at it, and if it
10 didn't say created by Penn State University, that's all you
11 did, and you felt totally entitled to tell the Government none
12 of this was created by a any college or university?

13 A. No. We had done additional research. We had talked to
14 sports dealers who were experts in the field. We got their
15 knowledge of where they believed these tickets originated
16 from. And, you know we looked at all the tickets. We didn't
17 find a single instance in any of our collection that listed a
18 school as printing the ticket.

19 And then we did some research online and looked at
20 what -- if there were articles of the history of tickets, and
21 came to a conclusion that these were all created by third
22 parties.

23 Q. Mr. Hartvigson, how would it work that a third party
24 could create a ticket to a game? It probably wouldn't work,
25 right? It wouldn't get you into the game if the school

1 holding the game didn't create the ticket?

2 A. The schools are educational institutions. They're not
3 printing presses. They outsource and contract out those jobs
4 to third parties that print and publish tickets.

5 Q. Well now you know that Penn State has a printing press,
6 and you could have discovered that yourself, correct?

7 A. I guess.

8 Q. You could have called Ms. Esposito, the University
9 archivist.

10 A. Yes, I could have called -- I could have called
11 Ms. Esposito.

12 Q. And you could have acknowledged in your sworn statement
13 that you really didn't know the answer as to whether or not
14 colleges and universities created their own tickets or other
15 memorabilia.

16 A. Again, we did our research. We came to our best
17 conclusion that those were all printed by third parties.

18 Q. Mr. Hartvigson, you know that something printed by a
19 third party, you can hire someone to print it, but it's still
20 your design, correct?

21 A. Yes.

22 Q. That's what Vintage Brand does, right?

23 A. No. We print all of our own stuff now.

24 Q. At the time relevant to this lawsuit, Vintage Brand hired
25 Prep Sportswear to print Vintage Brand's logo and images on

1 apparel, correct?

2 A. Yes.

3 Q. But you knew that Vintage Brand still controlled that
4 process?

5 A. Yes.

6 Q. And Vintage Brand still owned those designs?

7 A. Yes.

8 Q. So the fact that tickets may have been but were not
9 printed by third parties should have told you nothing about
10 who created the tickets, correct?

11 A. I don't -- I don't believe that's correct.

12 Q. From your very own experience, you knew that that was the
13 case, right?

14 A. No, no, I did not.

15 Q. And, Mr. Hartvigson, so I understand clearly your
16 position, your position is that even though the University
17 originally created this, even though it has the Penn State
18 trademark in it, not only does Penn State not own this, your
19 position is you actually own this, correct?

20 A. Well, we don't know if the University created that, first
21 of all. But that enhanced image, we are using to reprint on
22 t-shirts.

23 Q. So your position is Vintage Brand owns this?

24 A. No. We're not claiming ownership in that image.

25 Q. Mr. Hartvigson --

1 THE WITNESS: Your Honor --

2 THE COURT: Go ahead. Just a logistical issue.

3 MS. WHEATLEY: Okay.

4 THE COURT: I should ask this question. Do you
5 have much more for the witness?

6 MS. WHEATLEY: Yes, Your Honor.

7 THE COURT: All right. Well, do you mind if we
8 take a short recess at this juncture?

9 MS. WHEATLEY: No, Your Honor.

10 THE COURT: Why don't we stand in recess, then,
11 ladies and gentlemen, for about 10 minutes. Court will rise.

12 (At 11:54 a.m., the jury left the courtroom and
13 recess was held.)

14 (12:13 p.m.)

15 THE COURT: We're back on the record after a brief
16 mid or late morning recess. We're still on the cross
17 examination of this witness. Ms. Wheatley, go right ahead.

18 CROSS EXAMINATION (cont'd)

19 BY MS. WHEATLEY:

20 Q. Mr. Hartvigson, you sold S lion apparel on merchandise,
21 correct? This is Plaintiff's Exhibit 267.

22 A. Yes.

23 Q. And every item of S lion merchandise you sold had the
24 T.M. symbol on it, correct?

25 A. Yes.

1 Q. And you testified yesterday that this was a mistake and
2 you should have removed the T.M. symbol?

3 A. Yes.

4 Q. So your testimony is the original 1953 memorabilia had a
5 T.M. symbol?

6 A. Yes.

7 Q. So you understood that in 1953, Penn State was claiming
8 the S lion as a trademark?

9 A. Somebody was.

10 Q. Well, fairly good fact that since it has the word Penn
11 State on it, it was Penn State?

12 A. I don't know.

13 Q. And you said you would have removed it. So your standard
14 practice, you come across an item that has a T.M. symbol
15 indicating it's a trademark belonging to someone, is you
16 simply remove it, put it on your items and sell them?

17 A. The T.M. is indicating that somebody may or may not have
18 ownership. They're claiming that potentially they may file an
19 application at some later point in time.

20 Q. Mr. Hartvigson, so your answer to that is yes?

21 A. Can you repeat the question?

22 Q. Your standard practice is you come across an item that as
23 a trademark symbol, indicating that someone claims it as a
24 trademark, and you simply remove it and put it on your items
25 and sell them anyway?

1 A. I don't think we've had many -- that's partly -- probably
2 why it was missed. I don't think we've had many historical
3 images that actually had a T.M. on there. So through that
4 enhancement process, that was missed.

5 Q. But you missed this every single time you sold it, right?

6 A. Well, we missed it during the enhancement process until
7 that file -- that digital file was placed on the items to be
8 viewed online.

9 Q. And you actually did not correct this mistake until we
10 asked you for samples of what you had sold for trial; do you
11 recall that?

12 A. Right. That was the first time we were made aware that
13 that was there.

14 Q. So when you were sued over the S lion and a picture with
15 a trademark was shown in the Complaint, you didn't notice it?

16 A. We noticed it when you alerted us to it, yes.

17 Q. And so we asked you for samples of what you had sold for
18 trial, and you sent us Plaintiff's 285.

19 MS. WHEATLEY: We can move that in to evidence. I
20 understand there's no objection.

21 MR. FETTERS: No objection.

22 THE COURT: Duly admitted.

23 BY MS. WHEATLEY:

24 Q. And you sent us Plaintiff's 273; you sent us Plaintiff's
25 279; it has the S lion; and you sent us Plaintiff 291. And

1 you took the trademark off of all of them, right?

2 A. Well, when you alerted us back in 2021, we took the store
3 down, but we also cleaned up that image at that time. Even
4 though the store wasn't up, we wanted to make sure that file
5 was correct.

6 Q. Mr. Hartvigson, I believe my question was you took the
7 trademark symbol off of all of these items, correct?

8 A. Well we took it off the one file in 2021. When you
9 requested here, just this year, September of 2024, you wanted
10 samples for trial, we turned the store back on to make those
11 samples for you and sent you those samples.

12 Q. And you knew we wanted samples of what you had actually
13 sold, correct?

14 A. We sent you what we were asked to send you.

15 Q. This is not a shirt you have ever sold, is it? It's not
16 a sweatshirt you have ever sold because you never sold the S
17 lion without the trademark.

18 A. That's correct.

19 Q. And you knew you were going to come and argue to this
20 jury that the S lion was not a trademark, correct?

21 A. I wasn't -- that didn't have anything to do with it.
22 Again, we did that in 2021.

23 Q. You're saying you removed the S lion trademark symbol in
24 2021?

25 A. Yes, we did.

1 Q. But, Mr. Hartvigson, you were hoping we would hold up
2 these samples of what we believed you had sold, and the
3 trademark would be missing, and that would help your case that
4 this is not a trademark, right?

5 A. No. That never occurred to me. In fact, it never
6 occurred to me that we had removed that back in 2021 until you
7 just -- until you just showed me that. It was on there in
8 2021.

9 Q. Okay. So it's your testimony the sending of samples of
10 what you had sold that happened to omit the trademark was
11 accidental?

12 A. No, it wasn't accidental. Again, we corrected that file
13 in 2021. Now three years later when you asked us for samples
14 for trial, we turned the store back on and printed, I think it
15 was 28 items that you asked us to create for you, and we did
16 that for you at our cost.

17 Q. Mr. Hartvigson, I believe you testified yesterday about a
18 scanning error with the pennant. Do you remember that?

19 A. Yes, I do.

20 Q. And I think you said it said Penn, instead of Penn State
21 because you scan it in thirds, and the last part, the State
22 was inadvertently left off?

23 A. Yes.

24 Q. And so -- can we put that pennant, Plaintiff's 270, up on
25 the screen? Mr. Hartvigson, this one also omits the 1855 from

1 the University seal trademark, correct?

2 A. That's correct.

3 Q. So that's not also a scanning error, right, because a
4 scanner wouldn't just pick out part of the trademark and
5 remove it?

6 A. Well, my assumption, in looking at this, after thinking
7 about it for a while after you showed it to us, we scan these
8 in thirds. Okay. So you have the first third, the second
9 third, the third, third, you know, it's apparent to me that
10 the third third had State in it, so that was missed.

11 But it looks like the bottom portion of either the
12 first and the second or probably the first and second missed
13 the bottom portion of the scan. So you pointed out 1855
14 should be at the bottom of that seal, and I agree. Also,
15 below Nittany, it should read Lions. So to me, it looks like
16 the scan wasn't put on the scanner correctly. And that bottom
17 portion of both those words were omitted from the file -- or
18 digital file. And then when they went to the enhancement to
19 enhance it, those parts were not -- were missing.

20 Q. So, Mr. Hartvigson, it's your testimony you have the type
21 of scanner that would scan perfectly the outer ring and the
22 words the Pennsylvania State University, but it would neatly
23 pluck out the 1855?

24 A. No. I don't think there was any plucking out. It just
25 somehow was not there. It wasn't done intentional.

1 Q. All right, Mr. Hartvigson. You spent a lot of time
2 yesterday going over websites and items that had the phrase
3 officially licensed, correct?

4 A. Yes.

5 Q. And that's a phrase you've used yourself when you were an
6 official licensee?

7 A. Yes.

8 Q. And -- and you testified about Sportswear's experience
9 with using officially-licensed on its website, right?

10 A. Yes.

11 Q. And Mr. Fetters asked you if you viewed using officially
12 licensed as a benefit to Sportswear?

13 A. Yes.

14 Q. And you said sure --

15 A. Yes.

16 Q. -- when you used it. But, Mr. Hartvigson, you know,
17 don't you, with the statement Officially Licensed doesn't make
18 any bit of difference, right?

19 A. Any bit of difference in what?

20 Q. Any bit of difference in consumer purchasing habits?

21 A. I don't know. I don't have any statistical data or
22 surveys telling me either way.

23 Q. Well, in fact, you've run tests, right, Mr. Hartvigson?

24 A. Tests? No. Tests of what?

25 Q. Can we pull up the transcript 51-15, the day one.

1 So, Mr. Hartvigson, you previously testified in a
2 Court of law about officially licensed, right?

3 A. Can you put some context around that?

4 Q. I don't think I can. You previously testified in a Court
5 of law about officially licensed, correct? You were asked
6 questions about that.

7 A. Yes.

8 Q. Okay. Are we able to pull that up? And you were asked
9 the question, You don't want people to see that you're
10 officially licensed. And Mr. Hartvigson, there in line 14,
11 can you read your reply?

12 A. Yes. I see that.

13 Q. Could you read it?

14 A. You know that, we have run tests, and that doesn't really
15 make any bit of a difference. However, that's being required
16 by the licensing agency.

17 Q. So you apparently ran tests, and you found out that the
18 phrase officially licensed doesn't make any bit of difference.

19 A. Well, I think it's being taken a little bit out of
20 context, but yeah, that's what it says on there.

21 Q. Okay. And that's what you were asked, and that's how you
22 answered under oath?

23 A. Yes.

24 Q. Just to turn back, the Vintage Brand logo does not appear
25 permanently printed on all of your products, right?

1 A. Correct.

2 MS. WHEATLEY: So I'd just like to move into
3 evidence Plaintiff's Exhibit 279.

4 MR. FETTERS: No objection.

5 BY MS. WHEATLEY:

6 Q. I believe we've established it doesn't appear on mugs.
7 So the only name on this mug is Penn State, right?

8 A. On that mug, yes.

9 THE COURT: Do you have a series of exhibits?
10 Okay. Very good.

11 MS. WHEATLEY: Just three.

12 COURTROOM DEPUTY: That one was already admitted,
13 too.

14 MS. WHEATLEY: Next we've got Plaintiff's 283. I'd
15 like to move this in if it's not in already.

16 MR. FETTER: No objection.

17 COURTROOM DEPUTY: It's already in.

18 MR. FETTERS: All right.

19 BY MS. WHEATLEY:

20 Q. This Vintage Brand doesn't appear on this one either,
21 right?

22 A. We offer 10 different hats, and that's the one skew that
23 does not have it.

24 Q. Okay. But this is the sample you provided to us,
25 correct?

1 A. Yes. You asked for that example and we provided it.

2 Q. Well, we asked for a sample of a Penn State hat, right?

3 We didn't ask for a particular skew?

4 A. No. It was placed in the shopping cart with a particular
5 skew and design for each one and color. So we sent you
6 exactly what you asked for.

7 Q. Mr. Hartvigson, is the jury going to see any hats that
8 have Vintage Brand printed on it?

9 A. Not here today, no.

10 Q. Okay. And then Plaintiff's 289. Is this in evidence?

11 And this one also doesn't have the Vintage Brand trademark,
12 correct?

13 A. Correct.

14 Q. And how it works is --

15 THE COURT: Any objection to the admission?

16 COURTROOM DEPUTY: They're already admitted.

17 THE COURT: All admitted.

18 COURTROOM DEPUTY: Yes.

19 THE COURT: Very good.

20 BY MS. WHEATLEY:

21 Q. And how it works to manufacture these products and your
22 shirts that have the Vintage Brand logo printed on them is
23 Vintage Brand licenses its Vintage Brand trademarks to
24 Sportswear, correct?

25 A. Correct.

1 Q. Okay. And that's because Sportswear needs Vintage
2 Brand's permission to print the Sportswear trademark on
3 merchandise, right?

4 A. Correct.

5 Q. Can we introduce Plaintiff's Exhibit 35?

6 MR. FETTERS: I don't see it on the screen. What
7 is it? Oh, no objection.

8 THE COURT: Duly admitted.

9 BY MS. WHEATLEY:

10 Q. Mr. Hartvigson, this here is the licensing and
11 fulfillment agreement between Sportswear and Vintage Brand,
12 right?

13 A. Yes.

14 Q. And here in the middle of the page, it says, The marks
15 and content designate products endorsed, approved, or
16 sponsored by Vintage Brand?

17 A. Yes.

18 Q. And the marks is the Vintage Brand trademarks?

19 A. Yes.

20 Q. And the art is the -- and the content is the art on the
21 shirts?

22 A. Correct.

23 Q. You license that to Sportswear?

24 A. We're licensing the names, the Vintage Brand name.

25 Q. And the content, as well?

1 A. Yes. The content, yes.

2 Q. That appears on the shirts?

3 A. Yes.

4 Q. So you take the position you own that?

5 A. Well, the historic -- the enhancements of the historical
6 images that we're making available to Sportswear in order to
7 print the orders to fulfill, yes, those belong to Vintage
8 Brand.

9 Q. Okay. So you take the position, for instance, that Penn
10 State couldn't use this because it belongs to you, this image
11 here?

12 A. No. We're taking a position that we own the enhanced
13 digital file that we're providing to Sportswear, Incorporated
14 to print on shirts. But we're not, you know, filing suits or
15 chasing anybody down who is using that exact same image in the
16 marketplace.

17 Q. Well, Mr. Hartvigson, I just want to be clear. Yes or
18 no. Do you claim to own this?

19 A. No.

20 Q. No, you don't claim to own this image. Okay.

21 A. No.

22 Q. And on this one, you agree with me that you would say
23 Sportswear needs a license to use Vintage Brand, in small
24 letters on the neck here?

25 A. Yes. To use that as a trademark, which it's being used

1 as right there, we have a licensing agreement with Sportswear
2 to use that.

3 Q. So you would also take the position that Sportswear needs
4 Vintage Brand's permission to use it in big letters on the
5 front of the shirt, right?

6 A. Vintage Brand did not have Sportswear print those shirts.

7 Q. But that's not what I asked. You would also take the
8 position that Sportswear would need permission to use it in
9 big letters on the front of the shirt?

10 A. No, that's not true.

11 Q. Okay. So you would say if it's in small letters on the
12 neck, you need permission to use it. But if it's in great big
13 letters on the front of the shirt, still has the registration
14 symbol, no permission needed?

15 A. When it's being used as a trademark on the neck label
16 there --

17 Q. Mr. Hartvigson, you have no expertise in trademark law,
18 correct?

19 A. I do not.

20 Q. Okay. So I asked you a yes or no question. You're the
21 70 percent owner of Vintage Brand. Is it your -- your
22 position, Vintage Brand in small letters on the neck, you need
23 permission; Vintage Brand in giant letters on the front, you
24 don't need permission?

25 A. That's correct.

1 Q. So the bigger the trademark, the more prominent it is on
2 the shirt, the less permission you need; is that a fair
3 assessment of your position?

4 A. No. I believe, Ms. Wheatley, that when you use it large
5 on the front of the shirt, that's called decorative, and that
6 is being used as a decoration and artistic graphic. I also
7 believe that when you use it on the neck label, that is being
8 used as a trademark, and so permission is needed to do that.

9 Q. Mr. Hartvigson, yesterday you said it was being used as a
10 business card, correct?

11 A. We have used that as a very efficient and cheap way to
12 promote Vintage Brand by printing it on shirts and hats. We
13 even have wrist bands. And we've considered that wearable
14 business card to promote the brand.

15 Q. And I just want to make one point clear. Nothing on your
16 website is actual historical memorabilia, correct?

17 A. Are you meaning that it's not a sports collectable as we
18 see these physical items up here? Is that what you're asking?

19 Q. Correct.

20 A. Right.

21 Q. So with respect to your website, the way it works is it
22 has to be live to see it, correct?

23 A. That's correct.

24 Q. So the only way to captures screenshots of the Penn State
25 products on the Vintage Brand website is if the page is

1 actually up?

2 A. It's -- it's broken down by page. So it's individual
3 designs and items. So you're saying pages, it's individual
4 items.

5 Q. Okay. So the only way to capture a screenshot of an item
6 is if that item is up on the website?

7 A. Correct.

8 Q. And Mr. Feters yesterday asked you a very specific
9 series of questions of the time line when your website was up
10 and down over the past several years, correct?

11 A. Referring to the Penn State images?

12 Q. Referring to the Penn State products.

13 A. Yes.

14 Q. Are you certain of your dates?

15 A. Yes. I believe so.

16 Q. All right. Mr. Hartvigson, I believe you testified that
17 you took down the Penn State website first in August of 2021,
18 right?

19 A. I believe so, yes.

20 Q. Can we pull up Plaintiff's Exhibit 30 and just show it to
21 the witness? Go to page 36. So, Mr. Hartvigson, you may
22 recall this spreadsheet. This is a spreadsheet of the Vintage
23 Brand sales of Penn State items. Do you recall going over
24 this in your deposition?

25 A. Yes.

1 Q. So you were selling Penn State items in September of
2 2021. Correct?

3 A. Yeah. It looks like by this graphic, I might be off by
4 about 13 days.

5 Q. So you couldn't have been absolutely certain about having
6 taken the website down in August of 2021, right, because it
7 was clearly up in September of 2021?

8 A. Yes.

9 Q. And there were -- do you recall answering an
10 interrogatory in this case about your sales? I believe
11 Ms. Petulla looked at it as Exhibit 29?

12 A. Yes.

13 Q. Okay. Do you recall that you disclosed you had sales of
14 Penn State products in March of 2022?

15 A. That would make sense.

16 Q. Okay. I think you testified yesterday that your website
17 was put up in February of '22 for just a couple of days, and
18 then it was taken down?

19 A. I said a couple of weeks.

20 Q. Okay.

21 Q. So it was up in March, as well?

22 A. Yeah. It must have been. Both -- both sides were asking
23 for it to be up so you guys could take screenshots, and you
24 were using third party vendors to do that, and it took quite a
25 while for that to happen, and a lot of pages, I guess. And so

1 it was -- it was requested in February of 2022. I thought it
2 was a few weeks. You know, it may have been three or four
3 weeks.

4 Q. Okay. So it might have been up a little longer than you
5 thought on that one, as well, right?

6 A. Yes.

7 Q. Okay. And can we look at Plaintiff's 352.

8 I MS. WHEATLEY: I'd like to move Plaintiff's 352 in
9 to evidence.

10 MR. FETTERS: No objection.

11 THE COURT: Duly admitted.

12 BY MS. WHEATLEY:

13 Q. Now I believe you testified yesterday -- or Friday,
14 Mr. Hartvigson, that your website was taken down in February,
15 2022, which we now know is not quite accurate, but it was
16 taken down sometime around then, and it was down all the way
17 until 2024, correct?

18 A. I believe so.

19 Q. But this is a screenshot that was taken in June of 2023,
20 correct? And it's a Penn State-branded item on your website.

21 A. Yes.

22 Q. So your testimony on that point was not strictly accurate
23 either, correct?

24 A. I don't know.

25 Q. And during summer of 2022, you definitely had Penn State

1 athletes in uniform on your website as NIL athletes, right?

2 A. Yes.

3 Q. So someone browsing the website then would have seen Penn
4 State athletes or could have seen them?

5 A. Well, we weren't using Penn State to identify the
6 athletes. These were athletes that had come to us and asked
7 us to create individual personal brands for them, and so we
8 worked with them to create their own personal brand. So the
9 school wasn't allowing that at the time. And so their
10 individual brands that we helped them to create were up on the
11 site in a separate section.

12 Q. Well, you say their individual brands, but they were in
13 uniform, correct?

14 A. I don't believe they were in uniform. What we were
15 selling is -- we helped the individual athletes create their
16 own personal brand with their names, and then those images and
17 they were involved in that process to create a graphic that
18 would be available on t-shirts and mugs and things of that
19 nature.

20 Q. Mr. Hartvigson, so it's your testimony that Penn State
21 athletes, on your website in the summer of 2022 were not in
22 your uniform?

23 A. No. There may have been an image of them doing something
24 on there -- on the front page and it talked about their
25 background.

1 Q. In uniform, in their Penn State football uniform.

2 A. It may have been.

3 Q. And finally, you said that you were 100 percent sure
4 there were no Penn State products on your website in the
5 summer of 2022, right?

6 A. Yes.

7 Q. Could you take a look at your screen, Mr. Hartvigson?
8 Could you take a look at the jury?

9 A. Yes.

10 MR. FETTERS: Objection, Your Honor. This appears
11 -- can we come up to sidebar?

12 THE COURT: If that's necessary. Put the white
13 noise on.

14 (The following discussion occurred at sidebar.)

15 THE COURT: Remember the microphones.

16 MR. FETTERS: This appears to be a screenshot from
17 the Way Back Machine. And we had a Motion In Limine ruling on
18 that Way Back Machine. There's been no one here to testify to
19 authenticate those records, so the objection is on that basis.

20 MS. WHEATLEY: It's for impeachment purposes. I'm
21 not going to move it in to evidence.

22 THE COURT: You're just showing him this. What are
23 you going to ask him?

24 MS. WHEATLEY: I'm going to ask him to tell the
25 jury the truth, that it was up in August of 2022.

1 MR. FETTERS: The only way that works as
2 impeachment is if that date, that historical dating is
3 accurate. And that's the sole -- that's the crux of our
4 objection to the Way Back Machine, was that the historical
5 dating of that, that there's been no testimony establishing
6 the accuracy of the process in which that's done. There was a
7 witness that they could have brought to this courtroom in
8 order to do that, and they're not doing that.

9 MS. WHEATLEY: I'm not seeking to admit it into
10 evidence. I am challenging his testimony on that. He has
11 already admitted three or four times that he has been wrong
12 about the dates.

13 MR. FINKELSON: He said a hundred percent. He said
14 he was a hundred percent sure. It's straight up impeachment,
15 and the admissibility issues associated with the Way Back
16 Machine have nothing to do with it.

17 MR. FETTERS: The only way it works with
18 impeachment is if that's right, the date in the left corner is
19 right. And the only way we know if that's right is if a Way
20 Back Machine employee testifies as to the process to establish
21 that it's right.

22 MR. FINKELSON: We'll know if it's right if he says
23 it is or not when he responds to the question.

24 MR. FETTERS: I don't believe it's proper
25 impeachment.

1 THE COURT: Well, I think it is. You can explore
2 this. Objection's overruled. Go right ahead.

3 MR. FINKELSON: Thank you, Your Honor.

4 (The sidebar was concluded.)

5 BY MS. WHEATLEY:

6 Q. So Mr. Hartvigson, you've used The Way Back Machine
7 before, correct?

8 A. Yes.

9 Q. This is a screenshot showing a Penn State product on your
10 website in August of 2022, correct?

11 A. Yes.

12 Q. So you may have been wrong about the website being down
13 in August of 2022?

14 A. We had taken the Penn State listing off. It means it
15 didn't show up in the directory. And we took all of the
16 individual images off. If you searched, you know, Penn State
17 and looked, if there was an image that was missed in that
18 process, I believe there were 35 images that were on the
19 original site, one of those could be in there that could be
20 indexed at some -- in some way, through the back side of the
21 website, so that's possible.

22 Q. Okay. Mr. Hartvigson, up until this point, you've taken
23 the position that if you win this case, the Penn State store
24 on Vintage Brand will go right back up, correct?

25 A. It could.

1 Q. Well, you -- you answered the Complaint in this case,
2 Mr. Hartvigson. Do you recall that?

3 A. Can you repeat that, please?

4 Q. You answered the Complaint in this case?

5 A. Yes.

6 Q. Do you recall in that filing, you took the position that
7 if you won the lawsuit, the Penn State store would go back up?

8 A. Yes.

9 Q. Okay. Is that still your position?

10 A. It's undecided.

11 Q. Okay. Mr. Hartvigson, on Friday, you said you would be
12 open to feedback from Ms. Petulla. Do you recall that?

13 A. Yes.

14 Q. Okay. And so now you've gotten quite a bit of feedback;
15 is that fair to say?

16 A. Yes.

17 Q. The jury heard you testify that you would not use a mark
18 if it was registered, right?

19 A. Yes.

20 Q. Okay. And you've now seen all of Penn State's registered
21 trademarks?

22 A. Yes.

23 Q. Okay. And you now know about quality issues that Penn
24 State has identified with your products, and you've admitted
25 that several of your Penn State products had mistakes, right?

1 A. Those two digital files have mistakes, yes.

2 Q. Well -- and those products with what you characterize as
3 mistakes were shipped out to customers, correct?

4 A. I'm not sure if we sent out any of those images that had
5 mistakes. I can't remember.

6 Q. You sold the banner that was missing State, correct?

7 A. Okay. We did. I'll take your word for it. I can't
8 remember.

9 Q. And you sold many of the S lion, correct?

10 A. Yes.

11 Q. You've learned that Penn State uses the lion shrine as
12 the symbol that ties together every Penn State campus, right?

13 A. Yes.

14 Q. Okay. And you've learned that Penn State is the
15 University's primary brand for both education and athletics?

16 A. Yes.

17 Q. Okay. You've learned that the Pennsylvania State
18 University appears everywhere on Penn State campuses?

19 A. Yes.

20 Q. Okay. You've learned the Pozniak lion is the symbol for
21 the Wrestling Club?

22 A. Yes, I am.

23 Q. Okay. You've learned that at least one item of
24 memorabilia you showed this jury is, in fact, from the 2010s
25 or later, right?

1 A. Yes.

2 Q. Okay. And you now know that the University seal
3 trademark appears on all of Penn State's diplomas, right?

4 A. Yes.

5 Q. So I'd like you to look at Ms. Petulla, she's here on
6 behalf of Penn State, look at the jury, and tell them yes or
7 no, are you going to stop?

8 A. Can you repeat that question?

9 Q. Sure. Can you look at Ms. Petulla, she's here on behalf
10 of Penn State. You know this, right?

11 A. Yes.

12 Q. Okay. Look at the jury, and tell them, yes or no, are
13 you going to stop using Penn State's trademarks?

14 A. I don't believe we have been using Penn State's
15 trademarks. We've been using historical images.

16 Q. Mr. Hartvigson, that is a very simple question. Are you
17 going to stop using Penn State's trademarks?

18 A. We are not using Penn State's trademarks, Ms. Wheatley.

19 Q. Are you going to stop doing what Penn State has asked you
20 to stop?

21 A. We will continue selling historical images.

22 Q. So every product we've seen here from Vintage Brand, if
23 this jury does not decide against you, you will continue to
24 keep selling all the Penn State products?

25 A. No, that's not entirely true. We will take feedback,

1 like I said. And if we need to make adjustments, we will.

2 Q. Okay. So you can't give me a yes or no answer to that
3 question.

4 A. I cannot.

5 MS. WHEATLEY: Pass the witness.

6 THE COURT: Any redirect examination?

7 MR. FETTERS: Yes, Your Honor.

8 REDIRECT EXAMINATION

9 BY MR. FETTERS:

10 Q. Mr. Hartvigson, I'm going to bounce around a little bit
11 to cover various topics that you discussed with Ms. Wheatley
12 so I'd ask that you bear with me because of that process.

13 There was some testimony during your cross
14 examination about the Penn State word mark and the
15 Pennsylvania State word mark, and there's also some testimony
16 about your selection criteria when you -- you know, decide
17 which images ultimately to put up on the website.

18 Do you recall, generally, that testimony?

19 A. Yes.

20 Q. Thinking now about your criteria about unique artwork
21 that has historical interest, from your personal perspective,
22 is there anything historical or unique or art-worthy about
23 printing products with the Penn State word mark alone?

24 A. No.

25 Q. Same question, but the word mark the Pennsylvania State

1 University; is there anything unique or art-worthy in your
2 consideration with respect to that?

3 A. No.

4 Q. There was also some testimony about the CLC license that
5 was in effect with Prep Sportswear.

6 Can you remind the jury, were the designs and logos
7 that were licensed to Prep Sportswear, were those modern logos
8 of those --

9 MS. WHEATLEY: Objection. Leading.

10 THE COURT: No. I'll allow it. Objection
11 overrule. Go ahead.

12 BY MR. FETTERS:

13 Q. Can you just describe the general nature of the logos
14 that were licensed through that CLC license? Were they modern
15 or vintage or neither or here nor there?

16 A. Yeah. The logos were all current logos that were
17 currently being used by universities to identify their
18 educational services or their athletic teams. There were no
19 vintage or historical images that were available. It was, you
20 know, extremely limited.

21 Q. There was some testimony also about a copyright symbol on
22 a button within Vintage Brand's collection of memorabilia. Do
23 you recall that?

24 A. Yes.

25 Q. Have you had an opportunity to review Penn State's

1 Complaint in this lawsuit?

2 A. Yes.

3 Q. Are you generally familiar with the type of legal claims
4 that Penn State has made against the Defendants in this case?

5 A. I'm aware of them.

6 Q. To your awareness, has Penn State asserted any claim for
7 copyright infringement against the Defendants?

8 A. No.

9 Q. Now I believe, during your direct testimony, you
10 testified about your process of investigating whether any of
11 the images that appeared on the historic memorabilia within
12 Vintage Brand's collection, your process of checking to see
13 whether any of those images are protected by trademark. Do
14 you generally recall that?

15 A. Yes.

16 Q. And as I recall, did you, in addition to checking the US
17 PTO website, do some market investigation, as well?

18 A. Yes, I did.

19 Q. And can you just elaborate on what was entailed in doing
20 that market investigation?

21 A. Yes. So we would look online. eBay is a great place to
22 go. There are so many sports dealers and collectors that are
23 actually putting their stuff up for sale there. So you could
24 look there, read their descriptions of the products. And then
25 we went to the United States Patent and Trademark Office

1 database and looked in there. And then we looked at the
2 physical sports collectables, and they would have notices on
3 them.

4 Q. Okay. What about actually looking in to what Penn
5 State's licensees were selling at that time? Did you do
6 anything like that, as well?

7 A. Yes. So we, you know, Fanatics is the largest by far.
8 It's a \$35 billion company. We would go to their website and
9 look. And then the top other officially-licensed retailers
10 that were available online, we would look at their sites, as
11 well.

12 Q. Okay. And you were here when Ms. Petulla was on the
13 stand testifying, correct?

14 A. Yes.

15 Q. Do you recall her testifying about her own investigation
16 in terms of whether Penn State could use an Orange Bowl logo
17 or mark on a Penn State product?

18 A. Yes. I heard her testimony. She had been asked if
19 somebody could print, what I assume is probably a button from
20 the FedEx Orange Bowl in, I believe, 1985. And she did her own
21 search on the United States Patent and Trademark Office
22 website to see if the Bowl game was still being sponsored by
23 FedEx and if they could use that logo or design.

24 Q. And did you perceive any similarities between the process
25 you described for your investigation and the process that

1 Ms. Petulla described for her investigation?

2 A. Yeah. I believe that's the same process. She came up
3 with a finding that it had been abandoned, and that's what I
4 had done, is looked to see if things had, indeed, been
5 abandoned by other owners of marks.

6 Q. And you were here during Ms. Petulla's testimony in which
7 she described and displayed the trademark registrations with
8 the US PTO that are owned by Penn State?

9 A. Yes.

10 Q. And do you recall, as part of those documents included
11 with the US PTO that there would be photos that Penn State
12 asserted with those packets showing use of designs on
13 products?

14 A. Yes.

15 Q. Do you recall whether Ms. Petulla put up any US PTO
16 materials related to the S lion logo?

17 A. No, she did not.

18 Q. Do you recall seeing any historic photos of that S lion
19 logo printed on merchandise?

20 A. No.

21 Q. You have seen screenshots from Penn State licensees with
22 merchandise bearing the S lion logo, correct?

23 A. That's correct.

24 Q. And you have seen product samples from Penn State
25 licensees bearing the S lion logo, correct?

1 A. Yes.

2 Q. Do you have any understanding of when those screenshots
3 were taken or when those products were produced?

4 A. No.

5 Q. When you investigated the market to see what was
6 generally available for purchase in and around 2017 or 2018?

7 MS. WHEATLEY: Objection. Leading, Your Honor.

8 THE COURT: Noted. Overruled. Go ahead.

9 BY MR. FETTERS:

10 Q. When you investigated the marketplace to see what
11 products were available to purchase, and you can supply the
12 date you did this, whether it was 2017 or 2018, did you see
13 any products offered for sale bearing the S lion logo?

14 A. No, I did not.

15 Q. Now, there was some testimony early on in your cross
16 about I believe it was Notre Dame and Auburn University asking
17 Vintage Brand to stop selling merchandise; is that right?

18 A. Yes.

19 Q. Have there been any rulings or jury findings --

20 MS. WHEATLEY: Objection, Your Honor.

21 THE COURT: No. He may explore this briefly, as
22 I'm sure he will under my prior ruling. Go right ahead.

23 Objection overruled.

24 BY MR. FETTERS:

25 Q. Have there been any jury findings that require Vintage

1 Brand to stop selling those products?

2 A. No.

3 Q. I believe you testified that, you know, part of your
4 process, your criteria, four-part criteria was you wanted to
5 make sure that an image is not being used for educational
6 services or in conjunction with the University's athletic
7 team. Is that an accurate summation?

8 A. Yes, that is.

9 Q. Can you explain why?

10 A. We wanted to make sure we weren't using anything that was
11 currently being used by the University to identify either
12 their educational services or their athletic programs.

13 Q. Okay. There was also some testimony about Vintage
14 Brand's product offerings featuring or including within a
15 composite artwork the Penn State name. Do you recall that?

16 A. Yes.

17 Q. Do you have -- if we can bring up Defendant's Exhibit
18 250, which has been admitted. And I believe it's the canvas
19 artwork, the 1947 game schedule. Is that artwork still up
20 there with you, Mr. Hartvigson?

21 A. Yes, it is.

22 Q. Can you display that to the jury? This has been
23 admitted.

24 A. (The witness complies.)

25 Q. And so is this -- is it your understanding that Penn

1 State's position is because the name Penn State appears in
2 this artwork, that Penn State is asserting that that's
3 infringing on Penn State's trademarks?

4 A. Yes.

5 Q. And you've been here throughout the trial, you've seen
6 the products that Penn State's licensees are offering for
7 sale; is that right?

8 A. Yes.

9 Q. And throughout all of that presentation of all of the
10 products that Penn State has offered for sale, did you ever,
11 at one point, see that piece of artwork offered by a Penn
12 State licensee?

13 A. No.

14 Q. And in all of the US PTO registration materials that Penn
15 State has shown to this jury, did you ever see that piece of
16 artwork within Penn State's trademark materials?

17 A. No.

18 Q. In fact, let's bring up Plaintiff's Exhibit 29, please.
19 And let's scroll down a bit. This has been admitted. Now --
20 pause here.

21 Now, this is -- as the jury might recall, a
22 document indicating which products Vintage Brand has offered
23 and sold on its website; is that right?

24 A. That's correct.

25 Q. And just looking at a couple of these examples. The top

1 one, is it true that this top one, this image was the number
2 one seller on the Vintage Brand website?

3 A. Yes, it was.

4 Q. And the artwork that we see on the left, is that the
5 actual artwork?

6 A. Yes.

7 Q. And does this artwork derive from historic memorabilia?

8 A. Yes.

9 Q. And let me pause on that question for a second. There
10 was some questions about whether Penn State printed tickets on
11 its own printing press or outsourced the printing of those
12 tickets. And I want to ask you, did you investigate and
13 research, as part of your process, whether, aside from the
14 printing of the artwork on tickets, did you investigate who
15 created the actual artwork itself?

16 A. We did.

17 Q. And as a general matter, what is it that you found and
18 learned through that process?

19 A. We learned that it's very hard to figure out who did
20 artwork from 1929.

21 Q. Now, have you, at any point while observing this trial
22 here, seen any Penn State licensee show a product featuring
23 this artwork?

24 A. No.

25 Q. And did you see this artwork at any point in Penn State's

1 US PTO trademark materials?

2 A. No.

3 Q. Did you see photos of old products from the 40s, 50s,
4 60s, or at any time from Penn State's US PTO materials
5 featuring this artwork?

6 A. No.

7 Q. Okay. Let's scroll down a little bit more. Okay. We've
8 already talked about the S lion. Let's go down a little bit
9 more. Let's go to -- yeah. This one right here. So there
10 was some discussion during your cross examination on this
11 decal, as well.

12 In all of the US PTO materials that you've seen in
13 trial today, have you seen any of this artwork in any of Penn
14 State's US PTO trademark materials?

15 A. No.

16 Q. For the Penn State licensees who are selling licensed
17 products, did you at any point see this image as one of the
18 products that they are selling?

19 A. No.

20 Q. All right.

21 MR. FETTERS: We can take that down, Brock.

22 BY MR. FETTERS:

23 Q. Now, if we can put up Defense Exhibit 18, and then 20.
24 These are all admitted. Defense 18, 20, and 21, and you can
25 show those in succession. I'll ask a question.

1 All right. Now, Mr. Hartvigson, there was some
2 testimony about whether things like mugs and hats come with
3 Vintage Brand labels on them. Is what we're seeing here in
4 Defense Exhibit 21 an example of how, even though a hat may
5 not have Vintage Brand on it, that it would come with a
6 sticker like this?

7 A. That's correct.

8 Q. And when those products arrive to the consumers, would
9 there be other indicators that the products were coming from
10 Vintage Brand?

11 A. Yes.

12 Q. All right. Thank you. All right. Let's actually go
13 back. I have one more question on Plaintiff's Exhibit 29, the
14 sales spreadsheet.

15 Now, there was some testimony about Vintage Brand
16 web pages and when they were available or not, and I want to
17 ask you, do you recall which logos Ms. Maffey said she
18 confidentially saw on the Vintage Brand website? How did she
19 describe those logos?

20 A. Yeah. She described it as the paw print, and she called
21 it the chipmunk, but I've learned this week, they prefer it to
22 be called the lions head.

23 Q. And throughout the entirety of this trial, have you seen
24 Penn State put any screenshot of the Vintage Brand website
25 bearing either one of those logos?

ROUGH DRAFT

1 A. No.

2 Q. Have you seen any Vintage Brand product samples
3 throughout the entirety of this trial bearing either of those
4 logos?

5 A. No.

6 Q. And if we scroll through this artwork sales sheet, are we
7 going to see either of those logos on this document?

8 A. No.

9 Q. In fact, there was some testimony about the e-mail that
10 Ms. Maffey sent to Vintage Brand and whether that was
11 responded to. Do you recall that?

12 A. Yes.

13 Q. And I believe you testified during your direct that you
14 personally helped collect all of the e-mails and chat
15 communications that were sent by customers, prospective
16 customers to Vintage Brand; is that right?

17 A. Yes, I did.

18 Q. Did you review those yourself?

19 A. Yes, I did.

20 Q. And in any of those e-mails, did you interpret anyone to
21 be expressing any confusion or mistake as to whether Penn
22 State --

23 MS. WHEATLEY: Your Honor, objection. Hearsay.

24 MR. FETTERS: It's not going to the truth of the
25 matter asserted. It's the state of the mind of the declarant,

1 state of mind of the recipient of the message.

2 THE COURT: I'll allow it. Objection overruled.

3 Go ahead.

4 BY MR. FETTERS:

5 Q. So in reviewing all of those communications to Vintage
6 Brand, did you perceive any of those communications to be
7 expressing any sort of misunderstanding or mistake, as to
8 whether Penn State was responsible for the quality of Vintage
9 Brand's products?

10 A. No, absolutely not.

11 Q. Now, there was also some testimony about the shirt with
12 the Vintage Brand name and logo in large print on the chest.
13 Do you recall that?

14 A. Yes.

15 Q. And I also believe that you testified that you would wear
16 a shirt like that on these promotional trips, for example, to
17 Beaver Stadium; is that right?

18 A. That's correct.

19 Q. This is going to be an obvious question, but what is Penn
20 State?

21 A. Penn State's an educational institution.

22 Q. What is Vintage Brand?

23 A. Vintage Brand's a retailer, manufacturers its owning
24 apparel.

25 Q. Does Penn State have an athletics program?

1 A. Yes.

2 Q. Does Penn State have a highly-successful football team?

3 A. Yes.

4 Q. Does that football team play its games on television?

5 A. Yes, they do.

6 Q. Does Vintage Brand have any of that?

7 A. No.

8 Q. Now, can you hold -- there should be a shirt that's
9 Exhibit 311. It's the white Vintage Brand shirt with the I
10 Like Penn State on it. Now, I'm going to ask you a question
11 about that in a moment. I'm going to ask you first, when you
12 were at Beaver Stadium, what were you wearing when you were
13 passing out koozies?

14 A. I was wearing a black Vintage Brand t-shirt with Vintage
15 Brand printed on the front. And then I had a black hat that
16 said Vintage Brand on it, and then wristbands that said
17 Vintage Brand on it.

18 Q. Why did you wear that when you were passing out koozies?

19 A. Because we wanted to be clearly identified that we were
20 with Vintage Brand and that we were there handing out free
21 koozies.

22 Q. Okay. And when it came time to actually go in to the
23 stadium and watch that game, I'm going to ask you what you
24 wore. But first, I want to you explain to the jury the
25 context of this game. What kind of game was it?

1 A. Yeah. Sure. So we planned to come out to this game nine
2 months in advance. We thought this would probably be the game
3 that would decide the Big 10, and it was No. 4, Ohio State
4 versus No. 9, Penn State. Both teams were undefeated. And we
5 came that day, and they announced a few weeks later that it
6 was going to be the White Out game. We were really excited to
7 be there. And so we had on black t-shirts, and we were going
8 to go in there and root for Penn State. And we did not want
9 to be wearing black; we wanted to be wearing white. So we
10 purchased Penn State t-shirts just before we walked into the
11 stadium. And we put those on, and we went in there, and we
12 cheered We Are Penn State.

13 Q. Now, did you have the -- the t-shirt that you have from
14 Vintage Brand, I Like Penn State, can you hold that up? Did
15 you have that with you when you were passing out koozies?

16 A. No, I did not

17 Q. If you had that shirt with you, would you have worn that
18 one instead?

19 MS. WHEATLEY: Objection, Your Honor. Objection,
20 Your Honor. He's using a hypothetical. Relevance.

21 MR. FETTERS: It goes to the function of the
22 artwork on the shirt. He just testified --

23 MS. WHEATLEY: Objection. Mr. Hartvigson can't
24 testify as to that. He can't testify as to consumer
25 perception. He's not a consumer.

1 MR. FETTERS: He just testified that he put on a
2 white shirt with Penn State references on it in order to be a
3 part of the We Are Penn State community, and I'm simply asking
4 him --

5 MS. WHEATLEY: Objection. Can we do this at
6 sidebar?

7 THE COURT: Is it necessary?

8 MS. WHEATLEY: Yes. Mr. Fetters seems to be
9 testifying at this point.

10 THE COURT: No, not necessary. Just tell me what
11 -- what are you trying to do with this witness?

12 MR. FETTERS: That with this shirt, the --

13 THE COURT: The one he has --

14 MR. FETTERS: The reason why -- he's testified that
15 the reason why they sell these shirts with this artwork is so
16 that consumers can express their affinity and affiliation for
17 their favorite schools and teams. And so that's this
18 question, if when he went in to Beaver Stadium to be a part
19 that have community, whether he would have put on that shirt
20 that says We like Penn State. It's the same question I asked
21 Ms. Petulla.

22 MS. WHEATLEY: Can I put the objection on the
23 record.

24 THE COURT: You can put the objection on
25 the record. Go ahead.

1 MS. WHEATLEY: Foundation, relevance.

2 Mr. Hartvigson is not a consumer. He did not wear that shirt.
3 If we are talking about he's being asked to testify as if he
4 were a consumer, which he is not. And I don't believe he's a
5 Penn State fan.

6 THE COURT: Well, he may be now. We'll see.
7 Objection's noted. It's overruled. Go ahead. Ask those
8 questions.

9 MR. FETTERS: Thank you.

10 BY MR. FETTERS:

11 Q. All right. Mr. Hartvigson, I think you know what the
12 question is, but just generally, if you had that shirt, that
13 Vintage Brand shirt that says We Like Penn State with you,
14 which is in white, when you went in to Beaver Stadium, would
15 you have put that shirt on instead?

16 A. No.

17 Q. Why not?

18 A. Because I wanted to wear one that said Penn State.

19 Q. No. I'm talking about the --

20 A. Oh, the I Like Penn State?

21 Q. Yeah. Hold it up.

22 A. Yeah.

23 Q. Would you have put that shirt on is my question.

24 A. Yes. Because it's white. Yes, I would.

25 Q. Why would you put that on?

1 A. We wanted to be part of the community. We wanted to go
2 in there and cheer for Penn State just like everybody else.

3 Q. And to wrap up, Mr. Hartvigson. Is it your intention to
4 try to trick consumers into thinking that Penn State is
5 responsible for the quality of Vintage Brand's products?

6 A. Absolutely not.

7 MR. FETTERS: No further questions.

8 THE COURT: Thank you. Any recross examination
9 based on that redirect examination?

10 MS. WHEATLEY: Yes, Your Honor.

11 THE COURT: Go ahead.

12 RECCROSS EXAMINATION

13 BY MS. WHEATLEY:

14 Q. Mr. Hartvigson, I believe Mr. Fetters asked you about
15 jury findings related to Notre Dame and Auburn. Do you recall
16 that?

17 A. Yes.

18 Q. Those lawsuits are still ongoing, correct?

19 A. Yes.

20 Q. So there has been no jury finding?

21 A. No.

22 Q. And he also asked you if Penn State was claiming that
23 1947 piece of artwork, correct?

24 A. Yes.

25 Q. And you said you are familiar, I believe, with Penn

1 State's Complaint?

2 A. Yes.

3 Q. And that piece of artwork does not appear in Penn State's
4 Complaint, right?

5 A. No, it does not.

6 Q. So Penn State hasn't made any claim relating to that
7 piece of artwork?

8 A. Correct.

9 Q. Penn State has complained about using -- you using Penn
10 State trademarks, like the seal, the name Penn State, the Lion
11 shrine on apparel and other merchandise, correct?

12 A. I believe Penn State's complaining about those words,
13 Penn State being used in imbedded composite graphical images.

14 Q. Mr. Hartvigson, Penn State brought a claim for trademark
15 infringement, correct? You know this.

16 A. Yes.

17 Q. And Penn State did not bring a claim related to anything
18 but those trademarks, correct?

19 A. Yes.

20 Q. It's only Penn State, the seal, the shrine, the S lion,
21 correct?

22 A. I believe a lot of these images are --

23 Q. Mr. Hartvigson, it's a yes or no question. I don't want
24 to cut you off, but you understand what Penn State's claiming,
25 don't you?

1 A. I do.

2 Q. It's about the trademarks?

3 A. Yes.

4 Q. It's about them appearing on your merchandise?

5 A. Yes.

6 Q. And you brought up the S lion. The S lion has no other
7 graphic imbedded in it, correct?

8 A. Correct.

9 Q. The entire thing is a trademark?

10 A. Yes.

11 Q. And you knew that because you copied it from an image
12 that had the T.M. symbol on it, correct?

13 A. No.

14 Q. Well, the memorabilia you got it from said T.M., correct?

15 A. Yes.

16 Q. And you know T.M. means trademark?

17 A. Yes.

18 Q. Okay. And I believe Mr. Fetters showed you again that
19 2018 little cat we looked at that has 3M on the back?

20 A. Yes.

21 Q. Okay. And I think you testified that none of Penn
22 State's licensees were using that?

23 A. Yes.

24 Q. If it was on a sticker from the past 10 years, one of
25 Penn State's licensees was using that, correct?

1 A. No. That was purchased from a sports dealer.

2 Q. But, Mr. Hartvigson, someone created that sticker within
3 the past 10 years?

4 A. Yes. It looks like it was reproduced.

5 Q. So it was being used, most likely, by a Penn State
6 licensee because it was a recent item, correct?

7 A. No, that's not correct.

8 Q. Well, you just copied it; you don't know, do you?

9 A. No. I -- no, that's not correct.

10 Q. You know it's from the last 10 years, right?

11 A. That was reproduced by a sports collector, most likely in
12 the last, you know, 14 years.

13 Q. That -- okay. So you understand it's 14 years old at the
14 outside?

15 A. Yes.

16 Q. And you copied it?

17 A. We reproduced it, yes.

18 Q. Okay. And finally, your market research as to the Penn
19 State products, you testified you went to Fanatics?

20 A. Yes.

21 Q. Go to Family Clothesline?

22 A. I don't know.

23 Q. Did you go to Lions Pride?

24 A. I don't know.

25 Q. Did you go to student book store?

1 A. Yes.

2 Q. Okay. And so you saw Penn State use the University seal
3 trademark on apparel, right?

4 A. I did not see that.

5 Q. Okay. And you saw that Penn State uses Penn State on
6 apparel, right?

7 A. Yes, I did.

8 Q. You saw it uses Penn State on apparel with other images
9 all the time, right?

10 A. I cannot recall.

11 Q. Okay. And you saw that the lion shrine appears all over
12 the place on Penn State images?

13 A. Yes.

14 Q. Okay. And you saw that Penn State sells vintage-style
15 shirts that feature all those trademarks, correct?

16 A. Yes.

17 Q. But you proceeded with your plan to use vintage Penn
18 State names and logos anyway?

19 A. We used historical images.

20 Q. So the answer to my question is yes?

21 A. I don't believe it is.

22 Q. You proceeded with your plan to use vintage Penn State
23 logos anyway, even though you saw that Penn State already
24 sells vintage Penn State logos?

25 A. Yes.

1 Q. So you knew that at the time?

2 A. Yes.

3 Q. Okay. But you did it anyway?

4 A. I wasn't using historical images, but I did see that
5 there was other images that were being used by
6 officially-licensed companies.

7 Q. And those were vintage?

8 A. I don't remember seeing any vintage images, no.

9 Q. And you know now that the S lion was definitely being
10 sold in 2018, correct?

11 A. I know now through -- through you, yes.

12 Q. Okay.

13 MS. WHEATLEY: No further questions.

14 THE COURT: Thank you. Mr. Hartvigson, thank you
15 very much for your testimony. You may stand down now with the
16 thanks of the Court.

17 All right, ladies and gentlemen, as you appreciate,
18 this is an opportune time to take our luncheon recess. We'll
19 stand in recess until 2:15 p.m. Please don't discuss the case
20 with one another at this juncture. Mrs. Rhinehart, escort the
21 jury out, please. We'll see you in an hour.

22 (At 1:12 p.m., the jury left the courtroom for
23 their luncheon recess.)

24 THE COURT: Be seated. All right. We're ready to
25 proceed with Dr. Erdem, then, after our luncheon recess.

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MR. MCKENNA: Yes, Your Honor. We will be.

Exhibit C

Document title: undefined Vintage Apparel & Jerseys | Vintage Brand

Capture URL: <https://vintagebrand.com//college/t/penn-state-nittany-lions>

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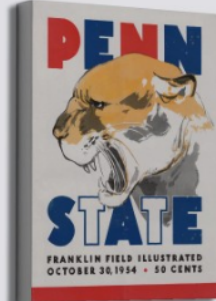
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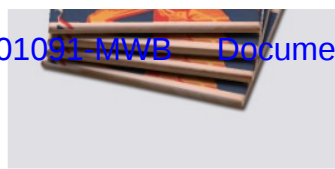
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Exhibit D

Document title: 1950 Vintage Penn State Nittany Lions T-Shirt

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1950 VINTAGE PENN STATE NITTANY LIONS T-SHIRT

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The Nittany Lion is the mascot of the Penn State Nittany Lions—the athletic teams of the Pennsylvania State University, located in University Park, Pennsylvania, USA. It is an eastern mountain lion, the "Nittany" forename referring to the local Mount Nittany, which overlooks the university. The mascot was the creation of Penn State senior H. D. "Joe" Mason in 1907. While on a 1904 trip to Princeton University, Mason had been embarrassed that Penn State did not have a mascot. Mason did not let that deter him: he fabricated the Nittany Lion on the spot and proclaimed that it would easily defeat the Princeton Bengal Tiger. The Lion's primary means of attack against the Tiger would be its strong right arm, capable of slaying any foes (this is now traditionally exemplified through cumulative one-armed push-ups after the team scores a touchdown). There is a song played during sporting events on campus entitled "The Nittany Lion". Many fans know this song as "Hail to the Lion". The Nittany Lion is essentially an ordinary mountain lion (also known as a cougar, puma, or panther), a creature that roamed central Pennsylvania until the 1880s.

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- Wash before Wear in cold with like colors
- Soft, lightweight jersey with moisture wicking
- Slim Fit (runs slightly small)
- Tear away label

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| <p>1950 Vintage Penn State Nittany Lions ...</p> <p>\$16.39 \$32.79</p> <p>You Save: \$16.40</p> | <p>1950 Vintage Penn State Nittany Lions ...</p> <p>\$6.99 \$13.99</p> <p>You Save: \$7.00</p> | <p>1950 Vintage Penn State Nittany Lions ...</p> <p>\$37.49 \$74.99</p> <p>You Save: \$37.50</p> | <p>1950 Vintage Penn State Nittany Lions ...</p> <p>\$32.50 \$65.00</p> <p>You Save: \$32.50</p> |
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Get ready for game day with a Vintage Brand Tri-Blend Varsity tee. This short sleeve, soft, lightweight moisture wicking cut will surely become your new favorite tee!

- \$7.99 Flat Rate Shipping
- 4.5 oz. 50/37/13 Polyester/Cotton/Rayon
- Wash before Wear in cold with like colors
- Soft, lightweight jersey with moisture wicking
- Slim Fit (runs slightly small)
- Tear away label

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ALSO AVAILABLE AS



1950 Vintage Penn State Nittany Lions ...

\$6.99 ~~\$13.99~~

You Save: \$7.00



1950 Vintage Penn State Nittany Lions ...

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1950 Vintage Penn State Nittany Lions ...

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Exhibit E

Document title: 1950 Vintage Penn State Nittany Lions Sweatshirt

Capture URL: https://vintagebrand.com//college/t/penn-state-nittany-lions/a/8010/p/43?sku=595003&srsId=AfmBOoqm0gVJhFeO75dQoS4IL6jsng43WanBwtziwaMBgvN_MSV_Xt8V454

Page loaded at (UTC): Fri, 22 Nov 2024 21:01:28 GMT

Capture timestamp (UTC): Fri, 22 Nov 2024 21:02:02 GMT

Capture tool: 10.53.2

Collection server IP: 54.145.42.72

Browser engine: Mozilla/5.0 (X11; Linux x86_64) AppleWebKit/537.36 (KHTML, like Gecko) Chrome/126.0.6478.234 Safari/537.36

Operating system: Linux (Node 20.17.0)

PDF length: 3

Capture ID: uWWsvgZP2SF85ZFrHtQVjM

Display Name: glee

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LEAGUES / COLLEGE / TEAMS / PENN STATE NITTANY LIONS / SWEATSHIRT



1950 VINTAGE PENN STATE NITTANY LIONS SWEATSHIRT

By Vintage Brand™ not affiliated with or sponsored by Penn State Nittany Lions

The Nittany Lion is the mascot of the Penn State Nittany Lions—the athletic teams of the Pennsylvania State University, located in University Park, Pennsylvania, USA. It is an eastern mountain lion, the "Nittany" forename referring to the local Mount Nittany, which overlooks the university. The mascot was the creation of Penn State senior H. D. "Joe" Mason in 1907. While on a 1904 trip to Princeton University, Mason had been embarrassed that Penn State did not have a mascot. Mason did not let that deter him: he fabricated the Nittany Lion on the spot and proclaimed that it would easily defeat the Princeton Bengal Tiger. The Lion's primary means of attack against the Tiger would be its strong right arm, capable of slaying any foes (this is now traditionally exemplified through cumulative one-armed push-ups after the team scores a touchdown). There is a song played during sporting events on campus entitled "The Nittany Lion". Many fans know this song as "Hail to the Lion". The Nittany Lion is essentially an ordinary mountain lion (also known as a cougar, puma, or panther), a creature that roamed central Pennsylvania until the 1880s.

COLOR: WHITE



\$36.00 ~~\$72.00~~
You Save: \$36.00

[Size Guide](#)

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PRODUCT DETAILS

Crafted for comfort, this traditional hooded sweatshirt is perfect for relaxing, and enjoying the game. 50% Cotton/50% Polyester NuBlend® pre-shrunk Fleece features a two-ply hood, dyed-to-match drawcord, set-in sleeves, and front pouch pocket.

- \$7.99 Flat Rate Shipping
- 50/50 Cotton/Polyester NuBlend® Pre-shrunk Fleece
- NuBlend® pill-resistant fleece
- Made with sustainably sourced USA grown cotton
- High stitch density for a smooth printing canvas
- Tear-away label

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- 50/50 Cotton/Polyester NuBlend® Pre-shrunk Fleece
- NuBlend® pill-resistant fleece
- Made with sustainably sourced USA grown cotton
- High stitch density for a smooth printing canvas
- Tear-away label

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Exhibit F



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Filing Information

Name: **Vintage Brand INC**

General Information

SOS Control #	001338542	Formation Locale: TENNESSEE
Filing Type:	For-profit Corporation - Domestic	Date Formed: 09/15/2022
	08/02/2022 4:49 PM	Fiscal Year Close 12
Delayed Effective Date:	09/15/2022 12:00 AM	
Status:	Active	
Duration Term:	Perpetual	

Registered Agent Address

ERIK HARTVIGSON
ERIK HARTVIGSON
110 AIRPARK CENTER DRIVE EAST
NASHVILLE, TN 37217

Principal Address

ERIK HARTVIGSON
STE 110
110 AIRPARK CENTER DRIVE EAST
NASHVILLE, TN 37217-5720

The following document(s) was/were filed in this office on the date(s) indicated below:

Date Filed	Filing Description	Image #
06/20/2024	2023 Annual Report	B1588-8314
	Principal Address 2 Changed From: No value To: STE 110	
06/04/2024	Notice of Determination	B1578-6174
06/27/2023	2022 Annual Report	B1418-4032
	Principal Address 1 Changed From: 110 AIRPARK CENTER DRIVE #200 To: 110 AIRPARK CENTER DRIVE EAST	
	Principal Address 3 Changed From: No value To: ERIK HARTVIGSON	
	Registered Agent Physical Address 1 Changed From: 805 LEA AVENUE To: 110 AIRPARK CENTER DRIVE EAST	
	Registered Agent Physical Address 2 Changed From: APT 1305 To: No Value	
	Registered Agent Physical Address 3 Changed From: No Value To: ERIK HARTVIGSON	
	Registered Agent Physical Postal Code Changed From: 37203 To: 37217	
06/02/2023	Notice of Determination	B1409-5752
10/12/2022	Articles of Amendment	B1267-8113
	Principal Address 1 Changed From: 110 AIRPARK CTR E # 200 To: 110 AIRPARK CENTER DRIVE #200	
	Principal Address 3 Changed From: ERIK HARTVIGSON To: No value	
	Registered Agent First Name Changed From: No Value To: ERIK	
	Registered Agent Last Name Changed From: No Value To: HARTVIGSON	
	Registered Agent Organization Name Changed From: Vintage Brand INC To: No Value	
11/26/2024 11:28:27 PM		

Filing Information

Name: **Vintage Brand INC**

Registered Agent Physical Address 1 Changed From: 110 AIRPARK CTR E # 200 To: 805 LEA AVENUE

Registered Agent Physical Address 2 Changed From: No Value To: APT 1305

Registered Agent Physical Address 3 Changed From: ERIK HARTVIGSON To: No Value

Registered Agent Physical Postal Code Changed From: 37217-5720 To: 37203

08/02/2022 Initial Filing (Delayed Date 09/15/2022)

B1255-9132

Active Assumed Names (if any)

Date

Expires

Exhibit G

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

THE PENNSYLVANIA STATE : CASE NO.
UNIVERSITY :
v. :
VINTAGE BRAND, LLC, :
SPORTSWEAR INC., d/b/a :
PREP SPORTSWEAR, :
CHAD HARTVIGSON, ERIK :
HARTVIGSON, and :
MICHELLE YOUNG : 4:21-CV-01091

TRANSCRIPT OF PROCEEDINGS
Jury Trial
VOLUME V

Held before the HONORABLE MATTHEW W. BRANN, November 18,
2024, commencing at 10:29 a.m., Courtroom No. 1, Federal
Building, Williamsport, Pennsylvania.

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Proceedings recorded by machine shorthand; transcript produced
by computer-aided transcription.

Colleen V. Wentz, RMR, CRR
Official Court Reporter
colleen_wentz@pamd.uscourts.gov

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26 For the Defendants

1 THE COURT: All right. Dr. Erdem, if you'd come
2 forward and be sworn, please.

3 (The witness, Dr. Erdem, was sworn.)

4 COURTROOM DEPUTY: Can I get you to state your full
5 name and spell your last name for the record.

6 THE WITNESS: Tulin Erdem, E-r-d-e-m.

7 THE COURT: Mr. McKenna, go right ahead.

8 MR. MCKENNA: Your Honor, before I begin, I would
9 like to move what's been marked as Exhibit P-54. That's the
10 Appendix H to Dr. Erdem's report, the survey screen. I would
11 just like to move that in to evidence.

12 THE COURT: Any objection?

13 MR. FINKELSON: No objection, Your Honor.

14 THE COURT: All right. Duly admitted.

15 MR. MCKENNA: Thank you, Your Honor.

16 DIRECT EXAMINATION ON QUALIFICATIONS

17 BY MR. MCKENNA:

18 Q. Good afternoon, Professor Erdem. Can you introduce
19 yourself to the jury?

20 A. Sure. I'm the Leonard Stern Professor of business and
21 Professor of Marketing at the Stern School of Business at New
22 York University. I am also currently serving as the executive
23 director of MSI, Marketing Science Institute, which is a think
24 tank bridging academia and industry.

25 Q. Okay. Could you bring up the first slide. And,

1 Professor Erdem, how long have you been on the faculty at NYU?

2 A. Since 2006.

3 Q. And prior to joining NYU, how were you employed?

4 A. I was a professor at the HAAS School of Business
5 University of California at Berkley where I served as
6 marketing group chair, as associate dean for research, etc. I
7 served as the department chair of NYU, too.

8 Q. And how long were you at the University of California?

9 A. I was there between the years of 1993 and 2006.

10 Q. And 2006, when you departed for NYU?

11 A. Yes. I left UC Berkley for NYU.

12 Q. Okay. And, Professor Erdem, what is your educational
13 background?

14 A. I have an undergraduate degree, BA in economics from
15 Bogazici University in Istanbul, Turkey. I have a Masters
16 Degree in economics. My BA undergraduate degree is in
17 economics, as well. And I have a PhD in marketing, majored in
18 marketing, minors, economics and statistics. Both my Masters
19 and PhD degrees are from University of Alberta in Edmonton,
20 Canada.

21 Q. And, Professor Erdem, what subjects does your academic
22 research focus on?

23 A. I do marketing in general, but many topics, like consumer
24 choice, consumer decision-making, consumer behavior, branding,
25 marketing mix models, advertising, marketing research, survey

1 methodology, economic modeling, quantitative models. So it's
2 a long list.

3 Q. Thank you. And about how many academic articles have you
4 published on consumer behavior or consumer decision-making?

5 A. I have published more than 50 papers in peer-reviewed
6 journals in total. And almost all of them have an angle that
7 has to do with consumers.

8 Q. Okay. Have you received any research grants to support
9 your work?

10 A. Yes. I have two major National Science Foundation grants
11 that supported my work on consumer behavior, consumer
12 decision-making, etc.

13 Q. Have you won any awards for any of your research,
14 Professor Erdem?

15 A. Yes. I received a Lifetime Achievement Award from
16 INFORMS Marketing Society. INFORMS is Institute For Operation
17 Research and Management Sciences, and INFORMS itself has
18 societies, and I am part of their marketing society, and they
19 choose fellows based on their lifetime achievements. So I am
20 one of their fellows. I have also several best paper awards.
21 I have best reviewer awards, etc.

22 Q. Thank you. Have you served as an editor for any academic
23 journals in your field?

24 A. Yes. In marketing, the premiere journal is Journal of
25 Marketing Research. I was the editor in chief of Journal of

1 Marketing Research. I also have positions as area editor and
2 associate editor, and editorial board member, etc. at all our
3 major journals. And in those roles, I reviewed, accepted,
4 rejected thousands of papers, a very large number of them also
5 dealing with surveys.

6 Q. Thank you. Have you done any consulting work in your
7 field?

8 A. Yes. I served as an academic partner of Profit. Profit
9 is a strategic marketing and branding consultancy, so I was
10 their academic partner. I was also the founding director of
11 BBI, a branding innovation think tank. And I do some
12 litigation -- expert witness work within the context of
13 litigation.

14 Q. Okay. And you've referenced this briefly before, but has
15 your academic work or your consulting work involved the design
16 or implementation of surveys?

17 A. Yes.

18 Q. Could you explain a little bit about in what capacity?

19 A. In terms of when I was the academic partner of Profit,
20 for example, I designed many surveys for their clients, and in
21 the litigation context, for some of the cases I have been
22 retained, I designed and analyzed surveys.

23 Q. And you mentioned also that you had reviewed surveys as
24 an editor in The Journal of Marketing?

25 A. As an editor in The Journal of Marketing Research, as

1 well as an area editor of Marketing Science, Journal of
2 Consumer Research, my own research, advising PhD students.

3 When you put all of those together, I have been involved in
4 thousands of surveys.

5 Q. Okay. And you mentioned also briefly, you've previously
6 served as an expert witness?

7 A. Yes.

8 Q. About how many times?

9 A. I was deposed about 30 times.

10 Q. Okay. And about -- in what sorts of topics have you been
11 retained as an expert to testify on?

12 A. It involves consumer decision-making, consumer choice,
13 behavior, branding, brand equity, confusion, many different
14 cases.

15 Q. Okay. And did you design surveys for any of those cases?

16 A. Yes.

17 Q. About how many?

18 A. About 10 from those 30.

19 Q. Okay. And were any of those likelihood of confusion
20 surveys?

21 A. Yes.

22 Q. How many?

23 A. About seven, eight.

24 Q. Has your testimony ever been excluded in a case where
25 you've been offered as an expert?

1 A. No. My testimony has never been excluded for my
2 expertise or qualifications.

3 Q. Were you hired by Vintage Brand to provide an expert
4 opinion in this case?

5 A. Yes.

6 Q. And are you being compensated for your work?

7 A. Yes.

8 Q. Is your compensation contingent in any way on the outcome
9 of the case?

10 A. No.

11 MR. MCKENNA: Your Honor, we tender Dr. Tulin Erdem
12 as an expert in consumer behavior and the design and
13 implementation of surveys.

14 THE COURT: Mr. Finkelson, do you care to voir dire
15 this witness as to her expertise and qualifications?

16 MR. FINKELSON: I do not, Your Honor. No
17 objection.

18 THE COURT: She is duly admitted, then, as an
19 expert in those fields as enunciated by Counsel for the
20 Defendant. Go right ahead, sir.

21 MR. MCKENNA: Thank you, Your Honor.

22 DIRECT EXAMINATION

23 BY MR. MCKENNA:

24 Q. Dr. Erdem, what was your assignment in this case?

25 A. Sure. I prepared a slide for that. My assignment

1 involved to design, conduct, and analyze a survey to evaluate
2 consumer confusion regarding first the source of Vintage
3 Brand's products as they relate to Penn State, as well as the
4 existence of a business relationship between Penn State and
5 Vintage Brand.

6 Additionally, I was also asked to test whether
7 consumers believe that Penn State is responsible for the
8 quality of Vintage Brand's products that bear the Penn State
9 imagery. Finally, I was asked to assess also whether any
10 apparent consumer confusion is related to consumer's
11 preexisting beliefs that Vintage Brand is required to obtain
12 Penn State's permission to use Penn State's name or imagery.

13 Q. Okay. Thank you. Professor Erdem, regarding that third
14 aspect of your assignment about the -- about the legal belief
15 required -- that Vintage Brand is required to obtain
16 permission, do you have any understanding of why you were
17 asked to do that part of your survey?

18 A. Yes. My understanding is that the judge raised the issue
19 of whether the preexisting beliefs may be a contributor to the
20 confusion.

21 Q. Now you mentioned that you were -- your assignment was to
22 do a survey. Did you design such a survey?

23 A. Yes, I did.

24 Q. Okay. And what sort of survey was that?

25 A. Sure. It was a test and control design. And I adopted

1 the Everready format because that format is used to measure
2 potential consumer confusion; it's very accepted; and it
3 basically looks at whether, in consumer's mind, there is an
4 association of a product with a different brand name, and it
5 is also used often in terms of whether consumers call to mind
6 the owner of the mark, and it can be adopted and adapted to
7 different contexts. In this case, the issue is whether
8 consumers may be confused about Vintage Brand's products that
9 bear Penn State imagery, that Vintage sells on their Vintage
10 Brand dot com website. So I adopted the Everready format to
11 get commercial context.

12 Q. Thank you. And, Professor Erdem, did you draw any
13 conclusions based on the surveys that you conducted -- the
14 survey that you conducted?

15 A. Yes, I did, and I think I have a slide for it here.

16 So my main conclusions are that consumer confusion
17 about whether Penn State is the source of the Vintage Brand
18 products with Penn State imagery is minimal. I also find that
19 consumer confusion about whether there's a business
20 relationship between Penn State and Vintage Brand is minimal.
21 And finally, few consumers believe Penn State is responsible
22 for the quality of the Vintage Brands' products that bear the
23 Penn State imagery.

24 Q. Okay. So now I'd like to talk with you about some more
25 of the detail of your survey.

1 Could you start by describing what, specifically,
2 you understood yourself to be testing in your survey?

3 A. Sure. I was testing potential confusion about the source
4 of Vintage Brand products that bear Penn State imagery and
5 whether there is also a business relationship between Vintage
6 Brand and Penn State. I was also testing whether consumers
7 believed that these Penn State imagery products, whether
8 Vintage Brand or Penn State is responsible, whether there's
9 any confusion in consumers' minds in terms of -- or beliefs in
10 consumers' minds that quality is the responsibility of Penn
11 State.

12 Q. Professor Erdem, a minute ago you mentioned a test and a
13 control design. Can you explain to the jury what a test and
14 control design is?

15 A. Sure. And then I prepared a slide for that, too. I will
16 go to this example. But in general, a test and control design
17 is where you want the -- you want to isolate the impact of a
18 treatment or a specific characteristic or at-issue feature on
19 an outcome. And you do so by creating at least two groups and
20 randomly assigning the relevant population, your relevant
21 sample to these groups, and isolating the affect of that
22 treatment on the outcome to assess that impact.

23 To give one example, the typical drug trials, what
24 they use is -- let's say they are talking about a diabetes
25 drug, and let's say the of outcome that you are interested in

1 is whether it is good at treating diabetes. So your relevant
2 population are diabetes patients. Let's say you have one test
3 group and one control group. You assign these diabetes
4 patients randomly to one of -- to these two groups. And then
5 one group gets this drug that is being developed; that's the
6 test. Their future at issue is that drug. And the control is
7 another pill, but it is just a sugar pill or water pill, let's
8 say. And then you are assessing the impact of that drug on
9 the outcome, which is the effectiveness, whether they will get
10 better or not. Why you need the control is because there
11 might be many different reasons why some people may get better
12 in terms of their diabetes. You want to cancel those other
13 reasons out, and you want to focus on the effectiveness of the
14 drug itself. That is the future at issue in those drug
15 trials. So that's the control test design.

16 Q. Okay. And just to elaborate just a little bit. You
17 mentioned that the folks in your -- in the test, in that
18 example, would be given the new diabetes drug. The ones in
19 the control would be given a sugar pill. Would there be
20 anything else different about those groups?

21 A. No. To isolate the effect, you have to keep everything
22 else constant between control and test. That's the whole
23 point of control. That's the whole point of the test/control
24 in science, so that the net effect, treatment-effect minus the
25 control-effect gives you the causality; it gives you the

1 effectiveness of the drug in improving consumer health
2 outcomes.

3 Q. Thank you. In your likelihood of confusion survey, how
4 did you implement that test and control design?

5 A. Sure. I have another slide for that one.

6 So I had two test groups and a control group. I
7 also call these conditions, test conditions or groups versus
8 control condition or group. In the test groups, I have two
9 different test groups. In one group, I had a hoodie with a
10 1929 Penn State Nittany Lions imagery. In test group two, I
11 had the same type, the same color hoodie, this time with a
12 1950 Penn State Nittany Lions imagery. So these were my
13 stimuli, the products with these images that were shown to the
14 test groups.

15 Q. And what about your control group?

16 A. Sure. The control group is on the next slide. The
17 control group had the same exact sweatshirt, the hoodie with
18 the State of Pennsylvania logo.

19 Q. And, Professor Erdem, why did you choose these images to
20 use, and why did you depict them on a sweatshirt?

21 A. Sure. I chose that sweatshirt, this was one of the most
22 sold items on Vintage website, and then this case is about
23 these images on this merchandise as sold on Vintage Brand dot
24 com's website. So -- and another guideline for choosing
25 controls in these type of Everready and other confusion

1 surveys is that the control needs to have as many similarities
2 as possible with the test, except for the at-issue features
3 that are being alleged to infringe.

4 So the seal here was fulfilling those purposes.
5 There's also another guideline that says that the product, for
6 example, in this case, Penn State, the product could be coming
7 plausibly from Penn State. So given those criteria, to choose
8 the control, it was a good control that kept as many
9 similarities as possible, but removing the alleged infringing
10 elements.

11 Q. Thank you. Professor Erdem, just to make sure that
12 everyone's able to follow along, you referred to a test group
13 one, a test group two, and then a control group. And then I
14 think you also referred to this as a control. I just -- could
15 you just explain how you're using that word control?

16 A. Sure. It can be get confusing. Group or condition has
17 to do with these experimental groups where people are randomly
18 assigned to. Control itself is the image on these products.

19 So test images are the ones that these Nittany
20 designs. There is the control is this image, this Penn State
21 -- the State of Pennsylvania seal itself is the control image.

22 Q. Okay. Thank you. And let's focus, specifically, on the
23 choice of that seal design as the control. Why did you choose
24 this particular image?

25 A. Because, as I said, it had as many similarities as

1 possible without having the infringing elements. For example
2 -- I might have a slide that compares this to the test groups.
3 Can we pull up that slide?

4 Q. Let's see. Well, we can look at those --

5 A. Okay. I can explain from here. Between test group one
6 and control, of course, it moves the Lion, the Penn State
7 triangle, with the test two, there are even more similarities,
8 but it removes the Lion, the rock, the Nittany. Here, there
9 is the PSU seal. So -- and the control has the state seal.
10 So that there are circular, they are both seals, they have
11 Pennsylvania in them are similarities. But it removes the
12 rock, the Nittany, the Lion, and it is the state seal and not
13 the PSU seal.

14 Q. Thank you. And, Dr. Erdem, where did you get the image
15 that you used in this control?

16 A. The control image came from the state's website.

17 Q. So this is the real state seal; it's not one that you
18 mocked up?

19 A. No. I didn't touch it.

20 Q. Okay. Now, before we go on to discussing the specific
21 sequence of your questions, could you explain just a bit about
22 how you administered your study?

23 A. There is a panel provider called Dynata. It's a very
24 well-known reputable company. So I contacted them. And I had
25 my survey instrument, my screen questions for the relevant

1 type of group. So they screened the people and the people who
2 are qualified for the survey, they can take their survey on a
3 mobile devise or on a desktop.

4 Q. Okay. And you mentioned -- you called it a target group
5 or a target population. What does that mean? What does a
6 target population or a target group?

7 A. Sure. A target population is the group of people whose
8 views, impressions, faults that the survey is trying to
9 capture and represent. So that's the target population.

10 Q. And what is the target population for your likelihood of
11 confusion survey?

12 A. In my -- in this particular case, it is past and
13 prospective purchasers of collegiate apparel and merchandise
14 online. They need to be 18 years and older, and reside within
15 the United States. And of course it was these people who are
16 blind to the purpose of the study.

17 Q. And, Professor Erdem, why did you think that was the
18 target population?

19 A. These are the people, the target customers for Vintage
20 Brand.

21 Q. Thank you. And how does your survey collect respondents
22 from the target population?

23 A. Can you repeat the question?

24 Q. How does it select respondents from the target
25 population?

1 A. Sure. So when the panel members are invited to click a
2 link, my survey asks multiple screener questions. For
3 example, they had to either have bought or planning to buy
4 this type of apparel online in the prior six months or in the
5 coming next six months. There are also age questions and
6 other quality checks. They were not supposed to work for a
7 marketing research firm, for a university. They were not
8 supposed to be employed by a university. There were multiple
9 screener questions. And if they passed those screener
10 questions, they were included in the sample, which then I
11 asked those questions and they could go on and finish the
12 survey.

13 Q. So after the respondents were identified as being part of
14 the target population and they qualified for the survey, what
15 did those respondents see next?

16 A. Sure. They now need to be put into the context of the
17 task. So I'll just read a couple of sentences from the task
18 description. The description says the survey is about
19 shopping for college apparel or merchandise online. During
20 the study, you will answer questions about shopping for Penn
21 State apparel or merchandise on Vintage Brand dot com.

22 Next, you will see images that will take you to a
23 purchasing process, etc.

24 So that was the task description.

25 Q. Okay. And why did you take tell respondents that they

1 would be shopping for Penn State apparel or merchandise on
2 Vintage Brand dot com.

3 A. You have to put the respondents, the customers, the
4 consumers into the frame of the mind of the task. You cannot
5 just drop them in a vacuum because that will be not realistic.
6 The whole point of the surveys is to capture consumers' real
7 thoughts, genuine thoughts, feelings, impressions, etc., as
8 they would act in the real marketplace.

9 So first of all, you have to, therefore, to
10 replicate, simulate as much as possible the real marketplace,
11 but also put them in the frame of mind of that situation and
12 context.

13 Q. Okay. And why is it important for a survey to simulate
14 the real-world marketplace?

15 A. If a survey doesn't simulate the real marketplace and
16 pulls a purely hypothetical scenarios, people will guess more,
17 people also, they are, as I said before, they cannot express
18 their genuine real market preferences because everything will
19 be sort of contrived since they are not being faced with a
20 situation that is closely proximating the real-world
21 marketplace.

22 Q. Okay. Is there anything else that you did in your survey
23 to simulate the real-world marketplace?

24 A. Yes. I showed them the purchase flow, rather than
25 dropping down on a product page, for example.

1 Q. Okay. Could you just walk us through what you mean by a
2 purchase flow. What are these images that the jury is looking
3 at?

4 A. Sure. Here we have seen a purchase flow on the Vintage
5 Brand dot com website. So the first page is the homepage.
6 Vintage Brand sells many different merchandise with different
7 university images or team images, etc. So the first page is
8 the Vintage Brand homepage.

9 Then the second page is, let's say the task is that
10 now the visual interest is in Penn State imagery items. And
11 so the next space then for that person would be the Penn State
12 landing page showing different products with Penn State
13 imagery.

14 The next page, let's say this person again, that's
15 the task, that's the real-markets simulation, they are
16 interested in a hoodie, in a specific hoodie with a Penn State
17 image and the product page comes up, and finally, after that
18 consideration, they are now going to buy that sweatshirt, and
19 you see that image again, that product with that Penn State
20 image in the test conditions, in the art cart page. All these
21 four pages, this purchase flow, itself was the same across
22 experimental conditions, control versus test, the same
23 purchase flow.

24 Q. Thank you. That was very helpful. So just to make sure
25 we understand about how this is working and what it's meant to

1 simulate, Brock, if you could zoom in on the Penn State
2 landing page on that? That might have been -- okay. I think
3 I can. There we go.

4 So that Penn State landing page, you see in the top
5 right there, there's -- I'm sorry. In -- on this page, the
6 sweatshirt that you have appearing over here on the product
7 page, does that appear on the landing page?

8 A. Yes.

9 Q. And so is the idea here that what this simulates is the
10 movement from the homepage to a landing page, and then someone
11 who has selected that particular product gets you to the
12 product page?

13 A. That's correct.

14 Q. And then -- and then moving over to the cart page, that
15 would be somebody who has decided to put that product that's
16 on the product page in the cart?

17 A. Yes, that's correct.

18 Q. Okay. Thanks. You can zoom out, please.

19 And you said you showed a version of this purchase
20 flow to everyone in all three of the conditions. What was
21 different across those different conditions?

22 A. What was different was that particular hoodie, that
23 sweatshirt that is shown in product page and cart page and one
24 image, one picture in the landing page has that, too. But the
25 big images are in the product page and cart page.

1 So the images on those sweatshirts changed between
2 conditions.

3 So in test 1, it was these 1929 image. In test 2,
4 it was 1950 image. And in control, it was the State of
5 Pennsylvania seal. So the sweatshirts had these images on
6 them. So that varied across the three conditions.

7 Q. And was that the only thing that varied across the three
8 conditions? The same purchase flow, presented that way?

9 A. Yes.

10 Q. Doctor, if I could have you zoom in on the -- I guess
11 we'll take the product page, near the top of that. Doctor --
12 Professor Erdem, you said that you showed respondents these
13 pages, but do you mean that you used screenshots of these
14 pages; these are still images?

15 A. Yes.

16 Q. The people in your survey were able too see the whole
17 image, but they weren't -- it wasn't a live website?

18 A. It was not a live.

19 Q. Now, when you used those screenshots, are these the pages
20 that you understood that existed at the time that Vintage
21 Brand was actually selling Penn State products?

22 A. That's correct.

23 Q. And if we zoom in on the top of the product page, you'll
24 see that the website address there, did you attain the website
25 address of these pages on purpose?

1 A. Yes, I did.

2 Q. And why did you do that?

3 A. Because of this idea of simulating the real marketplace
4 context. The merchandising context is the real market place
5 context here, so I kept that constant in all conditions.

6 Q. Okay.

7 Now, Professor Erdem, you said that you achieved
8 this real marketplace condition by simulating this purchase
9 flow. Is that the only way that consumers could have gotten
10 to this Vintage Brand products, by navigating through the
11 homepage, or might there have been other ways that they could
12 get there?

13 A. There might have been other ways. Some people may not
14 see the homepage. Some people may come from different
15 sources, etc. But this is one of the main ways for consumers
16 to get there. I mean both my research and my experience of 30
17 years show that this is one of the main ways.

18 Q. Okay. And would it be possible to do a single survey
19 that captured all of those ways?

20 A. No.

21 Q. Okay. So returning to your purchase flow, you said that
22 these pages were as they appeared when Vintage Brand was
23 selling these products. Did those pages at the time, did they
24 have any disclaimers on them?

25 A. Yes.

1 Q. They did. Okay. And did you change any of that text in
2 your survey?

3 A. Yes. What I did was I studied source confusion, business
4 relationship questions, and quality beliefs. On top of that,
5 I also did some sensitivity analysis, some supplemental
6 analysis about various issues. And one of them was where the
7 different disclaimers make a difference. Another one was the
8 pre-beliefs issue, and another one was whether how certain
9 people are when they are giving their answers, whether that
10 makes a difference.

11 So within that context, yes, I looked also at
12 different types of disclaimers.

13 Q. Okay. So just for clarify, when you say add different
14 types of disclaimers, is one of the conditions that you did in
15 your test the websites as it existed without any changes to
16 those disclaimers?

17 A. Exactly. I think on the slides, I labeled it condition
18 A, something along those lines. So one of the conditions that
19 are here, Condition A, if it is called current disclaimers,
20 cutting there means, at the time, when Vintage Brand was
21 selling these Penn State imaging products, I kept whatever
22 disclaimers they had at the time.

23 Q. Okay. And so -- now, could you talk to us a little bit
24 about how you varied that disclaimer in other situations?

25 A. Sure. So condition A is the disclaimers as they appeared

1 in the real marketplace. B, condition B removed all
2 disclaimers. Condition C replaces the real market disclaimers
3 with an official licensing agreement statement. And Condition
4 D is a version of A where the disclaimer language is what used
5 to be when they were selling the Penn State items, but it has
6 an additional pop-up window that the respondents saw on the
7 homepage that asks them to acknowledge the disclaimer, that
8 they have seen the disclaimer.

9 Q. And, Professor Erdem, why you vary the disclaimer and
10 test it in these different conditions?

11 A. Just to see whether different types of disclaimers make a
12 difference in the conclusions I drew.

13 Q. Oh, okay. So we'll come back a little bit later to these
14 different conditions. But just for clarity and to make sure
15 that the jury's following us, I'm going to focus right now
16 just on Condition A. You call that a current disclaimer
17 condition.

18 All right. And just so that I'm sure I understood.
19 In the current disclaimer condition, that was the website as
20 it actually existed without any modification?

21 A. Correct.

22 Q. Is that right? Okay. So let's -- let's walk through
23 that for a second.

24 In Condition A, what would the respondents have
25 seen?

1 A. In Condition A, they would have seen the purchase flow.
2 Of course they have seen those in other Conditions, too. But
3 then the purchase flow will have the disclaimer language on
4 each page that at the time -- the Vintage Brand had. And we
5 can go through again each page. So there's the homepage
6 first, then you are putting the consumers in that context
7 where they are looking now at Penn State imagery products.
8 That's what they are interested in. And they then get
9 interested in one particular sweatshirt, there's that imagery,
10 one specific imagery. And in test 1, that is the 1929
11 imagery. In test 2, it is the 1950 imagery. In control, it
12 is the State of Pennsylvania seal. The same thing with the
13 cart page. That product with that imagery, it just varies the
14 imagery that is across test 1, test 2, and control.

15 Q. So now after your respondents have moved through this
16 purchase flow, what were they asked?

17 A. There were several questions, but the main questions of
18 interest here, the first question was who or what entity do
19 you believe puts out the sweatshirt you saw. It was an
20 open-ended answer. They could put anything they want. And
21 they also had the option to say don't know, unsure.

22 Q. And what was the purpose of that question?

23 A. That relates to the source confusion issue that was part
24 of my assignment, whether consumers believed this t-shirt --
25 this sweatshirt is put out by, let's say, Penn State, if they

1 think it is Penn State. That would be confusion.

2 Q. Okay. Now, the question that you asked respondents here
3 was who they thought put out the sweatshirt that they saw.
4 How can you be sure that they understood what sweatshirt you
5 were talking about?

6 A. Just before answering that question or being asked this
7 question, the last page they saw was this cart page with that
8 sweatshirt, with that image, and the one -- the previous page
9 before that was the product page again, with that sweatshirt
10 and that image.

11 Q. Okay. So in sequence, immediately before having been
12 asked that question about who puts out this sweatshirt,
13 respondents would have seen this product page with a
14 particular sweatshirt?

15 A. The last page they saw was the cart page. This is the
16 one before the last.

17 Q. So they would have seen this one first? (indicating)

18 A. Yes. This is first, and then the cart page.

19 Q. And then that one, right. (indicating) And the cart
20 page would have had the same sweatshirt as on the product
21 page?

22 A. Correct.

23 Q. Okay. Thank you. And then after having seen those two
24 pages in sequence, they would have been asked who put out the
25 sweatshirt you just saw?

1 A. Correct.

2 Q. Okay. Now, Professor Erdem, you can see there below the
3 product that's in the cart on your cart page that there are
4 four images of other products?

5 A. Yeah. Can you bring the cart page because it's product
6 page right now on the screen.

7 Q. Oh, yes. Sorry.

8 A. Yes.

9 Q. Okay. So you see the cart page. You see the four images
10 below there.

11 A. Correct.

12 Q. The four products that are below. What images are on
13 those products?

14 A. There's a t-shirt, there's another sweatshirt, there is a
15 baseball cap, a mug, and all the images are exactly the same
16 as the sweatshirt image in the cart.

17 Q. Okay. And you mentioned that one of those is -- appears
18 to be a sweatshirt. That looks like the second from the left?

19 A. Correct.

20 Q. In the bottom row there?

21 A. Correct.

22 Q. And what image is on that sweatshirt?

23 A. It is the same exact image as the sweatshirt in the cart.

24 Q. Okay. So, Professor Erdem, if a survey taker who was
25 asked who they thought put out the sweatshirt that they just

1 saw, if somehow they weren't clear on what sweatshirt you
2 meant, would the other sweatshirt up here have been any
3 different?

4 A. It is an unlikely scenario, but even if a few people
5 thought that, it wouldn't make any difference because it's the
6 same exact image.

7 Q. Thank you. Now moving on to the responses to your
8 questions about the sweatshirts, when you asked respondents
9 who put out the sweatshirt, what did you find?

10 A. So here on the slide you see real answers, representative
11 answers from respondents. So in the open-ended question,
12 people might have responded if they mentioned Vintage Brand,
13 their answers might be things like a company called Vintage
14 Brand. Vintage Brand dot com. Vintage. Vintage Brand
15 written in capital letters. If they mentioned Penn State, it
16 might be Penn State Athletic Department. Penn State Football
17 Program. Penn State University. Nittany Lions. They didn't
18 have to say directly Penn State. But something related to
19 Penn State, like Nittany Lions. And then there was a category
20 other, like University, NCAA, etc.

21 I basically decided about these categories myself.
22 And then two quarters, blind to the purpose of the study coded
23 each respondent's answers, opened answers, and coded whether
24 they said Vintage Brand, Penn State, and other, and if they
25 mentioned, let's say Penn State and Vintage, if they said

1 anything Penn State plus something else, they were still
2 called it as saying Penn State. So these people were
3 confused.

4 Q. Okay. So just to take that example specifically, if you
5 see in your middle column here, the very bottom response that
6 you have is Penn State and Vintage. How would you have
7 counted that result?

8 A. So it is showing on this slide on the Penn State because
9 they were coded as indicating Penn State as the source.

10 Q. Okay. And, Professor Erdem, you said you created these
11 roles, and then two blind coders categorized. How did they
12 know what to do?

13 A. I told them the categories. And then I had also a
14 procedure and instructions that I filed with my report what
15 the instructions were, what the categories were, what the
16 process was.

17 Q. And so these blind coders had instructions from you,
18 categories, and those instructions are part of your report?

19 A. Yes, they are.

20 Q. Okay. I believe they're in an appendix to your report;
21 is that right?

22 A. That's correct.

23 Q. Now how did you use those categories? You said you've
24 arranged -- you've, you know, sorted people into these
25 categories. And then when you did that, you -- how did you --

1 what did you do? Did you count them up? Is that --

2 A. Yes. So how many people think the source is Penn State.

3 How many people think it is not Penn State, basically.

4 Q. Okay. Now, in your other category over here, it looks
5 like some respondents gave you answers that refer to something
6 like a university or a college or the NCAA?

7 A. Correct.

8 Q. Did you count those responses as confused?

9 A. No.

10 Q. Why not?

11 A. Because is this is not specific. Confusion here refers
12 to a very specific thing. Confusion means incorrectly
13 identifying the source to be, in this case, Penn State.
14 So a university, NCAA are too vague, nonspecific terms. So
15 they are not counted as confused.

16 Q. Okay. And did you count responses like these in the same
17 way in the test conditions and in the control?

18 A. Definitely. Again, one rule in test/control designs are
19 that the coding, the justifications, etc., should be exactly
20 the same between control and test.

21 Q. And then how do you use the number of responses that are
22 in the test conditions and the control? How do you -- how do
23 you work those together?

24 A. Sure. I had mentioned the control/test designs and why
25 they have the control is to cancel out any other reasons, for

1 example, consumers might be confused about, besides the
2 imagery on that product because our task here to find the
3 impact of that imagery on that product causing the confusion.
4 Therefore -- and then people might be confused for other
5 reasons, than those. They might have read Penn State, etc.
6 Therefore, you have to deduct from the numbers of confused
7 people in test conditions, the numbers of people who are
8 confused in the control condition to get a net confusion.
9 That's how you can tell what is the net impact on confusion of
10 the products with that imagery.

11 Q. So the net confusion would be subtracting out the
12 confused responses in the control condition from the confused
13 responses in the test conditions?

14 A. That's correct.

15 Q. Okay. And when you calculated that net confusion with
16 respect to this question about who put out the product, what
17 did you find?

18 A. So in the case of test group 1 versus control, it was
19 minus 3 percent. And in the case of test group 2 versus
20 control, it was 4 percent. So these are very close to zero
21 numbers, so these are minimal.

22 Q. And what's the conclusion that you draw from those
23 results?

24 A. The net confusion, in terms of the source question,
25 whether the consumers felt the source is Penn State and

1 therefore, they are confused, the confusion is minimal.

2 Q. Okay. Now, do you know, Professor Erdem, if your results
3 would have change in any way if you had counted those
4 nonspecific responses like university, college, or NCAA? If
5 you'd have counted those as confused, do you know if anything
6 would have changed?

7 A. I wouldn't have expected anything to change, but I also
8 looked at it because Mr. Franklyn had raised that issue.

9 Again, those should not be counted as confused.
10 That's not the correct way of approaching it. But as a
11 supplemental analysis, since that point was raised, I also
12 reclassified, not re-coded. Coding stays the same. You
13 cannot touch the coding. That's not also okay with these
14 surveys. But you can always take those people who said
15 university, I already record this saying university as the
16 source, you can now classify them as confused. Okay. They
17 were all confused, too. So then I classify those people who
18 say either university or NCAA as confused as well both in test
19 and control, the results didn't change. So the confusion
20 numbers were very similar.

21 Q. Just to clarify. You said you ran a supplemental
22 analysis. And I just want to understand what that means. How
23 does that -- what does that mean about the reports -- the
24 results that you reported here?

25 A. The taking out the University one -- I don't think it was

1 in the report. It was after the report was filed, when
2 Mr. Franklyn raised the issue of well, confusion numbers might
3 be different if you count university people, people who
4 mentioned University as confused. I want to -- as I said
5 first, you shouldn't take them out. You shouldn't classify
6 them as confused because confusion has a very specific meaning
7 here. They should name Penn State. Vintage Brands sells
8 other university images, as well. So I don't agree with
9 Mr. Franklyn on that. But I still looked at it to see whether
10 it makes any difference to my results. So then you reclassify
11 the people who say university as confused. That's what I mean
12 by supplemental analysis. The results don't care, in terms of
13 net confusion.

14 Q. And I didn't ask you a very good question. But when I
15 say supplemental, I mean this was an additional second
16 analysis that you did. You didn't replace your first
17 analysis. You didn't --

18 A. Definitely not. I would not replace my main analysis.

19 Q. And your main analysis was reported in your report, and
20 this wasn't like you threw that one out and put this one in
21 instead?

22 A. Definitely not.

23 Q. Now you're familiar, it sounds like, you said, with
24 Mr. Franklyn's rebuttal report to your survey?

25 A. Yes.

1 Q. Yes. Now, you're aware that Mr. Franklyn says that when
2 he counted those additional answers in your survey and he
3 included things -- answers that referred to college or
4 university or NCAA, that when he counted them, your numbers
5 actually did go up. That's what he says. Do you understand
6 that?

7 A. Yes. That's what he says. I wasn't provided with his
8 coding scheme, so I don't know exactly what he did. But one
9 thing I can tell you, he deducted those -- or he included
10 those people who say University is confused in the test group,
11 but didn't so in the control group. So whoever say university
12 was deemed to be confused in test, but those people who said
13 university in control were assumed to be not be confused,
14 which you cannot do. That's against test/control design
15 analysis.

16 Whatever you do, it should be the same. If it goes
17 to conditions, if you are deducting, which I don't even -- I
18 mean if you are adding those people who say university as you
19 think those people are confused, which I don't agree anyway,
20 but if you are still going to do that, you need to do that
21 both in control and test.

22 Q. And when you did it in both the test and the control, you
23 say your results didn't change?

24 A. That's correct.

25 Q. Okay. I'd like to move on here. And you mentioned that

1 you have also evaluated possible confusion regarding the
2 existence of a business relationship between Vintage Brand and
3 Penn State.

4 A. Correct.

5 Q. How did you do that?

6 A. So there was another question about business
7 relationship. For this one, I had what we call a
8 full-filtered question. So the question asks, Do you believe
9 that whoever puts out this sweatshirt you saw -- and it was a
10 close-ended question -- has a business relationship with any
11 other entity or entities, or does not have any business
12 relationship with any entity or entities, and gives them also
13 an option of unsure or no opinion.

14 And this full-filtered question, we ask these
15 full-filtered questions before you open end it in this type of
16 context because you don't want to force them or prompt them to
17 opionate on things they don't have an opinion about. So
18 those people who said yes, I believe there's a relationship,
19 then they get the open-ended question, which asks, What other
20 entity or entities do you believe have a business relationship
21 with whoever puts out the sweatshirt you saw, and then they
22 can answer their open-ended answers again, and -- and they can
23 say don't know, unsure.

24 Q. The term you used a minute ago was full-filter. And I
25 just want to make sure the jury understands it.

1 By full-filter, you mean you first ask them this question, Do
2 you believe whoever puts out the sweatshirt has a business
3 relationship, does not, or I don't have an opinion. You first
4 asked them that. And then only the people who said that they
5 did believe that there was a business relationship were asked
6 to name who that person -- who that entity was?

7 A. That's correct.

8 Q. Now, why did you use the term business relationship here?

9 A. Business relationship is a broad term from a scientific
10 point of view. Consumers don't have an exact understanding of
11 more specific terms, like, let's say endorsement. So business
12 relationship encompasses any such business relationship. So
13 rather than prompting them to think about one particular
14 business relationship, they could think of any business
15 relationship they want, and if they think they have, like,
16 Penn State has any kind of relationship, then they can put
17 Penn State here, whatever business relationship it might be.

18 Q. Okay. Now, how did you evaluate the responses to this
19 question about a possible business relationship between Penn
20 State and Vintage Brand?

21 A. The same way I analyzed the previous question.

22 So again, the same coding scheme, I had the same
23 instructions, the same procedure. And again, these are some
24 examples, real examples of how respondents answered the
25 questions.

1 So if they said Vintage Brand, Vintage Brand dot
2 com, etc., that's one group. And then there's the Penn State
3 group. Penn State group can either say just Penn State or
4 they can mention other entities as well. It doesn't matter.
5 If they said anything about Penn State, they are the Penn
6 State group. And like before, the other is university NCAA,
7 etc.

8 Q. So then again, just to be specific, if somebody had said
9 Penn State and Vintage Brand, how would you have counted them?

10 A. That -- that they're confused people. The moment you
11 mention Penn State people, it doesn't matter what else you
12 mention.

13 Q. Okay. And what were your results?

14 A. So my results were again, the differences between test
15 group and control groups, the net confusion levels were very
16 low, 5 percent in the case of test group 1, versus control
17 group. 9 percent in the test group 2 versus control.

18 Q. And what conclusion do you draw from these?

19 A. That the net confusion in terms of business relationship
20 is minimal.

21 Q. Okay. And, Professor Erdem, did the level of confusion
22 in your test groups or your control group, did any of that
23 strike you as unusual?

24 A. No.

25 Q. In your experience, is there any particular level of

1 confusion in the control condition that would give you
2 concern?

3 A. Not really. What you do is you don't start from your
4 numbers. You just apply the best practices in choosing a
5 control, the kind of things I just mentioned, as many
6 similarities as possible, only removing the allegedly
7 infringing elements, and then you end up with certain results.

8 So I didn't have any concern about the numbers I
9 received.

10 Q. Okay. Now, putting together your results regarding
11 confusion as to source and then these numbers about confusion
12 as to business relationship, what are your overall conclusions
13 regarding likelihood of confusion?

14 A. That it is minimal. Here is kind of the consolidated
15 results that I mentioned in terms of source, minus three and
16 five, respectively for test control -- test 1 versus test 2.
17 And then 4 percent versus 9 percent for test 2.

18 Q. Okay. And, Ms. Erdem, before we move on, I want to draw
19 your attention to in the top left box there where in test
20 group 1, your source confusion number is negative 3.

21 Any particular reason to be concerned that it's a
22 negative number there?

23 A. No. In that particular case, just for source, in the
24 test group one, it might be that there are even a few more
25 people who are confused in the control case. That can be

1 happen.

2 And these are such small numbers, it's basically,
3 at that level, kind of noise. Statistically, this can happen.

4 Q. Okay. Professor Erdem, you mentioned that you also
5 tested whether consumers believed that Penn State was
6 responsible for the quality of Vintage Brand's products. How
7 did you do that?

8 A. Correct. I -- again, I had a question like the business
9 relationship question. There was a first full-filtered
10 question meaning first, I asked people's opinions, whether
11 they have an opinion about this, because there's no reason to
12 force people to have opinions if they don't have an opinion.

13 So the question said: Based on the images you
14 viewed, do you or do you not have an opinion about who is
15 responsible for the quality of the sweatshirt. And -- and
16 this is a close-ended question.

17 Yes, I have an opinion about who is responsible for
18 the quality of the sweatshirt. Other option is no, I do not
19 have an opinion about who is responsible for the quality of
20 this sweatshirt. And the third one is don't know, unsure.
21 And the next question, like -- I'm asking further questioning
22 about what their beliefs are about this, is asked to those
23 people who say they do have an opinion.

24 Q. Okay. So I'm going to go back one. Sorry.

25 You said this was also a full-filter question, and

1 by that, you mean that only the people who said yes, I have an
2 opinion about who is responsible got asked the next question?

3 A. Correct.

4 Q. Okay. And this is the next question?

5 A. Yes.

6 Q. Okay. And what -- what was this next question asking?

7 A. So this question is asking based on the images you
8 viewed, who you believe is responsible for the quality of the
9 sweatshirt. Again, open-ended. And again, the same coding,
10 the way the answers were recorded and classified.

11 Q. I'll get to the coding in just one second. I just want
12 to make sure we make it through the whole sequence here.

13 You asked this -- you called this an open-ended
14 question, and by that, you mean people could write in whatever
15 they wanted?

16 A. Correct.

17 Q. Your next question was this question; do I have that
18 right?

19 A. Yes. In this case, I had one more question. This is
20 after they were asked, in an open-ended way, what their belief
21 is.

22 Now there's a follow-up question, too, which gives
23 them options of -- the question says, I'm reading, You may
24 have already said this, but based on the images you viewed,
25 please select one of the following regarding your expectations

1 about who is responsible for the quality of the sweatshirt.
2 And the answer options were: I expect Vintage Brand alone is
3 responsible for the quality of the sweatshirt. Another
4 option: I expect Penn State alone is responsible. I expect
5 neither Vintage Brand nor Penn State is responsible. I expect
6 both Vintage Brand and Penn State. Other, don't know.

7 So they could -- there was also this follow-up
8 question.

9 Q. Professor Erdem, why did you ask both of these? Why did
10 you ask the open-ended question that let people say whatever
11 they wanted and then also ask them this question where they
12 had these choices?

13 A. In case in the open-ended question, they didn't even
14 think about Penn State, this makes it salient that that's not
15 off the options, that it's prompting them, because if they --
16 I classified these, if they said either Penn State in the
17 open-ended question or they mentioned here Penn State, even if
18 they didn't mention open-ended Penn State but they say here
19 Penn State or Penn State and Vintage, the moment they
20 mentioned Penn State as the responsible party, they were
21 classified as confused.

22 Q. Okay. So just -- I just want to spend a minute more on
23 that just to be sure that we have an understanding about the
24 relationship between these.

25 You asked both of these questions, first an

1 open-ended question, and then a question that had a bunch of
2 choices?

3 A. Correct.

4 Q. Do I have your testimony right that if anybody had said
5 Penn State in response to the open-ended question, you would
6 have counted them as confused?

7 A. They were already confused, yes.

8 Q. Okay. And that would have been true even if they said
9 Penn State and Vintage Brand?

10 A. That's correct.

11 Q. And in response to question 15 -- I'll just go back to
12 here -- you see there's a bunch of choices there. And there,
13 the choices include both Penn State and Vintage Brand, right?

14 A. Correct.

15 Q. Both Vintage Brand and Penn State. Yeah?

16 A. Yes.

17 Q. And you would have counted that person as a Penn State
18 answer also?

19 A. Correct.

20 Q. Okay. So if anybody had answered Penn State, either
21 alone or in combination with anything else to either of these
22 questions, you would have coded them as having been confused?

23 A. Yes. They were classified as confused.

24 MR. FINKELSON: Objection, Your Honor.

25 THE COURT: Just a moment, Professor.

1 MR. FINKELSON: I've been patient with it, but it's
2 been about 15 leading questions in a row. So objection.
3 Leading.

4 MR. MCKENNA: I think she testified as to all of
5 these things. I think I was just summarizing.

6 THE COURT: Try not to lead. The objection's
7 noted. Go ahead.

8 BY MR. MCKENNA:

9 Q. So let's move onto the next. When -- when you did this
10 coding, what conclusions did you draw?

11 A. Sure. The next slide covers that in terms of the
12 results.

13 So in terms of consumer beliefs with respect to who
14 is responsible for the quality, the net differences for test
15 group 1 versus control group was 3 percent and for test group
16 2 versus control group was 4 percent, which means that very
17 few people think that the responsibility is Penn State's
18 responsibility of the quality.

19 Q. Thank you. So we have been focusing so far on the
20 results in what you've called condition A, right, which
21 focused on -- what you called current disclaimers?

22 A. Correct.

23 Q. And you mentioned you tested three other conditions,
24 right, in which you varied the disclaimer language?

25 A. Correct.

1 Q. Did you find any difference in the levels of confusion
2 based on the disclaimer conditions?

3 A. No. When comparing confusion results or quality results
4 across the disclaimer conditions, there are no differences, so
5 my conclusions do not change based on the disclaimer
6 condition.

7 Q. Professor Erdem, does that mean that your survey shows
8 that disclaimers don't matter?

9 A. No, it doesn't show that.

10 Q. Why not?

11 A. First, my task, my assignment wasn't to design an optimal
12 disclaimer language. I have done those kind of things in my
13 research, etc. That's a different task. Find the best
14 disclaimer so that it makes a difference. So that wasn't my
15 task. There could be other disclaimers that could work.

16 The second thing, my experience has been that
17 disclaimers tend to be more effective if the baseline
18 confusions are quite high. In the baseline confusions are 70
19 percent, let's say, then disclaimers can make a difference or
20 they are more likely to make a difference.

21 Q. Okay. Thank you.

22 Professor Erdem, earlier you mentioned, sort of in
23 passing, that you had done some testing about whether
24 respondent's level of certainty about their questions -- about
25 their answers affected the results. What did you mean by

1 that?

2 A. Yes, I did. So when I was reviewing Mr. Franklyn's
3 verbatim answers to some of his questions, I had been seeing
4 quite a few people saying, like, when you ask why did you say
5 that that way, why did you name that identity or entity,
6 people would say I am guessing; it was just a guess.

7 So I saw that. Also, I was aware of an academic
8 article that talked about these confusion surveys, and it
9 might be a good idea to ask also people about how confident
10 they are in their answers. And this paper talked about, you
11 know, this kind of certainty of response scale. And it had
12 basically four answer options. The question is how likely do
13 you think that your answer is correct. Even if you say
14 Vintage Brand or Penn State or something else, whatever they
15 said. Now you are saying how likely do you think your answer
16 is correct. And they can check just guessing, somewhat likely
17 correct, very likely correct, definitely correct.

18 So given that economic work, as well, I said okay.
19 I will also ask that question, and analyze that, as well.

20 Q. Okay. And so just for clarity, when you ask those
21 questions in your survey, in relation to the other questions
22 about confusion?

23 A. Sure. That question was the last question in each case.
24 Let's say for business relationship first, there's a question
25 about whether they think there's a business relationship or

1 not. Then there's an open-ended question. And then once they
2 answer all of the questions about business relationship, then
3 they answer how certain they are about their answers.

4 Q. Okay. And is there any risk in your mind that the
5 respondents in your survey might have answered any qualify
6 those confusion questions differently because you asked them
7 about the certainty?

8 A. No, there's no plausible scenario. But I also checked,
9 because that was brought up, too, I also checked to see if
10 there's any discernable trend, like are people getting more
11 and more uncertain, or checking more and more don't know.
12 There's no trend in the answers.

13 Q. Now in terms of your results, what did you find when you
14 took into consideration that the folks who were more certain
15 of their answers?

16 A. My conclusions didn't change. The results were not
17 sensitive to whether people were saying they are guessing or
18 they were certain which is actually a good thing because it
19 basically shows that my survey instrument was pretty good. So
20 people are not guessing, it didn't make a difference, and my
21 results are quite reliable.

22 Q. Okay. Just one or two more clarifications. Just in
23 terms of how you reported this.

24 Did you remove anyone from your survey, based on
25 their answers to these questions?

1 A. No. My -- everybody, after the screener questions,
2 everybody who qualifies for the survey, finishes the survey.
3 Nobody is thrown out of the sample. The main analysis,
4 without certainty, without -- we don't talk about pre-beliefs,
5 without those -- the main analysis is always the main
6 analysis. It is there in the report.

7 Then I do these additional analyses just to see
8 sensitivities of these issues.

9 Q. Okay. And in this case, your conclusion was?

10 A. That if you are certain about your answers, still the
11 confusion numbers are more or less the same.

12 Q. Okay.

13 Now, you also mentioned that you tested to
14 determine something about whether people believed that the law
15 required Penn State's permission.

16 How did you do that?

17 A. Sure. There was also a question at the end that asked
18 about these beliefs. The question asked: You may have
19 already said this, but based upon the pages you viewed, which
20 of the following, if any, do you believe is true. And the
21 answer options, it's a closed-ended question. The answer
22 options are: I believe the law requires Penn State's
23 permission to sell apparel or merchandise with the design on
24 the sweatshirt. And then another option, I do not believe the
25 law requires Penn State's permission to sell apparel or

1 merchandise with the design on the sweatshirt. And don't
2 know, unsure again.

3 Q. And what did you find?

4 A. When I looked at this, a large percentage of people who
5 are confused have these preexisting beliefs. But in terms of
6 my confusion numbers, confusion numbers don't change. And my
7 conclusions don't change. So.

8 Q. I'm sorry. I didn't mean to interrupt you?

9 A. You can ask.

10 Q. You said that a high percentage of the folks in -- who
11 had indicated confusion had these beliefs. Did the
12 respondents who didn't give answers that indicated they were
13 confused, did those people also indicate that they had this
14 belief?

15 A. Yes. Most of them had this belief.

16 Q. Okay. And what do you -- what do you make of that?

17 A. That's why we cannot suggest causality. It didn't make
18 everybody confused obviously because there were lots of people
19 who had the belief but weren't confused.

20 But here, the focus is on the confused people, so
21 they were sort of a correlation -- confused people did have
22 this pre-belief. I cannot pin down just from that any
23 causality. I cannot go how this relationship goes. But in
24 the verbatims when I asked people after each question why do
25 you say so, which had nothing to do with these pre-beliefs,

1 but some people, unprompted, volunteered some answers which
2 kind of indicated they were confused because of the -- they
3 think law requires because they expressly say oh, I say so
4 because they must have gotten permission from Penn State to do
5 so.

6 Q. Thank you. So, Professor Erdem, we're going to sum up
7 here, and I'd just like, if you would, for you to summarize
8 your conclusions for the jury.

9 A. Sure. So they are basically two main conclusions.
10 Consumer confusion about whether Penn State is the source of
11 Vintage Brand product is minimal. Consumer confusion about
12 whether there's a business relationship between Penn State and
13 Vintage Brand. That's minimal. And few consumers believe
14 that Penn State is responsible for the quality of Vintage
15 Brand's products that bear this imagery.

16 Q. Thank you.

17 MR. MCKENNA: I'll pass the witness.

18 THE COURT: Thank you. Why don't we take a short
19 recess at this point before we begin the cross examination.

20 Mrs. Rhinehart, escort the jury out. Maybe a ten
21 minute recess, ladies and gentlemen. Court will rise.

22 (At 3:34 p.m., a recess was held.)

23 (3:56)

24 THE COURT: We're back on the record now after an
25 afternoon recess. I believe there's some cross examination of

1 this witness.

2 MR. FINKELSON: Yes, Your Honor.

3 THE COURT: Go right ahead.

4 CROSS EXAMINATION

5 MR. FINKELSON: Your Honor, if I could, before I
6 start, move in to evidence, please, P-61 through P-72.

7 Ms. Rhinehart, do you want me to list all of them,
8 or does that work?

9 COURTROOM DEPUTY: No. That works.

10 MR. MCKENNA: No objection.

11 THE COURT: Duly admitted. Go right ahead, sir.

12 BY MR. FINKELSON:

13 Q. Good afternoon, Professor Erdem.

14 A. Good afternoon.

15 Q. Were you with us, Professor Erdem, when this trial
16 started a week or so ago? It seems like longer than that.

17 A. I wasn't here.

18 Q. Okay. The jury's been here the whole time, and I'm glad
19 you're here now. Through the life of this trial, the jury's
20 heard about the Defendant's disclaimers and we've been having
21 a back and forth with each other, do those disclaimers have a
22 difference, do they have an impact, do they prevent confusion
23 or don't they.

24 And the great thing for the jury is that you
25 actually tested the disclaimers. Didn't you, Dr. Erdem?

1 A. I looked at whether the disclaimers make a difference in
2 terms of my own conclusions.

3 Q. Well, in fact, Dr. Erdem, in your survey, you created
4 conditions that allow you to estimate the impact of
5 disclaimers on peoples' perception of the source of Vintage
6 Brand's products and Vintage Brand's business relationship
7 with Penn State.

8 A. I had different conditions. I used the current language,
9 I used no language whatsoever, no disclaimers, I had an
10 official licensing statement, as well as their current
11 language at the time in the pop-up window.

12 Q. The pop-up box.

13 A. Yes.

14 Q. And I'm going to go through all of those in a second.

15 But the purpose of having those conditions,
16 correct, was so that you could estimate the impact of the
17 disclaimers on peoples' perception of the source of Vintage
18 Brand's products and Vintage Brand's relationship with Penn
19 State, right?

20 A. I wouldn't say right away because the word of estimation.
21 I'm an economization as well. Estimate means something very
22 specific. I would rephrase it as saying I looked at these
23 different conditions impact on total confusion levels and
24 whether my conclusions would be different, depending on the
25 disclaimer. And I said my conclusions are the same. That's

1 how I would phrase it because the word estimation implies an
2 economic model. There's no economic model here.

3 Q. Can we pull up Dr. Erdem's expert report, please, at page
4 13. Dr. Erdem, you recognize what you have in front of you as
5 your own expert report in this case, right? Your words, not
6 my words?

7 A. Yes.

8 Q. In fact, I'm going to tell you right now before we even
9 get started, most of what I ask you about today are going to
10 be your own words. And if you want to disagree with them,
11 I'll show them to you.

12 This is the first example. So this is your expert
13 report and you said, quote, I also created additional stimuli
14 conditions that allow me to estimate the impact of disclaimers
15 on respondents' -- that's your survey takers -- right,
16 perception of the source of Vintage Brand's products, Vintage
17 Brand's business relationships, and quality of Vintage Brand's
18 products as they relate to products decorated with Penn State
19 imagery, end quote.

20 Have I read that?

21 A. Yes, you read it correctly.

22 Q. And to test the impact of Vintage Brand's disclaimers,
23 the disclaimers that this jury has been hearing about since
24 last Tuesday and asking itself, do they have an impact or not,
25 you divided your survey participants into four groups of

1 people, right?

2 A. That's correct.

3 Q. And I know groups and conditions, you mentioned this --

4 I'll use groups, but I mean the same thing, and I think you

5 and I are on the same page. So one of those groups, which was

6 more than 300 people, they were shown the Vintage Brand

7 website, just as it appears in the real world, complete with

8 the actual disclaimers that were on the website when they were

9 selling Penn State-branded products, correct?

10 A. That's correct.

11 Q. Okay. And then for another group of more than 300

12 people, you showed them the exact same Vintage Brand website,

13 but you removed the disclaimer all together?

14 A. That's correct.

15 Q. Correct. So no disclaimer at all for that group.

16 A. Correct.

17 Q. And then, as you said, for a third group, you had the

18 actual Vintage Brand website, and they were shown the

19 disclaimers as they actually exist, and then they were kind of

20 shown a disclaimer on steroids, right? That disclaimer went

21 up in a pop-up box, and they actually had to press I

22 acknowledge?

23 A. That was the fourth condition, and it simulated -- that

24 pop-up window, they didn't click on it, of course, because it

25 was not a dynamic website. But they saw the pop-up window.

1 Q. Right. So we're through three. And you're right; I
2 didn't take the last two in order, but I'm coming to the other
3 one.

4 So those survey takers, in fact, they saw the
5 disclaimer, twice, right. And they saw the pop up window and
6 they saw the acknowledge, right?

7 A. Correct.

8 Q. And the pop-up box, that's never something that has
9 actually appeared on Vintage Brand's website; you created that
10 for purposes of your test, right?

11 A. That's correct.

12 Q. And then for the final group, you replaced all the
13 disclaimer statements that are currently on the Vintage Brand
14 website, and you replaced them, instead, with statements that
15 the products on the Vintage Brand website were, quote,
16 officially-licensed merchandise, right?

17 A. Correct.

18 Q. Okay. So we're on the same page together so far. And
19 when you ran your test, what you found, whether or not there
20 was a disclaimer in some form, didn't make any difference on
21 the amount of confusion, correct?

22 A. That's correct. The confusion numbers and other language
23 I used were robust to the type of disclaimer used.

24 Q. Whether there was a disclaimer in the form it actually
25 exists on Vintage Brand's website or no disclaimer at all, the

1 results were essentially the same?

2 A. The net confusion results were almost the same. Yes.

3 Q. And, in fact, in some instances, you found that survey
4 takers who saw Vintage Brand's actual disclaimer, as they are
5 on the website, were more confused than people who saw no
6 disclaimer at all?

7 A. It can go to the direct results. I have to look at the
8 exact numbers. It could be, of course, because those numbers
9 are already so small, the noise I was talking about, it is
10 normal that they'll go by a few percentage points here and
11 there.

12 Q. Let's look at the numbers. Can I have slide 5, please,
13 Mr. Burkhardt. Okay. Let's orient ourselves. And we're going
14 to talk about a lot more numbers, Dr. Erdem, than you talked
15 about with Mr. McKenna, because there's a lot more numbers in
16 your expert report than the four numbers you showed the jury
17 during your direct examination.

18 What the jury -- is this published to the jury.

19 Ms. Rhinehart?

20 COURTROOM DEPUTY: Yes, it is.

21 BY MR. FINKELSON:

22 Q. So what the jury is seeing here, correct, Dr. Erdem, are
23 your results from your expert report regarding source and
24 business relationship confusion, and the version on the top,
25 those are the folks who saw the actual Vintage Brand

1 disclaimer, right?

2 A. Correct.

3 Q. And the folks in the bottom box, those are the folks who
4 were in what you called Condition B. Can you highlight that,
5 please, Mr. Burkhart. Condition B, those are the folks that
6 saw no disclaimer. They saw the Vintage Brand website, but
7 the disclaimer was gone, right?

8 A. Right.

9 Q. And if we look in your test group 2, which is one of the
10 groups which you showed one of the allegedly infringing
11 Vintage Brand products -- it's the one that the jury will
12 recognize as having the lion shrine and the University seal
13 mark on it, right -- so that's your test group 2, correct, Dr.
14 Erdem?

15 A. Correct.

16 Q. And what you found was, amongst that test group 2, and
17 we're talking gross confusion now, before we get to your
18 control, in that test group 2, 30 percent of your survey
19 takers, 30 percent of the 300, who saw your test group image,
20 along with Vintage Brand's actual disclaimer were confused
21 into thinking there was a relationship with Penn State,
22 correct?

23 A. These are gross numbers. I wouldn't say confused because
24 we have to attach the term confused to the net numbers. So
25 after --

1 Q. And that's why I said gross to you --

2 A. Yeah.

3 Q. -- because I'm not -- there's no hide the ball here. We
4 have gross confusion. We're going to talk about it a lot this
5 afternoon together. We have control, and we have net
6 confusion. And I understand; we're going to talk about your
7 control. Right now I'm just talking about your test?

8 A. Yes.

9 Q. Because the test are the people who actually see the
10 stuff that's at issue in this case. They see the allegedly
11 infringing merchandise, correct?

12 A. Correct.

13 Q. All right. So just to go back to where we were. So 30
14 percent of the people who saw the allegedly infringing Penn
15 State lion shrine shirt were confused into thinking it came
16 from Penn State when they saw it along with the Defendant's
17 disclaimer, and that number actually went down to 18 percent
18 of people who had that level of confusion when they saw the
19 same t-shirt with no disclaimer. Those were your results,
20 correct?

21 A. Yes. Gross numbers are 30 percent versus 18 percent in
22 that case.

23 Q. So at least in this instance, for your lion shrine test
24 group, talking gross, more people were confused with Vintage
25 Brand's disclaimers than if they didn't see any disclaimer at

1 all, right?

2 A. Yes.

3 Q. Okay. Now, let me catch you up on something else that's
4 been talked about in this trial that also relates to the issue
5 of disclaimers, Dr. Erdem, and you can take this down,
6 Mr. Burkhardt.

7 You are aware, aren't you, that there are a number
8 of sellers out there of authentic Penn State merchandise who
9 advertise themselves as being officially licensed?

10 A. That they are officially licensed sellers of Penn State
11 -- sure, like Penn State book store, for example, who sell
12 Penn State official merchandise.

13 Q. Right. They exist. And the jury has heard about them in
14 this trial. And the Defendants in this case have suggested to
15 the jury that the fact that those authorized sellers sometimes
16 include language on their websites stating that the
17 merchandise is officially licensed, that that avoids any
18 confusion. But your own data disproved that, as well, didn't
19 it, Doctor?

20 A. Well, in my own study, the official licensing disclaimer
21 didn't make a difference.

22 Q. That's correct, because you tested, as we started with a
23 moment ago, one of your conditions was replacing the
24 disclaimer with a statement that said that Vintage Brand was
25 selling officially-licensed merchandise, right?

1 A. Yes.

2 Q. And that's the language we looked at earlier, and you
3 wanted to see if that made a difference --

4 A. Correct.

5 Q. -- as compared to no disclaimer at all or as compared to
6 an actual disclaimer. And you found that it didn't make any
7 difference at all, right?

8 A. Correct.

9 Q. Okay. Can we please see slide 6 just so the jury can see
10 those numbers.

11 So just to reorient ourselves, in the box at the
12 top, the rectangle, right, we're looking at the same -- the
13 same group of folks that we were talking about a moment ago,
14 those are the people who looked at your test group 2 image
15 with the current Vintage Brand website, right, with the
16 disclaimer. Are you with me so far? Do I have it right,
17 Dr. Erdem?

18 A. Correct.

19 Q. And then the bottom box are the same group of people who
20 were shown, instead, this official licensing statement that
21 the Defendants say you see that, you know exactly who it's
22 coming from, that's the folks who are in the bottom rectangle,
23 right. And the confusion between the two groups was
24 essentially identical?

25 A. Yes.

1 Q. Okay. You can take that down.

2 The fact is, Vintage Brand's disclaimers, that
3 information that is in the fine print that we've all heard
4 about in this trial, is what specialists in your field call
5 hidden or shrouded information, right?

6 A. I wouldn't agree with that necessarily.

7 Q. Okay.

8 A. The disclaimers, for example, on the second page, third
9 page of the purchase flow, fourth page, in some cases, they
10 are at four different places. In some cases, it's in three
11 different places, at the footer, below the product line, so it
12 is repeated in different wording in some pages, four times.

13 Q. Right. You're familiar with the scientific literature on
14 hidden and shrouded information, aren't you, Dr. Erdem?

15 That's a yes or no question.

16 A. I am familiar with the disclaimers literature in general.
17 People use different words.

18 Q. In fact, you've testified under oath before about fine
19 print being hidden or shrouded information, haven't you?

20 A. Yes. And --

21 Q. You did it in the FTC v Direct TV case, and you agree,
22 don't you, Dr. Erdem, that it is well-established that
23 consumers often ignore information or disclosures that are
24 difficult to find or that are presented in a vague way?

25 A. That's correct. And --

1 Q. And fine print -- and fine print, Dr. Erdem, is a classic
2 example of that; yes or no?

3 A. Fine print, I have to define fine print. For example,
4 since you mentioned the FTC case, one of the issues in the FTC
5 case was that you had to hover your mouse on a little
6 hyperlink that you find and click on it. For example, that's
7 an extreme example of shrouded because you have to find that
8 little, in-fine print, click and click on it to open it up.

9 Q. Understood. And we actually have that here, the jury's
10 seen the scroll bar that you actually need to scroll if you're
11 on Vintage Brand's website to even see part of the disclaimer.
12 But I'm not asking you about that. I'm just asking you about
13 fine print.

14 And you have testified before, correct, Dr. Erdem,
15 and I quote: And fine print is a classic example of that kind
16 of shrouding or a practice that makes cognitive load of
17 consumers high, and -- you know what comes next -- a majority
18 of consumers don't read the fine print. Correct? You've
19 testified to that under oath, before?

20 A. Yes. And --

21 Q. And you agree -- you agree -- and, Dr. Erdem, I don't
22 mean to cut you off, but I only get a little bit of time to
23 talk to you. Mr. McKenna, he can keep talking to you. So I
24 -- I don't mean to cut you off, but I do want to get answers
25 to my questions, and then if you need to explain something,

1 you're going to have the opportunity to do that.

2 The simple fact, right, Dr. Erdem, is that the
3 majority of consumers don't read the fine print, yes or no?

4 A. It is fine print with a hovered mouse or appears only
5 once in a small font, yes.

6 Q. All right. Can we pull up, please, Dr. Erdem's
7 testimony. It's in the FTC transcript, page 924, line 7-13.

8 COURTROOM DEPUTY: Is this going to the jury?

9 MR. FINKELSON: Not yet. Until it comes up.

10 COURTROOM DEPUTY: Should it?

11 MR. FINKELSON: Should. I can publish it.

12 BY MR. FINKELSON:

13 Q. And this is your testimony, Dr. Erdem, under oath --

14 A. Correct.

15 Q. -- in the FTC trial, and there weren't a lot of caveats;
16 there weren't anything else. It's just black and white on the
17 paper.

18 And in general, consumers potentially ignore
19 information or disclosures that are difficult to find or that
20 are presented in a vague way that is not clear because they
21 want to avoid cognitive effort, and fine print is a classic
22 example of that kind of shrouding or a practice that makes
23 cognitive load of consumers high, and a majority of consumers
24 don't read the fine print.

25 Have I read that accurately to you?

1 A. You read it correctly, and I just mentioned you have it
2 was operationalized in their case.

3 Q. Okay. Well, it's operational in this case. Can we have
4 the next -- actually, let's do this. Let's pivot away from
5 disclaimers and talk about something else that is important in
6 this case and the jury's heard a lot about, and that is
7 confusion. And I want to orient you and I together and the
8 jury in to the calculation that you actually did in this case.

9 You agreed, right, that the calculation that survey
10 experts like you do, Professor Franklyn did it, I think
11 Dr. Neal even talked about it, is you figure how much
12 confusion there is in your test group, right, and then you
13 figure out how much noise there is in your control group. You
14 subtract that from your test group number, and that gives you
15 after the equal sign net confusion. Correct?

16 A. You calculate confusion in both groups and subtract
17 control from the test.

18 Q. You said it better than I did. So test group confusion,
19 minus control group confusion equals net confusion?

20 A. Correct.

21 Q. Okay. And that's the calculation you did, correct?

22 A. Yes.

23 Q. Okay. And you agree that's the right calculation to do?

24 A. Yes. You have to net it from the control.

25 Q. Okay. Can we please see Dr. Erdem's slide 25. This was

1 the slide that you showed to the jury during your direct
2 examination, correct? You called it your consolidated
3 results?

4 A. Yes.

5 Q. Okay. Now, you tested for confusion as to source?

6 A. Correct.

7 Q. And confusion as to business relationship?

8 A. Correct.

9 Q. And you know that in order to come up with a net
10 confusion number, you have to add those two together?

11 A. That's total net confusion.

12 Q. Correct. That's net confusion. The jury heard Professor
13 Franklyn talk about his opinion that there's net confusion of
14 27 to 39 percent. And I know you don't agree with that
15 opinion. But you recognize. That's a net confusion opinion?

16 A. That is total net confusion.

17 Q. That is total net confusion of the relevant types of
18 confusion that you test in an Everready survey, right?

19 A. It is source plus business relationship.

20 Q. And that's what -- as you know, that's how you do it?

21 A. I already did it that way. Here, it was just presented
22 as source separately from business relationship. But this can
23 be obviously added up. It is added up in the report. It is
24 obvious that these are separate here.

25 Q. It is added up in the report. And that's why I was so

1 surprised not to see it on your slides. But just so that the
2 jury's clear, they know Professor's opinion, 27 to 39 percent.
3 The equivalent opinion from you on net confusion in this case
4 is 1 percent at the low end for test group 1, and 13 percent
5 at the high end for test group 2, correct?

6 A. We can pull up the addition results like in the report I
7 added up source plus business relationship, and we can talk
8 about -- I don't remember now.

9 Q. But the math -- you put these two numbers on the slide --

10 A. Yeah.

11 Q. -- and you know source plus business goes you to total.
12 So if you do that --

13 A. Sure.

14 Q. -- for test group 1, you found 1 percent net confusion in
15 test group 1. And you found 13 percent net confusion --

16 A. Right.

17 Q. -- in test group 2?

18 A. For those two, yes.

19 Q. Just so the jury knows when it's comparing apples and
20 oranges what it's comparing because there's plenty of
21 difference between your numbers and Professor Franklyn's, and
22 it's going to be to the jury to decide. But first they've got
23 to know what the numbers are.

24 So your numbers are 1 to 13 percent?

25 A. Correct.

1 Q. Net confusion?

2 A. Correct.

3 Q. And --

4 A. Net confusion in terms of source plus business
5 relationship.

6 Q. Understood. And you talked a little bit about negative
7 confusion a moment ago because there's an example of negative
8 confusion on this slide 25, right? That's your source number
9 for test group 1 versus control group. That's the Penn State
10 sweatshirt versus your control sweatshirt, right?

11 A. Correct. In one cell there was the control group
12 confusion was slightly higher.

13 Q. Right. And by cells, we're talking hundreds of people.

14 A. It was about 107.

15 Q. Right. So just so the jury understands what negative
16 confusion actually means, you concluded, as to this particular
17 category, you asked your survey takers the questions, right,
18 and more people said Penn State to you in response to the
19 State of Pennsylvania t-shirt than said Penn State to you in
20 response to the Penn State t-shirt, right?

21 A. In the source question, there were a couple of percentage
22 points higher confusion in the control case, correct.

23 Q. Right. And in just straight up easier to understand
24 terms, you showed these two items to two different groups of
25 people, and more people said Penn State to your control than

1 it did to your test?

2 A. Correct. Slightly.

3 Q. And we're going to talk about your control, because this
4 isn't the only image that they saw in your control, was it,
5 Dr. Erdem?

6 A. I don't know what you mean.

7 Q. This little picture of one sweatshirt, one gray
8 sweatshirt that says the State of Pennsylvania on it, the
9 survey takers who were in your control group were shown a lot
10 more than just that one sweatshirt, weren't they?

11 A. Both test group and control group and this test group,
12 too, all three groups saw a lot more pages. They -- all were
13 shown, as I said, the full purchase flow yes, but not just the
14 control group. Everybody saw those.

15 Q. And actually, I've got them all on board. So you're
16 going to see them. The jury's going to see them. So they're
17 going to see exactly what your control group saw and they're
18 going to see what your test group saw. And we'll talk about
19 that.

20 So let's focus first on -- and you can take that
21 down, Mr. Burkhart -- let's start with the beginning of your
22 equation, gross confusion, the confusion that you found in
23 your test groups. Okay. Because those are the groups who
24 actually were shown and for which you actually tested the
25 Vintage Brand merchandise that has Penn State's trademarks on

1 them, right?

2 A. I showed merchandise with Penn State imagery.

3 Q. Right. And you actually calculated a number in each of
4 your test groups. You showed them -- I'll use your term --
5 Penn State imagery, and you actually figured out how many
6 folks were confused just upon seeing that imagery, right?

7 A. After they were put into the merchandising context and
8 went through the product page, cart page, etc., then the
9 questions were asked, and if you are talking right now, let's
10 say, about source confusion, I summarized my coding. So if
11 they said Penn State or any combination of Penn State and
12 Vintage Brand, doesn't matter, the moment they mentioned
13 anything about Penn State, including Nittany Lions, etc., they
14 -- they were classified as confused.

15 Q. And I noticed, and again, I was surprised by this, in
16 your 35 slides, you never showed the jury -- in fact, you
17 never told the jury, at any point during your testimony
18 earlier today, what they're probably most interested in
19 hearing, and that is how many people who you showed what
20 Vintage Brand is actually doing, were confused in your test
21 groups in to thinking that Penn State approved of it. You
22 didn't show the jury that. You didn't tell the jury that, did
23 you?

24 A. You mean rather than the net confusion numbers, we should
25 have talked about gross confusion numbers? You can pull it up

1 and we can talk about it.

2 Q. Let's do that. Let's do that.

3 First, let me ask you this. The -- the items that
4 you tested, the images that you tested, you got those images
5 directly from the Vintage Brand website, right, Dr. Erdem?

6 A. Correct.

7 Q. And you got those images at the time or shortly after the
8 time when you were hired in this case in August of 2022,
9 correct?

10 A. These were designs that they were selling, correct, at
11 the time.

12 Q. Designs that they were selling the at the time; is that
13 what you said, ma'am?

14 A. They are not selling any more Penn State imagery products
15 any longer, as far as I know.

16 Q. Right. But you and your team got the images that you
17 tested in your survey directly from the Vintage Brand website,
18 correct at the time or shortly after the time when you were
19 hired in this case in August of 2022.

20 A. Are you talking about screenshots or the images, because
21 the screenshots in the test groups I got from the Counsel -- I
22 don't know the exact timing. But I pulled out the control
23 image from the State of Pennsylvania website. But the
24 purchase flow -- and then the homepage, I pulled out myself.
25 But the purchase flow for the other pages came from the

1 Counsel, the Penn State imaging products.

2 Q. Okay. Let me just make sure I have it right just so I
3 understand it.

4 So you got -- you were hired in this case in August
5 of 2022. You had -- at or about that time, Counsel sent you
6 certain screenshots from the Vintage Brand website, but then
7 you also went to the Vintage Brand website yourself and pulled
8 actual images, right?

9 A. No. What I was saying was first of all, I don't remember
10 the exact timing. But the homepage we pulled out, I pulled
11 out from their website. The control image in the State of
12 Pennsylvania seal, that is from the state's website. But the
13 flow for all those current, meaning at the time what Vintage
14 Brand was doing, those screenshots came from the Counsel at
15 some point. I don't know when.

16 Q. Okay. But you know you were hired in August of 2022; you
17 ran a pretest in January of 2023; and you ran your survey in
18 January of 2023, correct?

19 A. Correct.

20 Q. So sometime during that period of time, you went to the
21 Vintage Brand website yourself.

22 A. Before January, yes.

23 Q. Okay. Thank you.

24 And you selected two pieces -- two items of Penn
25 State-branded merchandise for your test groups, right?

1 A. Correct.

2 Q. And you determined that those would be representative of
3 the overall set of Penn State branded products that were on
4 the Vintage Brand website, right?

5 A. They were just two that were being alleged to infringe.

6 Q. But you chose them as representative ones, didn't you?

7 A. I don't -- I mean they were not -- you know, I mean -- in
8 terms of representativeness, there was not a systemic study of
9 how many times they come up versus others, but they were
10 there, they were being alleged as infringing.

11 Q. Can we have Ms. Erdem's deposition transcript, please, at
12 page 64, lines 18 through 65.2. You had your deposition taken
13 in this case, correct, Dr. Erdem?

14 A. Sure. That was so much time ago, so obviously, I don't
15 remember.

16 Q. Same as --

17 MR. MCKENNA: Can I just ask? Is this being shown
18 to the jury?

19 COURTROOM DEPUTY: Not currently.

20 BY MR. FINKELSON:

21 Q. The deposition, you're under oath, just like you're here
22 in trial. You were answering questions from one of my
23 colleagues at the time, correct?

24 A. Yes.

25 Q. Okay. And here, you were talking about why you selected

1 one of the images you selected. And you went on to explain,
2 and I quote, I wanted to have the lions, and then I wanted to
3 have a modified version of it. And in the end, I chose these
4 ones as representative ones.

5 Those were your words, correct, Dr. Erdem?

6 A. Yeah. I mean, as I said, they were not, like, minority
7 ones. But I was just qualifying here and explaining to you,
8 of course, there was not a systematic study of representation,
9 but these ones were coming up again and again, and lion is
10 very much their, you know, mascot or whatever. And so in that
11 sense, sure.

12 Q. Yeah. And I was just using -- I'm not a scientist, so
13 when I say representative, I just --

14 A. I try to be very precise about the terms. That's why
15 sometimes we use terms in lay language versus what they
16 exactly mean from a scientific point of view, that's why I'm
17 being a bit too precise or anal about these things.

18 Q. No. That's fine. You're on the stand, and I wouldn't
19 ask anything other than of you.

20 You tested two Penn State-branded images in each of
21 your test groups. One group saw one of the images and the
22 other saw the second, correct?

23 A. One was the 1929 lions nittany, the other one was the
24 1951.

25 Q. And the fact is that within those two test groups, you

1 found very high confusion, didn't you?

2 A. You mean gross confusion numbers?

3 Q. We're going to talk about your control in a little while.

4 I'm just talking -- I'm just talking about the people who

5 actually saw the allegedly infringing merchandise. We're

6 going to talk all about the people who saw your State of

7 Pennsylvania t-shirt or sweatshirt, which you used as your

8 control. The people in your test groups, they don't ever see

9 your control. They just see the stuff that we're -- that we

10 all care about, right? They see the allegedly infringing

11 merchandise.

12 A. Gross confusion numbers are what they are. We can go

13 one-by-one. But people might be confused for many different

14 reasons. That's why you need the control. That they saw that

15 image doesn't mean that's the only reason they are confused

16 about. That's why you need control.

17 Q. Can we have Exhibit 67, please Mr. Burkhart. All right.

18 This is the image that you showed your test group 2, correct?

19 A. That's correct.

20 Q. Okay.

21 A. One of the -- I mean -- it's in the purchase flow.

22 Q. Right. But it's the sweatshirt.

23 A. It's the hoodie, the sweatshirt that -- the image on that

24 sweatshirt is the test group 2 image, yes.

25 Q. Exactly. And actually, the product that's in that

1 picture, that's the very same infringing Penn State design
2 that Professor Franklyn tested, except he tested it on a
3 t-shirt instead of a sweatshirt, right?

4 A. Yeah. This is one of the allegedly infringing images,
5 yes.

6 Q. And just like Professor Franklyn -- and I want the jury
7 to be clear on this because the slide you had up earlier had
8 just like a picture of the shirt, the picture of the shirt,
9 and the picture of the shirt. But I want the jury to be clear
10 exactly what you showed your test group.

11 So just like Professor Franklyn, you didn't show
12 your test group a picture of the merchandise, right,
13 Dr. Erdem? You showed them all the surrounding text that the
14 jury sees on this screen in front of them, right?

15 A. No. I'm giving the full merchandising context.
16 Mr. Franklyn didn't give the full merchandising context. He
17 removed the URL; he didn't have the other pages. But he has
18 some merchandising context. So I have the full merchandising
19 context. And that is -- I think that's the product page that
20 they saw in condition test 2.

21 Q. Right. You showed them this product page with the
22 picture of the sweatshirt, with the lion shrine and the
23 University seal on it and all the surrounding language that
24 actually showed up on Vintage Brand's website, right? That's
25 what you did?

1 A. Correct?

2 Q. Okay. And you thought that you way you did it here,
3 showing the picture of the merchandise with the surrounding
4 text, as it appears on the Vintage Brand website, you thought
5 that was a fair way to do it, right?

6 A. That's the merchandising context.

7 Q. And because this is what is alleged to be infringed,
8 right?

9 A. The full -- what is alleged to be infringing is the
10 products with these images.

11 Q. And -- and you and Professor Franklyn tested this same
12 accused design, and you and he found nearly identical
13 confusion in your test groups for this design, didn't you?

14 A. The numbers in terms of gross confusion in this condition
15 are similar.

16 Q. Yes. Professor Franklyn found that nearly one out of
17 every three people were confused, more than double the 15
18 percent magic number that this jury has heard about during the
19 course of this trial, right?

20 A. Again, one qualification there, in terms of the source
21 confusion and the other confusion, the numbers are similar.
22 But our questions weren't exactly the same, etc., so it's not
23 one-to-one. But let's, for example, talk about source
24 confusion. Yes. Gross source confusion was similar with my
25 test 2 and his.

1 Q. Yeah. And let's just show the jury what we're talking
2 about. And I'm not breaking it up into source and business
3 relationship. I'm just talking gross confusion because I
4 can't do -- I can only do so much math.

5 Can we have Professor Franklyn's slide 38, please,
6 Mr. Burkhart. The jury saw this slide. I don't think you
7 were here, Dr. Erdem, when Professor Franklyn testified. But
8 this is the 31 percent confusion that Professor -- gross
9 confusion that Professor Franklyn found in his test cell one.
10 And now let's look at what Dr. Erdem found in hers, if we can
11 pull that up, Mr. Burkhart.

12 These are your results, right, Dr. Erdem?

13 A. Yes.

14 Q. These come straight out of your expert report.

15 A. Yes.

16 Q. And in your test group two, which was testing the very
17 same image that Professor Franklyn tested, and when I say
18 image, I mean lion shrine, university seal trademark shirt,
19 and you found that 30 percent of people in that test group
20 were confused in your study, right? That's the 30 percent
21 that the jury sees highlighted right here.

22 A. Yes. And these are the people who mention Penn State or
23 Penn State and some other entity, but this doesn't have
24 university, etc. I don't know right now from the top of my
25 head the numbers you showed for Mr. Franklyn also counts the

1 university people as confusing those numbers.

2 Q. And I'm actually -- I know you and he have a difference
3 of opinion on the University issue, and you've run two sets of
4 numbers. And I promise you, if I show you numbers that are
5 from your data where you added university, I'll tell you that
6 I'm doing it, and this isn't an example of that, though. This
7 is your numbers before you -- this is what you called your
8 main numbers, 30 percent gross confusion. That means 30
9 percent of the folks who in your test saw the infringing
10 merchandise said Penn State.

11 A. Yeah. My question was the numbers you showed for
12 Mr. Franklyn that are those have university people as confused
13 or not.

14 Q. Okay. All of the folks in 30 percent in your data set,
15 right, all of those people who were confused, they saw the
16 Vintage Brand website with the actual Vintage Brand
17 disclaimer, correct?

18 A. This -- let me see if this comes from Condition A.
19 Correct.

20 Q. Okay. And now I'm going to ask you about another set of
21 numbers that you came up with on this very same issue. But I
22 am going to ask it once you reran your numbers to add
23 references to colleges or university.

24 So I'm telling you. I know the one that we're
25 looking at on the screen here, this is what you consider your

1 opinion, and that you did the other in response to Professor
2 Franklyn, and you don't really agree with it. But I'm telling
3 you that's what I'm going to do because I want the jury to see
4 what the numbers look like when you did your supplement. And
5 with the understanding that you think the one we're looking at
6 right now is the right one. So can we look at that please,
7 Mr. Burkhart.

8 So this is the exact same set of data that we
9 looked at a moment ago, except you now have included
10 references to university and college as counting as confused,
11 right?

12 A. Correct. And that's why you have to do the same thing in
13 control, and when you subtract from this, the control, the
14 numbers don't change.

15 Q. And when you re-evaluated your data to account for some
16 of Professor Franklyn's criticisms of your survey, your
17 confusion percentage for the people who saw the lion shrine
18 t-shirt with the University sale trademark went all the way up
19 to 44 percent once you counted university and college,
20 correct?

21 A. I wouldn't describe it that way. First of all, as I
22 said, I didn't reevaluate. My point of view in terms of the
23 University people cannot be counted as confused still stays.
24 Two, that you cannot, in isolation, look at the test numbers
25 and don't deduct the same testification scheme from control.

1 That's a no-no in test control design states.

2 I just say that I looked at classifying the way he
3 wanted university from test, as less from control data.
4 Otherwise, it doesn't make any sense to do it that way. The
5 numbers stay the same, I said.

6 Q. What's the number that's highlighted on the screen,
7 Dr. Erdem?

8 A. That doesn't have the control.

9 Q. I -- we're not talking about the control. The reason you
10 and I have set up the equation for each other and for the jury
11 is so they can follow us. Because I can't follow these
12 numbers sometimes.

13 A. Sure.

14 Q. Right. So what we're doing now is we're talking about
15 the people who actually saw the infringing merchandise. And
16 you and I have agreed we're calling that test confusion.
17 Right. And then we're going to get to control.

18 So now we're talking about test, so the survey
19 takers who are looking at the infringing stuff, when you
20 adjusted the numbers or you've provided this data -- I won't
21 even use the word adjusted -- 44 percent confusion for test
22 group 2, correct?

23 A. I mean we should use gross confusion because when people
24 say confusion, they really refer to net confusion because
25 confusion alone, I mean calling gross confusion is not kosher.

1 It is not what we should be doing.

2 So gross confusion, the University people in it
3 rises from 30 percent to 44 percent and then you do the same
4 thing with control, it raises in the same amount there to, so
5 no effect on the net confusion, which is the relevant number.

6 Q. 44 percent on this exhibit that you're looking at and the
7 jury's looking at. 44 percent gross confusion in your test
8 group 2, correct?

9 A. 44 percent gross confusion with those people who said
10 university, etc. added as confused, that's the 44 percent
11 number. Yes.

12 Q. Thank you. You can take that down, Mr. Burkhart.

13 So now we've looked at a gross confusion, and I
14 think we all have a better sense of what you found in your
15 survey. And before I move to your control group, let me ask
16 you for a moment about your quality -- your quality questions.
17 Who is responsible for the quality of the merchandise.

18 Now, the Defendants have told this jury that one
19 question when it comes to likelihood of confusion is whether
20 people believe that Penn State is responsible for the quality
21 of Vintage Brand's products. And I think it you agree with
22 the Defendants on that.

23 A. Can you repeat that?

24 Q. Sure. Do you think that -- whether people believe that
25 Penn State is responsible for the quality of Vintage Brand's

1 products is relevant to whether there is confusion?

2 A. I don't know their exact argument for the source
3 confusion and business relationship confusion. It doesn't
4 relate to that. But my understanding is that there might be
5 other source of confusion at purchase, post-purchase, etc.
6 And then some of these things may have relevance for those.

7 Q. But Penn State is not, in fact, responsible in the real
8 world, right? Penn State is not responsible for the quality
9 of the Defendants' products, is it?

10 A. It is not responsible, and my numbers confirm that most
11 people don't think Penn State is responsible. They think
12 Vintage Brand is responsible.

13 Q. And that's what I'm -- that's what I'm actually trying to
14 ask about. So if someone in your survey said they thought
15 Penn State was responsible for the quality of Defendants'
16 products, in your view, those people would be confused,
17 correct?

18 A. Those people would have the wrong beliefs.

19 Q. Okay. Let's look -- let me ask you this, though.

20 But in the net confusion totals that we just went
21 over with the jury where you had 1 to 13 percent, you didn't
22 actually count in those totals a single one of the people who
23 you found were confused as to product quality, did you?

24 A. The product quality question was a separate question
25 about quality beliefs. So --

1 Q. It was a separate question, Dr. Erdem, but you never
2 added the numbers together. You calculated 1 to 12 percent
3 net confusion, plus you -- 1 to 12 percent net confusion. And
4 then you separately calculated a quality number, and you never
5 added them together. Can we have slide one, please?

6 A. The numbers are all there. So it's easy to see the
7 total, if you wanted to add it up. But I added in one table,
8 confusion as to source and to business relationship. So
9 that's the two combined. And I had a separate section about
10 the quality, and the numbers are there in terms of what the
11 quality beliefs were.

12 Q. Correct. And the numbers -- and now we're not talking
13 about gross confusion. Now we're talking about net confusion.
14 The number that you say matters most. When you add them
15 together, you've got 12 percent net confusion or 13 percent,
16 depending on how you round for source and business
17 relationship, and you have 4 percent confusion with respect to
18 quality; and those numbers add up together to equal 16
19 percent. Correct, Dr. Erdem?

20 A. Yeah. If you want to include also incorrect quality
21 beliefs, then if you add 12 plus 4, it is 16 percent.

22 Q. Thank you. I appreciate that.

23 Let's look at the responses, Dr. Erdem, that you
24 actually got in your survey with respect to who is responsible
25 for the quality of Vintage Brand's Penn State-branded

1 products, because they look a lot different, I think, from
2 what the jury's heard from you so far on this issue.

3 So let's look at some of those, if you would pull
4 the that up, please, Mr. Burkhart. That would be slide two.

5 Please are some of the verbatim, word-for-word
6 responses, Dr. Erdem, that you received from survey takers in
7 your survey when you asked them about responsibility for
8 quality. Yes?

9 A. I wouldn't remember in which cells these verbatims came
10 from, but these are some verbatims.

11 Q. And I promise you, if I sat here and told you that I got
12 this out of your data and I didn't, I'd be in a lot of
13 trouble? So I --

14 A. No. I know. It is my data. I am just saying --

15 Q. And I'm sure I'd hear it. So you recognize these as
16 responses that you got to your quality question, correct?

17 A. That's what I was saying. I wouldn't recall whether
18 these were to the quality question or some other question I
19 asked. But if you are saying these are the verbatims to the
20 quality question, then it's the quality question.

21 Q. Okay. I appreciate that. They are. So please explain
22 why you answered I expect Penn State alone would be
23 responsible for the quality of the sweatshirt.

24 This is their name on this. They should be responsible. They
25 would want final approval, since it's representing them. I

1 would think Vintage Brands is a middleman and Penn State book
2 store would drop ship. I just think Penn State alone makes
3 the quality of the hoodie. And the last one. Licensed by
4 Penn State.

5 All responses that you received to this question;
6 yes or no, Dr. Erdem?

7 A. Yeah. So these are the people who are having the wrong
8 beliefs in terms of who is responsible for quality. Remember.
9 The net result is 4 percent. But then if you look at the
10 gross, we can go back, whatever that gross number is, these
11 peoples' verbatims are represented here.

12 Q. Sometimes peoples' words are a lot easier to follow than
13 the numbers, and that's why I think this is helpful. Can I
14 have the next slide, please, Mr. Burkhart.

15 Now these are folks again, responding to your same
16 responsibility for quality question. These are folks who
17 answered that they expect both Vintage Brand and Penn State
18 were responsible. Right, Dr. Erdem?

19 A. Yes. And these were also counted as confused or as
20 having the wrong beliefs about the quality responsibility. So
21 these are also kept in that net 4 percent quality, wrong
22 belief or confusion number.

23 Q. And this is what your survey takers actually told you.
24 Quote, Penn State trademarked product and Vintage Brand is
25 selling its product. Both entities should be responsible.

1 Second one. Because it's Penn State clothing
2 getting sold on Vintage Brand's website.

3 Third one who expected both Penn State and Vintage
4 Brand to be responsible said quote, Vintage is the
5 manufacturer and Penn State is the sponsor, logo owner.

6 Fourth, Penn State would like to approve of
7 merchandise to ensure it meets up to their quality standards.

8 Next one. Vintage puts it out, but Penn State
9 agrees to quality.

10 Last one. Vintage is responsible for what they
11 sell, and Penn State is responsible for what they attach their
12 name to.

13 That's what your survey takers told you, correct?

14 A. These are the people I counted as confused. And now they
15 are saying in their own words why they are confused. Yes.
16 And the net confusion number I found is 4 percent.

17 Q. Speaking of quality, you asked your survey takers who is
18 responsible for quality. But just so the jury's clear, you
19 only showed them the picture, right?

20 A. Yeah. They didn't have the t-shirt or sweatshirt in
21 their hands.

22 Q. Right. That was my next question. No one you tested was
23 actually given a piece of the Vintage Brand merchandise to
24 examine the look and the feel, correct?

25 A. No. It was the replicating the merchandising context at

1 the point of purchase.

2 Q. Okay. Let's switch gears to your control, because we now
3 all understand that, Dr. Erdem, you found very high levels of
4 confusion in your test groups, and now we're going to look at
5 your control group and see what you found there. And then
6 we're going to get to the end of the equation, your net --
7 your net calculation. And when we get to the control, that's
8 where your and Professor Franklyn's results really start to
9 diverge, fair?

10 A. They diverge very much in terms of control, correct.

11 Q. And your control is what this jury needs to understand
12 and to evaluate in order to understand how it was that you got
13 from finding so much confusion in your test groups that saw
14 the infringing Penn State-branded merchandise to saying at the
15 end of the day there's basically no confusion at all?

16 A. So much confusion, like up to even 30 percent, I have
17 seen cases where the gross confusions were 70 percent.

18 Q. Right. But we're just talking about -- we're talking
19 about this case. If you and I start talking about other
20 cases, we're going to be here a long time.

21 Professor Franklyn's control was the t-shirt that
22 had the Vintage Brand trademark on the front, correct?

23 A. It was a white shirt with the Vintage Brand on it that.
24 That was his control image.

25 Q. That was his sugar pill. It didn't say Penn State

1 anywhere on it?

2 A. It didn't say Penn State, merchandising context. It
3 didn't say anything about Penn State. It was Vintage Brand.
4 Actually there was not a single reference to why it might be
5 Penn State. It was just Vintage Brand website, Vintage
6 Brand's logo. Everything was Vintage Brand only.

7 Q. Let me ask you this. There was a lot of talk during --
8 while Professor Franklyn was on the stand about the fact that
9 his control didn't include any sports references.

10 You weren't here for that. But your control didn't
11 include any sports references, did it?

12 A. My control had the complete URL. My control had control
13 conditions itself and test condition. They need to keep these
14 merchandising contexts constant. I had the merchandising
15 context. I had the four pages. I had the URL. As I said, we
16 have to be careful about control condition versus control
17 image. Control condition, where those people who were
18 assigned to -- to those controls, so those were the group of
19 people. The control image itself, the control is the design
20 on those products, on that sweatshirt. And my merchandising
21 context was completely there for everybody. And my control
22 had it, my test had it, whereas Mr. Franklyn's control removed
23 all inferences, all signals to Penn State. It was just
24 Vintage Brand -- Vintage Brand shirt, Vintage Brand's logo on
25 the page. No URL. So that's a very different

1 Q. Dr. Erdem --

2 A. -- control image.

3 Q. I don't know if you remember my question. My question,
4 which I'd ask if you'd answer, please, is the control image
5 that you used, which was a gray sweatshirt with a State of
6 Pennsylvania seal on it, did it have any sports-related
7 references on the sweatshirt, yes or no?

8 A. Now I understand. You are talking about just the image
9 on the sweatshirt.

10 Q. Yes, ma'am.

11 A. The sweatshirt what white. The page had the --

12 Q. I'm not talking about --

13 A. The image itself, yes.

14 Q. The image itself of the sweatshirt, like the sweatshirt
15 that one would actually wear, it didn't have any reference to
16 sports on it, and you thought that was okay, right?

17 A. It had the control -- I mean the images on the t-shirt is
18 what those images were.

19 Q. Okay. Thank you. All right. In your control group, you
20 gave the analogy of the drug and the sugar pill during your
21 testimony, right? In your control group, which was your
22 supposed sugar pill, the people who were not supposed to get
23 the drug, you found substantial confusion with Penn State,
24 didn't you?

25 A. As much as -- the highest it was, I think, was about 17

1 percent.

2 Q. It was 17 percent?

3 A. In one -- I mean not in all cases. That was the highest,
4 I think.

5 Q. Yeah. In fact, just so the jury's clear, it was 17
6 percent, 17 out of every 100 people in your control said Penn
7 State. And when you accounted for the criticisms that you had
8 gotten from Professor Franklyn, which I know you don't agree
9 with, that number went up to 30 out of every 100 in your
10 control said Penn State, right?

11 A. They didn't say Penn State. You are now including also
12 people who said other things like university, etc., etc.

13 Q. Fair enough. So 17 percent said Penn State and another
14 13 percent said university or college, right?

15 A. And other things, too.

16 Q. Yeah. So we've got 17 percent -- I'll use your lower
17 number. 17 percent confusion in your control?

18 A. Gross confusion, please.

19 Q. 17 percent gross confusion in your control. What the
20 jury needs to understand, though, doesn't it, Dr. Erdem, is
21 that all of that confusion that you found in your control
22 plays an awfully big role in your ultimate opinion that
23 there's no net confusion in this case, doesn't it?

24 A. Sure. Any test and control design, the whole point of a
25 test and control design that you have a good control so that

1 you cancel out any other reason that might confuse consumers
2 in saying Penn State, besides the image itself on the product.
3 That's why the control, hopefully would show some confusion.

4 Q. And the higher the amount of the confusion that you get
5 in your control, the lower the amount of net confusion that
6 you're going to get after the equal sign, right?

7 A. Keeping the test gross confusion numbers constant, of
8 course.

9 Q. Right.

10 A. Because those factors that might affect consumer
11 confusion overall, they would drive both of them up, so the
12 net confusion numbers won't be sensitive to those outside
13 factors. That's the whole point of control and test designs.

14 Q. So now, what I want to do is help the jury understand how
15 that happened in your survey. How it was that so many people
16 in your survey who got what was supposed to be a sugar pill, a
17 no Penn State sugar pill, ended up saying Penn State anyway.

18 First -- first, and Dr. Erdem, I haven't moved to
19 strike any of your answers. I've let you explain well beyond
20 the questions that I'm asking. But this is going to go a lot
21 faster and a lot more clearly for the jury if you answer my
22 questions.

23 first, you designed your own control, didn't you?

24 A. My control image was the State of Pennsylvania seal. I
25 didn't design it because it was -- I didn't change it, modify

1 it. But I decided to use, as the control image, on the
2 sweatshirt the State seal.

3 Q. And you also decided what the flow of images, the
4 shopping flow that the folks in your control group were going
5 to see?

6 A. I decided the purchase flow as it is in real life to be
7 both the same in test and control.

8 Q. And you would agree, wouldn't you, Dr. Erdem, that it's
9 very important for the jury to consider what you did with your
10 control and whether or not your control was valid?

11 A. Yes. Again --

12 Q. Did -- did, Dr. Erdem, use a valid control. That's a
13 totally fair question for this jury to ask, isn't it?

14 A. Yes. And my control image -- my control image is the
15 image on that sweatshirt. And it's completely valid. And it
16 does fulfill the criteria I just mentioned from well-known
17 people like Shari Diamond, etc., where the control needs to
18 have as many similar elements as in the test, only removing
19 the alleged infringing elements.

20 Q. And that was going to be my next question.

21 A. I followed the best practices of choosing a control.

22 Q. Right. And -- and we can agree, can't we, Dr. Erdem,
23 that if your control wasn't valid, our net confusion result
24 isn't going to be valid either, right?

25 A. If you choose a bad control, then your results, of

1 course, are not reliable.

2 Q. And we can agree also, can't we, Dr. Erdem, that an
3 infringing control is not a valid control?

4 A. If my image on that sweatshirt is infringing, that would
5 be not a very good control, but obviously state's seal is not
6 infringing Penn State.

7 Q. And an infringing control is one that shows the people in
8 the control group merchandise that has the trademark that is
9 allegedly infringing, correct?

10 A. No. You are again confusing two terms, which I said in
11 my direct. Condition -- the group of people who are exposed
12 is different than the control in terms of image. So there's
13 the control group or the control condition. These are the
14 people who are assigned to that control versus the control.
15 The control there is that image on that sweatshirt. That's
16 the control. Not the whole merchandising context.

17 The whole merchandising context needs to be kept
18 constant between test and control to do what? A control/test
19 design is supposed to do, which is isolate the impact of that
20 imagery on that sweatshirt on potential consumer confusion.

21 Q. Let's start by looking at the two pieces of
22 allegedly-infringing merchandise that Dr. Erdem tested in her
23 test cells, and then let's show the jury what she showed the
24 people in her control.

25 Dr. Erdem, just to remind the jury, these are the

1 two items of allegedly-infringing Vintage Brand merchandise
2 with Penn State's trademarks that your survey purports to test
3 for confusion, correct?

4 A. My --

5 Q. Yes or no, please, Dr. Erdem?

6 A. Can you repeat?

7 Q. The jury's already looked at this. So yes or no, are
8 these the two items of allegedly-infringing Vintage Brand
9 merchandise with Penn State's trademarks that your survey
10 purports to test for confusion?

11 A. Yes, these are the two sweatshirts in the test groups
12 that I am testing.

13 Q. Thank you.

14 Mr. Smith, can you grab those two boards that are
15 the first two.

16 MR. FINKELSON: May I approach, Your Honor?

17 THE COURT: You have may.

18 MR. FINKELSON: I'm going to try to set up two
19 copies of the same board, one so that the jury can see it, and
20 one so that Dr. Erdem can see it from this angle. We'll do it
21 that way.

22 BY MR. FINKELSON:

23 Q. Dr. Erdem, can you see -- you can't see that, can you?

24 A. I know that these are probably the product pages, rights?

25 Q. Yes, they are.

1 MR. FINKELSON: Can I approach?

2 THE COURT: You may.

3 BY MR. FINKELSON:

4 Q. Just so it's easier for you, Dr. Erdem and the jury can
5 also see what it sees.

6 THE COURT: Do you want to move that closer?

7 MR. FINKELSON: I had moved it against the wall
8 while the jury was coming out of the jury room.

9 THE COURT: Why don't you move it a little closer.

10 BY MR. FINKELSON:

11 Q. You recognize what's on this board, don't you, Dr. Erdem?

12 A. This is the product page in the purchase flow.

13 Q. In is the product page --

14 A. Or not the product page. The landing page.

15 Q. This is the landing page that comes straight out of your
16 own survey, doesn't it, Dr. Erdem?

17 A. That is part of the merchandising context, yes.

18 Q. The very first shirt that's shown in the top row, that's
19 allegedly infringing merchandise in this case, right?

20 A. Yes. This is not my control image. This is my
21 merchandising context. Yes.

22 Q. The jury's going to understand what it is in a moment.

23 That has the Penn State word trademark on it,
24 correct, that Penn State says is infringing, the very first
25 image.

1 A. The landing page will have all sorts of products,
2 including some infringing images, the Penn State imagery.

3 Q. The Vintage Brand t-shirt that's right next to it, that's
4 allegedly-infringing merchandise in this case too; is it not?

5 A. Some of them. I cannot see one-by-one, but yes, this is
6 part of the landing page, and the landing page is part of the
7 merchandising context, and it has other products with that
8 imagery, yes.

9 Q. The Vintage Brand shirt right next to it is also
10 allegedly-infringing merchandise, right, Dr. Erdem?

11 A. Yes, and these are -- none of these are control images.

12 Q. I haven't asked you about control images yet.

13 A. Okay.

14 Q. I haven't asked you that. Allegedly-infringing
15 merchandise. (indicating) Allegedly-infringing merchandise.

16 And in fact, right, Dr. Erdem, yes or no, the very
17 two pieces -- the very same two images that you're testing in
18 your test groups, correct? (indicating)

19 A. Yes, because this is part of the merchandising context.

20 Q. I understand that. And the jury can see that, because on
21 their video screens they still have up, they can see the two
22 pieces of allegedly infringing merchandise, the two designs.

23 Yes or no, Dr. Erdem, every single survey taker in
24 your control group was shown this page in its entirety? Yes
25 or no?

1 A. Yes, and then also in the test group, except for the one
2 last piece.

3 Q. And I'm going to get to the last piece. I'm going to
4 take it in bites.

5 You showed every single person in your control
6 group, the folks who were supposed to get the sugar pill, this
7 allegedly-infringing merchandise and this allegedly-infringing
8 merchandise. Yes or no?

9 A. They show the same -- they saw the same merchandising
10 context.

11 Q. And every single person in your control group was not
12 only shown these two items, they were shown this entire page
13 with more than 20 pieces of merchandise that say Penn State on
14 them or have a Penn State logo on them. Yes or no?

15 A. The same answer. They saw the same merchandising
16 context, both in test and control, except for the control
17 image.

18 Q. And I'm not talking about test and I'm not talking
19 control image. I'm talking about the human beings who were
20 actually in your control, the folks in the trial who weren't
21 supposed to get the Penn State drug at all. Every one of
22 those folks in your control group saw the Penn State word
23 trademark, yes?

24 A. They saw the landing page, yes.

25 Q. Every single one of them were shown the Penn State

1 University seal trademark, yes?

2 A. In that landing page that was there, the same thing --

3 Q. And the University seal trademark, yes or no, please,

4 Dr. Erdem, the University seal trademark, yes or no, has the
5 trademark, the Pennsylvania State University in it?

6 A. Yes. It was part of the merchandising context.

7 Q. And you showed your control group the lion shrine
8 trademark, correct?

9 A. It was part of the merchandising context, yes, it is the
10 same answer.

11 Q. Do you even know, Dr. Erdem, how many times the word Penn
12 State appears on this page that you showed to every single
13 person in your control group?

14 A. You can count it. It was the same for test and control.

15 Q. It was actually slightly different, which we'll get to in
16 a second?

17 A. Except for that one image.

18 Q. Right. 52 times. 52 times you showed this to your
19 control group, the group who wasn't supposed to hear anything
20 about Penn State.

21 A. Oh, that's not true.

22 Q. Okay. Well, let me ask you another question.

23 On top of that, you asked your control group -- not
24 only you asked them, you insisted that your control group
25 stare at this whole page filled with all of these Penn State

1 images, Penn State after Penn State after Penn State for at
2 least 15 seconds, right? Yes or no?

3 A. 15 seconds for each one of them, not just for this one.

4 Q. They couldn't press next page until they had looked at
5 this for at least 15 seconds, correct?

6 A. For each purchase flow page, that's the case.

7 Q. Okay. And then only after that -- because we're in the
8 purchase flow, right. So just to follow. I'm a survey taker
9 in your control group. I've started the survey. You're
10 taking me through various steps. I've been to the Vintage
11 Brand homepage. And then I've spent at least 15 seconds on
12 this page, right?

13 A. Right.

14 Q. And then, only after all of that, did you show your
15 control group this one little sweatshirt on the far bottom
16 right-hand corner of this landing page, right? That's the one
17 you made up that doesn't say Penn State on it?

18 A. Correct.

19 Q. It just says State of Pennsylvania. That's your control
20 image, to use your terminology, right?

21 A. Yeah. That control image then comes up in a much
22 blown-out version on the product page and cart page as the
23 main product of interest.

24 Q. Exactly. You then isolate this one, so these folks have
25 been looking at this the whole time; you then isolate this

1 one; you blow it up; and you show it to them on the next page,
2 and you say who puts out the sweatshirt that you saw. Right?

3 A. No. I mean I don't blow it out. It's the product page.
4 I am not mocking anything. The product page has that shirt.
5 Remember, we are simulating the real-world marketplace where
6 people are on the landing page of Penn State because they are
7 interested in Penn State imagery merchandise. Now they
8 selected one sweatshirt to consider to buy, and that
9 sweatshirt appears in the product page in the control
10 condition with the control image of the State of Pennsylvania
11 seal. And then they go to the last page where the same
12 sweatshirt now shows up in their cart. Again, just -- any
13 images on that cart page is the control image of State of
14 Pennsylvania seal. And then they get the questions.

15 Q. They press on this. They go to the next page. This is
16 blown up. They proceed to answer your questions. And while
17 they're answering your questions, they are given the option by
18 you to come back to this page at any time, correct, by
19 clicking on a link?

20 A. The thumbnails were there. They can blow it up. It's
21 not a dynamic website, so it is not like they're clicking.
22 The context is okay. Now you saw the -- you are looking at
23 different types of merchandise. But you are interested in
24 this shirt. Then the product page comes up. Then the cart
25 page comes up. It's not like they are clicking on an image

1 kind of thing. And then they answer the questions. That's
2 the flow.

3 Q. Okay. Can we have, Mr. Smith, the -- those two boards
4 that are behind Professor Franklyn.

5 What I'm going to do next, Dr. Erdem, is compare
6 this board that you showed to your control group to what you
7 showed to your test group. Do you see this one, Dr. Erdem?
8 (indicating)

9 A. Yes.

10 Q. This is a page from your test group, right, Dr. Erdem?

11 A. Yes, that's the second page they saw. They answered the
12 questions after seeing the last two pages where that control
13 image appeared. The product page, cart page, and that was the
14 only image they saw in the last two. That is what is varied
15 -- keeping the merchandise context.

16 Q. And it's your opinion, Dr. Erdem -- correct me if I'm
17 wrong -- these two boards are different from one another in
18 one respect that you consider to be very critical. Right?

19 A. I am not saying that's very critical. I am saying the
20 whole purchase flow in the context, keeping the merchandising
21 context is critical. Then they are answering the questions,
22 the two images they saw right before they answered the
23 questions are the product page and the cart page which shows
24 only that sweatshirt --

25 Q. These are the folks -- these are the folks who got your

1 drug, right? These were the folks who were supposed to be
2 seeing a Penn State image, correct? Yes or no?

3 A. Not correct, because --

4 Q. Was this from your test group, Dr. Erdem?

5 A. That is part of the merchandising context.

6 Q. Is it part of what was shown to your test group, yes or
7 no?

8 A. Yes. Yes.

9 Q. And this was part of what you showed to your control
10 group, yes or no?

11 A. Correct.

12 Q. And the only difference between them, Dr. Erdem, is this
13 little picture at the very far bottom?

14 A. Between --

15 Q. Your test group was shown this image, which is allegedly
16 infringing on top of all of this other allegedly infringing
17 information, and your control group was shown this sweatshirt
18 in the corner, and then you moved them on, along in the
19 process of your survey. That's what you did, correct?

20 A. Between those two pages, yes, that's the only difference.
21 And then there's the product page and cart page. And then the
22 questions are asked.

23 Q. I'm going to leave up the control board as I ask you
24 further questions.

25 Can we please go, Mr. Burkhardt, to Exhibit P-54.

1 Because it's even worse. It's even worse, Dr. Erdem, as you
2 know. Every single person in your control group, every single
3 one who wasn't supposed to hear the word Penn State at all,
4 every single one received this instruction that the jury sees
5 on their screens; isn't that correct?

6 A. Yes, and I said you have to put in the frame of mind of
7 the real world marketplace condition. These are the people
8 who are interested to buy something on Vintage Brand dot com
9 website with Penn State imagery. That's the context.

10 Q. You told everyone in your control group, quote, During
11 this study, you will be answering -- you will answer questions
12 about shopping for Penn State apparel or merchandise. Yes or
13 no? Yes or no, please.

14 A. Yes, but the --

15 Q. Okay. And everyone in your control group received this
16 instruction from you, yes or no?

17 A. Everybody. Not just the control.

18 Q. So to summarize, in your control group, you told your
19 control group they were shopping for Penn State merchandise.
20 You showed your control group the infringing Penn State
21 merchandise. You showed them the words Penn State 52 times,
22 and with all of that, surprise, surprise, a whole lot of them
23 said Penn State in response to your questions. Yes or no,
24 Dr. Erdem?

25 A. Both groups saw the merchandising context, and at most,

1 17 percent gross in control said Penn State.

2 Q. 17 percent. 17 percent of the sugar pill folks, low and
3 behold, after seeing all of this, said Penn State. And here's
4 the part that really matters.

5 A. Um-hum.

6 Q. Because in your opinion, because this was your control,
7 not a single one of those people could have legitimately been
8 confused about Penn State being the source of or being
9 affiliated with Vintage Brand's products. Right?

10 A. I don't understand the question. They --

11 Q. This was your control. You took all 17 percent of those
12 people, and you said they must just be guessing when they said
13 Penn State because they're the ones getting the sugar pill?

14 A. No, I didn't say that.

15 Q. What did do you with the 17 percent?

16 A. What I said is 17 percent in the control are confused.
17 But in terms of -- there might be many reasons why people are
18 confused. It might be the image or something else. They
19 might have read it, indeed, Penn State. That's why they are
20 confused. But that's true for both test and control. That's
21 why you need to expose both groups to the same things, except
22 for the images on the products in the main product on the
23 product and cart page, and this one image there, so that you
24 isolate the impact of that sweatshirt with that imagery on
25 confusion.

1 Consumers might be confused for other meetings.
2 They might be reading, indeed, Penn State, and they are
3 confused because of that. There are other reasons.

4 My assignment is about isolating the impact of the
5 sweatshirt with that imagery on confusion.

6 Q. Please tell the jury in one sentence what you did with
7 the 17 percent number? What did you do with it?

8 A. 17 percent was the control gross confusion, and it was
9 subtracted from the test as you need to be doing in a test
10 control so that any other reasons why these people might be
11 confused, because there might being other reasons that people
12 are confused, both in test and control. That is how the other
13 reasons get canceled out so that you can focus on confusion
14 only due to main products, image on that sweatshirt.

15 Q. So lots of people, gross confused, who saw the actual
16 infringing merchandise in this case, 17 percent, lots of
17 people confused by your control, you subtract the 17 from this
18 number, and that's how we get down to the 1 to 12 percent
19 number, or 1 to 13 percent net confusion number. That's how
20 it worked, correct?

21 A. Correct. Test -- control is subtracted from test.

22 Q. Did you ever think to yourself maybe those control group
23 test takers weren't guessing when they said Penn State?

24 A. It's not why are you asking the question about guessing.
25 I don't know. Whether they guessed or not, when they say Penn

1 State, they are confused.

2 Q. Did you ever think to yourself that maybe your control
3 group test takers said Penn State because you told them they
4 were shopping for Penn State merchandise?

5 A. That might have happened in the test condition, too.

6 Q. I'm just talking about the control. My questions are
7 only about the control. Yes or no, did you ever think to
8 yourself, maybe those control group test takers said Penn
9 State because you hammered them over and over and over again
10 with the words Penn State and the infringing trademarks?

11 A. Why they're confused is not part of the study. That they
12 are confused is the issue. And now, you have to isolate the
13 impact on that confusion of that particular image. That's why
14 you need a test and control, and the number of 17 percent is
15 no worry to me at all.

16 Q. Well, it's the number that you used to get the net
17 confusion percentage of 1 to 12 percent as we've talked about
18 with the jury. Page 57 -- or P-57, please. The next slide,
19 please, Mr. Burkhart.

20 Again, let's let the survey takers in your survey
21 speak for themselves. These are the responses from your
22 control group survey takers as to why they said Penn State in
23 response to your control.

24 Let's see if they were just guessing. Let's see if
25 they were doing something else or let's see if they remembered

1 seeing the --

2 A. Sure.

3 Q. -- many references on your page. First one. Because
4 most of the gear represents Penn State. Number two, It's a
5 dedicated website for Penn State merchandise. Number three,
6 it's all over the shirts. Number four, it's the logo on all
7 the clothing that Dr. Erdem has shown me over and over and
8 over again. And last, I see Penn State on everything.
9 Everything.

10 And you concluded --

11 MR. FINKELSON: May I approach, Your Honor?

12 THE COURT: You may.

13 BY MR. FINKELSON:

14 Q. You concluded that they can't have really been confused
15 about Penn State because they're in your control and they're
16 only seeing the State of Pennsylvania sweatshirt. They were
17 confused because they saw all of this. They saw
18 fifty-two/fifty-thirds of what your test group saw. One saw
19 it 53 times, one saw it 52 times. They both got the drug;
20 they were both confused in equal measure; and you used that to
21 wash out all of this confusion and turn it down to almost
22 zero. Correct?

23 A. Not correct at all.

24 Q. Okay.

25 A. Not correct at all.

1 Q. We'll let the jury decide.

2 A. I never said -- but I get to explain why that's not
3 correct.

4 Q. We'll let the jury decide that question.

5 A. Can I explain why that is not correct?

6 THE COURT: No, not at this time, but Mr. McKenna
7 may give you the opportunity to do so.

8 BY MR. FINKELSON:

9 Q. Mr. McKenna, I'm sure, will give you that opportunity.
10 My last set of questions for you, Dr. Erdem, because let's be
11 honest, trademark confusion surveys are not the main focus of
12 your professional work, are they?

13 A. That's not true. I have done many, many surveys and
14 survey golden rules are the same everywhere, that tests and
15 control has to share as much as possible, except for the
16 effect that you are trying to isolate is true whether it is a
17 trademark infringement or some other survey, and I have done
18 thousands of surveys through my 30-year career.

19 Q. And my question, if you noted it, was specific to
20 trademark confusion surveys. Because I will be the first to
21 recognize, Dr. Erdem, you're an incredibly well-credentialed
22 scientist; you've published and written lots of articles about
23 lots of subjects. But the fact is, is you've never once
24 written about a trademark likelihood of confusion survey, have
25 you?

1 A. I have done trademark surveys, infringement survey. I
2 didn't write about methodology of it. I didn't create a new
3 methodology about trademark infringement surveys.

4 Q. And when you were hired in this case -- by the way, what
5 hour rate are you charging in this case, Dr. Erdem?

6 A. My hourly rate? 1,500.

7 Q. Thank you. And when you were hired in this case, isn't
8 it true that you had done fewer than 10 trademark surveys in
9 your career?

10 A. For the cases that I was deposed of, I have done seven,
11 eight surveys within the context of litigation.

12 Q. Okay. So seven to eight trademark surveys that you've
13 done over the course of your career. But even though you've
14 only done a few trademark confusion surveys, the conclusion
15 that you reached here in this case that there's no confusion,
16 that's the same one you usually reach; isn't it, Dr. Erdem?

17 A. That's the same one --

18 Q. That's the same one that you usually reach, isn't it,
19 Dr. Erdem?

20 A. So far, I don't remember every single case. But in most
21 of the cases, there was not substantial confusion.

22 Q. Correct. You've been in this field for almost 40 years.

23 A. 30-plus.

24 Q. 30-plus. And isn't it true, Dr. Erdem, that's the time
25 we took your deposition, just eight months ago, you couldn't

1 recall a single instance at any time in those almost 40 years
2 where you have ever, ever opined that there is a likelihood of
3 confusion?

4 A. Okay. In those seven and eight cases, that's the case.
5 But I was exposed, I have done -- I have supervised many other
6 confusion cases without the litigation context, and I have
7 seen cases where both net confusion was pretty high or
8 baseline confusions were, like, as high as 70 percent. I saw
9 those numbers, too.

10 Q. Just not the ones that you've testified in?

11 A. Yes. Not the ones -- not the -- those seven ones --
12 seven, eight ones.

13 Q. And for the trademark survey that you did for this case
14 where you found no confusion, just like you have every other
15 time you've done this, who decided you were the right person
16 for the job? Who hired you?

17 A. I think I am hired both on the Plaintiff and the
18 Defendants' side in many cases. I don't remember all those
19 eight cases where I was on this side or on the other side.

20 Q. I just mean in this case.

21 A. Oh, this case?

22 Q. Who hired you?

23 A. The Defendant.

24 Q. Vintage Brand?

25 A. Vintage Brand.

1 Q. Prep sportswear, correct? Thank you, Dr. Erdem, I'll
2 pass the witness.

3 THE COURT: Thank you. Any redirect examination?
4 Mr. McKenna?

5 MR. MCKENNA: Yes, Your Honor.

6 THE COURT: Go ahead, sir.

7 REDIRECT EXAMINATION

8 BY MR. MCKENNA:

9 Q. Professor Erdem, I'm just going to draw your attention
10 back to the boards that Mr. Finkelson was just showing you
11 there. This is what you were calling the landing page --

12 A. Correct.

13 Q. -- from your survey. All right. Now, just because
14 Mr. Finkelson only wanted to talk to about you your control.
15 I want to ask you whether the landing page that was in your
16 test condition was exactly the same as in your control, other
17 than that control image?

18 A. Yes. It was exactly the same, except for that last
19 sweatshirt.

20 Q. Okay. And is that structure, is that how you isolate a
21 particular feature?

22 A. Exactly. That's what I was referring to again. Again,
23 it is the merchandising context. I am keeping the
24 merchandising context constant between test and control.
25 There might be many other reasons this, seeing Penn State,

1 whatever, that may confuse consumers. But then they confuse
2 consumers similarly both in test and control. That's the
3 whole point of the control, so that you isolate the effect of
4 confusion solely due to image on that main sweatshirt.

5 Q. Okay. And, Professor Erdem, Mr. Finkelson also showed
6 you -- he showed you your instructions where you told people
7 that they were shopping for Penn State merchandise on Vintage
8 Brand. Did everyone on your test conditions and your control
9 get that same set of instructions?

10 A. Yes. Everybody in both test groups, as well as control,
11 every single person saw the same exact instructions.

12 Q. And so is there any reason to think that the people who
13 were in your control condition who got that set of
14 instructions, they were impacted differently than the people
15 in your test conditions?

16 A. No. And that's the point of control and test, so that
17 you keep all of these things constant between those groups so
18 that those reasons cancel out.

19 Q. Okay. So you bring up Exhibit 51-A for me, please, from
20 Dr. Erdem's report. While we're waiting for that to come up,
21 Mr. Finkelson showed you -- cherry-picked some verbatim
22 responses from -- from your survey. The ones that I'm -- the
23 thing that I'm interested in asking you about now are about
24 the percentage of people who believed that Penn State was
25 responsible for Vintage Brand's products.

1 So Counsel showed you, I think, five quotations
2 from -- do you have that? 51-A is page 61.

3 So this is your table reporting net belief
4 regarding responsibility for product quality. So just to
5 reorient us since we had a little delay. Counsel showed you a
6 screen with, I think, five quotations referring to something
7 about quality.

8 What is the net percentage of people who believed
9 that Penn State was responsible for the quality of Vintage
10 Brand products?

11 A. 4 in the test group versus control group. And 3 in test
12 group 1 versus control group.

13 Q. So 4 and 3 percent?

14 A. Correct.

15 Q. Okay. You can take that down. And now, actually, I'd
16 like maybe if you could give me Exhibit 4.1-A. That would be
17 -- 4.1-A.

18 Mr. Finkelson was also asking you about
19 disclaimers, and he was asking you to agree with him that when
20 you said that your results did not change based on the --
21 based on the disclaimers, can you remind us, what were those
22 results that didn't change based on the disclaimer? What were
23 your net confusion findings?

24 A. The net confusion numbers were similar to the ones that's
25 shown her.

1 Q. So similarly low?

2 A. Similarly low.

3 Q. Okay. Just a couple more questions.

4 Mr. Finkelson was comparing your survey results to
5 Mr. Franklyn's and trying to do a sort of comparison between
6 the level. So I just want to ask you a few things about the
7 comparison between your two surveys. Did Mr. Franklyn use a
8 purchase flow in his survey?

9 A. No.

10 Q. Did he keep everything constant between the test and
11 control, except for the image on the shirt?

12 A. No.

13 Q. Did he use a control that retained as many noninfringing
14 characteristics as possible?

15 A. No. Actually, his control didn't have a single reference
16 to Penn State. It was just a Vintage Brand website, Vintage
17 Brand shirt. Nothing -- it would be almost impossible for any
18 consumer to say Penn State when there's nothing there about
19 Penn State.

20 Q. Okay. And so if you're just comparing them, do you -- is
21 it your opinion, do you believe that Mr. Franklyn isolated the
22 effect of the image on his shirt in his control?

23 A. No. That's why -- this is not my words -- these are, you
24 know, experts like Shari Diamond, etc. That's why a control
25 image needs to share as many similarities as possible with

1 tests, but only remove the allegedly infringing elements so
2 that you can control the other reasons. That you can
3 eliminate, that becomes noise, and then you eliminate other
4 reasons. And then the second criteria and I mentioned, so
5 that the control also plausibly could have come from Penn
6 State.

7 Q. Okay. I think I just had one more question, which is
8 Mr. Finkelson was asking you about your results regarding
9 peoples' belief regarding whether Penn State was responsible
10 for quality. And he asked you, he said well, your survey
11 takers didn't actually have the physical products, right.
12 They couldn't hold them up.

13 To your knowledge, the people who were shopping for
14 Vintage Brand's products on the Vintage Brand website, would
15 they have been reacting to the website, or would they have
16 been holding sweatshirts?

17 MR. FINKELSON: Objection, Your Honor. She has no
18 expert opinions on that issue. There's none disclosed in her
19 report or otherwise.

20 MR. MCKENNA: Counsel asked her a question about
21 what the respondents would have had. And she had testified
22 that she had learned about the Vintage Brand website. I think
23 she's entitled to give the same sort of answer.

24 MR. FINKELSON: No, Your Honor. I asked whether
25 her survey takers were handed a t-shirt or a sweatshirt, just

1 so the jury would understand what it meant to test. She has
2 --

3 THE COURT: The objection is sustained. If you
4 want to reorient along the lines of what Mr. Finkelson asked
5 her, you're welcome to do that.

6 BY MR. MCKENNA:

7 Q. Okay. Dr. Erdem, were your survey takers -- they were
8 looking at the website as it existed when Vintage Brand was
9 selling products?

10 A. Yes. It replicated the -- simulated the real-world
11 marketplace where consumers in the real-world marketplace when
12 they're buying something from Vintage Brand online, they don't
13 get the t-shirts in their hands, so -- of course, I just
14 replicated what the real world experience is.

15 MR. MCKENNA: No further questions, Your Honor.

16 THE COURT: Thank you. Any recross examination
17 based on that brief redirect examination?

18 MR. FINKELSON: Briefer. One question.

19 THE COURT: Excellent.

20 MR. FINKELSON: Maybe two questions. One item on
21 the screen.

22 THE COURT: Go right ahead.

23 RECROSS EXAMINATION

24 BY MR. FINKELSON:

25 Q. Mr. Burkhardt, can you please call up that figure 8.1,

1 which is, I think Exhibit D. 345-1. Thank you.

2 You were just asked a question, Dr. Erdem, about
3 what you found about responsibility for product quality. Do
4 you recall that, yes?

5 A. Yes.

6 Q. Okay. And Mr. McKenna took you to the 3 and 4 percent
7 numbers, and those, of course, are the numbers that you got
8 after you applied your reduction from the control, correct?

9 A. These are the net confusion numbers.

10 Q. Okay. And the folks who were just in your test group 1
11 and your test group 2 highlighted in yellow, that's the
12 percentage of those folks who thought that Penn State was
13 responsible for the quality of Defendant's merchandise,
14 correct, Dr. Erdem?

15 A. Correct.

16 MR. FINKELSON: Okay. Thank you very much. I
17 appreciate your patience.

18 THE COURT: All right, Professor. Thank you very
19 much for your testimony. You may stand down with the thanks
20 of the Court, and you are free to depart.

21

22

23

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UNPUBLISHED OPINIONS

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United States District Court, M.D. Pennsylvania.

The HERSHEY COMPANY and Hershey
Chocolate & Confectionary Corporation, Plaintiffs

v.

ANYKISS, Defendant

No. 1:18-cv-00843

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MEMORANDUM

Kane, Judge

*1 Before the Court is the motion for default judgment (Doc. No. 24) filed by Plaintiffs the Hershey Company and Hershey Chocolate and Confectionary Corporation (“Plaintiffs”) against Defendant Anykiss (“Defendant”). For the reasons that follow, the Court will grant the motion and defer the entry of judgment in favor of Plaintiffs until the receipt of additional information from Plaintiffs as to its request for attorney’s fees and costs.

I. BACKGROUND

Plaintiffs initiated the above-captioned action by filing a complaint against Defendant, a Ukrainian business, in this Court on April 18, 2018. (Doc. No. 1.) In their complaint, Plaintiffs assert the following causes of action: a violation of the Anticybersquatting Consumer Protection Act (“ACPA”), codified at 15 U.S.C. § 1125(d) (Count I); unfair competition under the Lanham Act, codified at 15 U.S.C. § 1125(a) (Count II); and unfair competition in violation of Pennsylvania common law (Count III). (*Id.*) The complaint alleges that Defendant has interfered with the use of the KISSES (“KISSES”) mark, which has the corresponding

registration numbers 2,416,701 and 4,918,242 and pertains to Plaintiffs’ widely known chocolate candy products and related merchandise sold throughout the world. (*Id.* ¶ 13.) Specifically, Plaintiffs allege that Defendant has been operating the internet domain <kisschocolaterie.com> (the “Offending Domain”), which Defendant uses “to advertise its business of selling chocolate and confections under the name ‘KISS chocolaterie.’ ” (*Id.* ¶ 24.) According to Plaintiffs, “Defendant purports to have founded its business in 2015, over 100 years after the first use of the KISSES mark[,]” and “[t]he Offending Domain advertises Defendant’s business of selling competing chocolate goods.” (*Id.* ¶¶ 25-26.) Plaintiffs further allege that “[t]he Offending Domain is interactive in that it allows consumers to purchase goods and to contact [] Defendant concerning the goods or franchise opportunities.” (*Id.* ¶ 26.) In March of 2016, Defendant unsuccessfully applied for registration of its KISS CHOCOLATERIE (“KISS CHOCOLATERIE”) mark with the United States Patent and Trademark Office, which denied the application on the ground of confusion with the KISSES mark. (*Id.* ¶ 27.) According to the complaint, Defendant subsequently abandoned this unsuccessful application. (*Id.*) Plaintiffs add that “Defendant has reached out to [Plaintiffs’] representatives in an effort to ‘partner’ with [Plaintiffs] by selling authorized Hershey products in its shop[,]” an invitation that Plaintiffs declined on the basis that they do not wish to enter into any such relationship with Defendant. (*Id.* ¶ 28.)

According to Plaintiffs, “[d]espite Defendant’s clear knowledge of [Plaintiffs’] prior rights in the KISSES mark, Defendant wrongfully continued to use marks confusingly similar to the KISSES marks for the purpose of selling its competing chocolate products through the Offending Domain.” (*Id.* ¶ 29.) Plaintiffs maintain that “[b]y using the KISSES marks (or marks confusingly similar thereto) in the Offending Domain, [] Defendant seeks to wrongfully benefit from the fame and goodwill associated with the KISSES marks for Defendant’s commercial gain to [Plaintiffs’] detriment[,]” and that “[b]y making unauthorized use of the KISSES marks (or marks confusingly similar thereto) via the Offending Domain, Defendant’s actions are diluting and/or tarnishing the goodwill that [Plaintiffs have] developed in the KISSES marks, thereby causing damage to [Plaintiffs].” (*Id.* ¶¶ 30-31.) Plaintiffs assert that, in light of the above, Defendant’s actions are willful and knowing, in addition to being indicative of “a bad faith intent to profit ... from the use of the KISS CHOCOLATERIE mark and Offending

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Domain[.]” which has harmed and will continue to harm Plaintiffs. (*Id.* ¶¶ 32-34.)

*2 A review of the docket reveals that Plaintiffs filed an affidavit of service as to Defendant on January 11, 2019, indicating that Defendant was served on August 28, 2018 (Doc. No. 13).¹ Defendant, however, did not appear, answer, move, or otherwise respond to Plaintiffs' complaint. Consequently, Plaintiffs filed a request with the Clerk of Court to enter default against Defendant pursuant to Federal Rule of Civil Procedure 55(a) on February 21, 2019 (Doc. No. 15), which was granted on February 22, 2019 (Doc. No. 16). Plaintiffs filed the instant motion for default judgment on June 11, 2019 (Doc. No. 24), along with a brief in support thereof (Doc. No. 25). Because Defendant has not filed a response to the motion, the Court deems the motion unopposed. Accordingly, Plaintiffs' motion is ripe for disposition.

II. LEGAL STANDARD

Default judgments are governed by a two-step process set forth under Rule 55 of the Federal Rules of Civil Procedure. An entry of default by the Clerk of Court under Rule 55(a) is a prerequisite to a later entry of a default judgment under Rule 55(b). See 10A Charles Alan Wright & Arthur R. Miller, *Federal Practice and Procedure* § 2682 (3d ed. 2007) (“Prior to obtaining a default judgment under either Rule 55(b)(1) or Rule 55(b)(2), there must be an entry of default as provided by Rule 55(a).”). Once the Clerk of Court has entered a default, the party seeking the default may then move the court to enter a default judgment under Rule 55(b)(2). Entry of default does not entitle a claimant to default judgment as a matter of right. See 10 James Wm. Moore *et al.*, *Moore's Federal Practice* § 55.31 (Matthew Bender ed. 2010). Indeed, it is well settled that decisions relating to the entry of default judgments are committed to the sound discretion of the district court. See *Emcasco Ins. Co. v. Sambrick*, 834 F.2d 71, 74 (3d Cir. 1987).

Three factors control the exercise of the district court's discretion in assessing whether default judgment should be granted following the entry of default: “(1) prejudice to the plaintiff if default is denied, (2) whether the defendant appears to have a litigable defense, and (3) whether defendant's

delay is due to culpable conduct.” See *Chamberlain v. Giampapa*, 210 F.3d 154, 164 (3d Cir. 2000) (citing *United States v. \$55,518.05 in U.S. Currency*, 728 F.2d 192, 195 (3d Cir. 1984)). Yet, if the defendant has been properly served but fails to appear, plead, or defend an action, a court may “enter a default judgment based solely on the fact that the default occurred,” without considering the *Chamberlain* factors. See *Anchorage Assocs. v. Virgin Islands Bd. of Tax Review*, 922 F.2d 168, 177 n.9 (3d Cir. 1990).

“A finding that default judgment is appropriate, however, is not the end of the inquiry.” *Martin v. Nat'l Check Recovery Servs., LLC*, No. 12-1230, 2016 WL 3670849, at *1 (M.D. Pa. July 11, 2016). Prior to entering a default judgment, the Court must also determine whether the “unchallenged facts constitute a legitimate cause of action.” See *Wright, et al.*, *supra*, at § 2688; *Broad. Music, Inc. v. Spring Mount Area Bavarian Resort, Ltd.*, 555 F. Supp. 2d 537, 541 (E.D. Pa. 2008) (“Consequently, before granting a default judgment, the Court must ... ascertain whether the unchallenged facts constitute a legitimate cause of action, since a party in default does not admit mere conclusions of law.” (citations omitted)). In conducting this inquiry, “the well-pleaded, factual allegations of the complaint ... are accepted as true and treated as though they were established by proof.” See *E. Elec. Corp. of N.J. v. Shoemaker Const. Co.*, 652 F. Supp. 2d 599, 605 (E.D. Pa. 2009) (citation omitted). While the Court must accept as true the well-pleaded factual allegations of the complaint, the Court need not accept the moving party's factual allegations or legal conclusions relating to the amount of damages. See *Comdyne I, Inc. v. Corbin*, 908 F.2d 1142, 1149 (3d Cir. 1990).

III. DISCUSSION

*3 Having reviewed the record, including Plaintiffs' complaint, motion, and supporting brief, the Court finds that entry of default judgment against Defendant and in favor of Plaintiffs is appropriate. The Court examines the merits of Plaintiff's motion by addressing the sufficiency of Plaintiffs' allegations, the applicability of the *Chamberlain* factors, and the propriety of the relief requested in the complaint.

A. Sufficiency of Plaintiffs' Allegations

As an initial matter, the Court observes that Plaintiff's unchallenged allegations in the complaint, taken as true, state a legitimate cause of action as to each of the three

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counts asserted in the complaint. First, the Court finds such allegations supportive of a claim under ACPA, which provides, in pertinent part, that:

(1)(A) A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person—

(i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section; and

(ii) registers, traffics in, or uses a domain name that—

(I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark; [or]

(II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark.

15 U.S.C. § 1125(d). “To prevail under the ACPA, a plaintiff must prove that (1) its mark is distinctive or famous and entitled to protection; (2) the defendant’s domain name is identical or confusingly similar to the plaintiff’s mark; and (3) the defendant registered or used the domain name with a bad faith intent to profit.” *adidas AG v. adidascitycup.com*, No. 19-cv-61353, 2019 WL 4694077, at *3 (S.D. Fla. Aug. 14, 2019) (internal quotation marks omitted) (quoting *Bavaro Palace, S.A. v. Vacation Tours, Inc.*, 203 F. App’x 252, 256 (11th Cir. 2006)). Plaintiffs’ complaint sets forth sufficient allegations to support such a claim by alleging that: “[o]n information and belief, Defendant has registered, trafficked in, and/or used the domain name <kisschocolaterie.com> with a bad-faith intent to profit from the use of Plaintiffs’ and KISSES marks”; “Defendant has no trademark or other intellectual property rights in the United States to the Offending Domain that can defeat the priority of the KISSES marks”; “[t]he Offending Domain does not consist of the legal name of Defendant or a name that is otherwise commonly used to identify Defendant”; “Defendant has made no prior use of the Offending Domain in connection with the bona fide offering of any goods or services, since all such uses infringe the famous KISSES marks” and “Defendant’s attempts to ‘partner’ with [Plaintiffs] for its financial gain further demonstrates Defendant’s bad-faith intent to profit from the Offending Domain.” (Doc. No. 1 ¶¶ 36-38.) Accordingly, the

Court finds that Plaintiffs have stated a legitimate cause of action against Defendant under ACPA.

In addition, the Court concludes that Plaintiffs have provided sufficient allegations to support their claims under the Lanham Act and for unfair competition under state law. As to Plaintiffs’ Lanham Act claim asserted at Count II of the complaint, Plaintiffs have alleged that in light of the facts discussed *supra*: “Defendant’s activities, namely the unauthorized use of its KISS CHOCOLATERIE mark and the Offending Domain, which are confusingly similar to [Plaintiffs’] KISSES marks, are likely to cause confusion, mistake[,] or deception as to the source or origin of Defendant’s goods and activities within the meaning of Section 43(a) of [t]he Lanham Act”; “Defendant’s acts create the clear and false impression that Plaintiffs and Defendant are related, and/or that Defendant is part of Plaintiffs, and/or that Plaintiffs have approved or endorsed Defendant, its goods and/or activities, and the quality of its goods”; and “[t]his misrepresentation is likely to cause confusion, mistake, or deception as to the relationship, affiliation, connection[,] or association of Plaintiffs and Defendant in violation of Section 43(a) of The Lanham Act.” (Doc. No. 1 ¶¶ 46-48.) Such allegations support a claim for unfair competition under the Lanham Act, which requires a plaintiff to satisfy the following three (3) elements: “(1) it has a valid and legally protectable mark; (2) it owns the mark; and (3) the defendant’s use of the mark to identify goods or services causes a likelihood of confusion.” See *Mister Softee, Inc. v. Amanollahi*, No. 2:14-cv-01687, 2016 WL 5745105, at *8 (D.N.J. Sept. 30, 2016) (quoting *A&H Sportswear, Inc. v. Victoria’s Secret Stores, Inc.*, 237 F.3d 198, 210 (3d Cir. 2000)). The Court similarly finds that Plaintiffs’ complaint articulates a sufficient basis for a claim for unfair competition under Pennsylvania law, which may be asserted “where there is evidence of, among other things, trademark, trade name, and patent rights infringement.” See *Giordano v. Claudio*, 714 F. Supp. 2d 508, 521 (E.D. Pa. 2010) (quoting *Synthes (U.S.A.) v. Globus Med., Inc.*, No. 04-cv-1235, 2005 WL 2233441, at *8 (E.D. Pa. Sept. 14, 2005)).

B. Application of the Chamberlain Factors

*4 Additionally, the Court finds that the three *Chamberlain* factors weigh in favor of entering default judgment against Defendant. First, Plaintiffs will be prejudiced if the Court declines to enter default judgment because Plaintiffs are unable to proceed with the instant action due to Defendant’s

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failure to respond and have no other means of recovering against Defendant. See Broad. Music, Inc. v. Kujjo Long, LLC, No. 14-449, 2014 WL 4059711, at *2 (M.D. Pa. Aug. 14, 2014) (“Plaintiffs will be prejudiced ... by their current inability to proceed with their action due to [d]efendants' failure to defend.”). Second, Defendant has not asserted a meritorious defense to Plaintiffs' claims through the filing of an answer or other responsive pleading to the complaint, or through the filing of a response to the instant motion. Consequently, the Court is unable to conclude from Defendant's silence that Defendant has a viable, litigable defense. See Laborers Local Union 158 v. Fred Shaffer Concrete, No.10-1524, 2011 WL 1397107, at *2 (M.D. Pa. Apr. 13, 2011). Third, the Court cannot discern from the record any excuse or justification for Defendant's default apart from Defendant's own culpability. Indeed, Defendant has failed to enter an appearance or file a timely answer to the complaint and has offered no reasons for its failure to do so. “A defendant's default, or its decision not to defend against allegations in a complaint, may be grounds for concluding that the defendant's actions are willful.” Innovative Office Prods., Inc. v. Amazon.com, Inc., No. 10-4487, 2012 WL 1466512, at *3 (E.D. Pa. Apr. 26, 2012). In the absence of any excuse or justification for Defendant's failure to participate in this litigation, the Court must conclude that the delay is the result of Defendant's culpable conduct. See Laborers Local Union 158, 2011 WL 1397107, at *2. Accordingly, the Court is satisfied that the Chamberlain factors counsel in favor of entering default judgment in favor of Plaintiffs and, therefore, will grant Plaintiffs' motion for default judgment.

C. Plaintiffs' Requested Relief

In their complaint, Plaintiffs request that the Court issue an order as follows:

A. That the Court issue permanent injunctive relief in the form of an Order to VeriSign, Inc., that it shall immediately transfer the domain name from the OnlineNIC, Inc. registrar account referenced in the WHOIS records attached in Exhibit C to the registrar account for CSC Corporate Domains, Inc. (“CSC”), and for CSC to register the domain name in the name of Hershey Chocolate & Confectionery Corp.;

B. That the Court issue permanent injunctive relief against Defendant and that Defendant, its officers, agents, representatives, servants, employees, attorneys, successors, and assignees, and all others in active concert or participation with Defendant, be enjoined and restrained

from registering, using, or trafficking in any domain name that is owned by Plaintiffs or that is identical or confusingly similar to any registered trademark owned by Plaintiffs;

C. That the Court award Plaintiffs actual damages, consequential damages, and statutory damages;

D. That the Court Order Defendant to disgorge all ill-gotten gains, and that any such ill-gotten gains be paid over to Plaintiffs;

E. That the Court award Plaintiffs its attorneys' fees and costs; and

F. That the Court grant Plaintiffs all other relief to which they are entitled, and such other or additional relief as is deemed just and proper.

(Doc. No. 1 at 16.) The Court addresses these various forms of requested relief in turn.

1. Injunctive Relief

As noted above, Plaintiffs request injunctive relief in the form of an order transferring the domain name as to the Offending Domain, as well as an order prohibiting the use of any domain name owned by Plaintiffs or confusingly similar to any of Plaintiff's trademarks. To establish entitlement to permanent injunctive relief, a plaintiff must demonstrate that the following elements have been satisfied: “(1) that it has suffered an irreparable injury; (2) that remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction.” See eBay Inc. v. MercExchange, L.L.C., 547 U.S. 388, 391 (2006) (citing Weinberger v. Romero—Barcelo, 456 U.S. 305, 311–313 (1982); Amoco Prod. Co. v. Gambell, 480 U.S. 531, 542 (1987)). The Lanham Act specifically authorizes permanent injunctive relief in the context of a claim for trademark infringement. See 15 U.S.C. § 1116.

*5 The Court finds that, under the authority described above, permanent injunctive relief is warranted. First, Plaintiff has demonstrated: (1) the existence of an irreparable injury due to confusion with its KISSES mark allegedly caused by Defendant; (2) that monetary remedies are not adequate to

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compensate Plaintiff for such an injury because Defendant's conduct appears to be ongoing; (3) equitable relief is warranted on balance of the hardships faced by both Plaintiffs and Defendant, for Plaintiffs have alleged a serious injury; and (4) ordering such relief would not disserve the public interest because such relief would remedy the harm caused by Defendant's conduct. See eBay, 547 U.S. at 391; see also CrossFit, Inc. v. 2XR Fit Sys., LLC, No. 2:13-cv-1108, 2014 WL 972158, at *9-11 (D.N.J. Mar. 11, 2014) (awarding injunctive relief in the context of a default judgment as to a trademark infringement action). Accordingly, the Court will grant Plaintiffs' request for permanent injunctive relief as set forth in their complaint. (Doc. No. 1.)

2. Damages

As to their ACPA claim asserted at Count I specifically, Plaintiffs request a damages award of \$100,000 in statutory damages by operation of 15 U.S.C. § 1117, in addition to attorney's fees. (Id. at 12.) Section 1117(a) provides that for a violation of Section 1125(d), a plaintiff may recover “(1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action.” See id. § 1117(a). This section further states that:

The [C]ourt shall assess such profits and damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost or deduction claimed. In assessing damages the [C]ourt may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. If the [C]ourt shall find that the amount of the recovery based on profits is either inadequate or excessive the [C]ourt may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case. Such sum in either of the above circumstances shall constitute

compensation and not a penalty. The [C]ourt in exceptional cases may award reasonable attorney fees to the prevailing party.

Id. In light of the applicable statutory section, as well as pertinent case law, the Court finds that the requested statutory award of \$100,000 as to Count I is warranted. Defendant's conduct – evidenced by its continued use of the Offending Domain and notice of the Offending Domain's potential for confusion with Plaintiffs' KISSES mark – warrants an award of \$100,000, which the Court may exercise its discretion to award. See Louis Vuitton Malletier & Oakley, Inc. v. Veit, 211 F. Supp. 2d 567, 585 (E.D. Pa. 2002) (awarding \$100,000 in damages as to infringing domain name); Electronics Boutique Holdings Corp. v. Zuccarini, No. 00-cv-4055, 2000 WL 1622760, at *9 (E.D. Pa. Oct. 30, 2000) (awarding \$100,000 in statutory damages per infringing domain name). The Court, therefore, will award Plaintiffs \$100,000 in statutory damages as to Count I of the complaint.²

c. Attorney's Fees and Costs

As noted previously, Plaintiffs also request an award of attorney's fees and costs. Under 15 U.S.C. § 1117, “[t]he court in exceptional cases may award reasonable attorney fees to the prevailing party.” See 15 U.S.C. § 1117(a). “‘Exceptional’ has been interpreted ... to mean an action involving culpable conduct.” Delta Air Lines, Inc. v. Fly Tech, LLC, No. 16-cv-2599, 2018 WL 1535231, at *5 (D.N.J. Mar. 29, 2018) (citing Securacomm Consulting, Inc. v. Securacomm, Inc., 224 F.3d 273, 280 (3d Cir. 2000)). Willful infringement on the part of a party, however, does not automatically render a case exceptional. See Luxottica Grp., S.p.A. v. Shore Enuff, No. 16-cv-5847, at *9 (D.N.J. Aug. 27, 2019) (“Nonetheless, the Court weighs the lack of evidence regarding defendants' culpable or unreasonable behavior in litigating this case as part of the totality of the circumstances. Put simply, it does not equate [willful] infringement as exceptional behavior.” (citing J&J Snack Foods Corp. v. The Earthgrains Co., No. 00-cv-6230, 2003 WL 21051711 at *3 (D.N.J. 2003))). While this Court, therefore, is not required to find that the case at bar is an exceptional one, the Court agrees with Plaintiffs that the instant case is “exceptional” for purposes of recovery of attorney's fees and costs, as demonstrated by the facts in the

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complaint alleging willful infringement by Defendant after having its application for registration denied. Accordingly, the Court will award Plaintiffs attorney's fees and costs upon receipt of an itemized statement from Plaintiffs setting forth the attorney's fees and costs sought.

*6 Based on the foregoing, the Court will grant Plaintiffs' motion for default judgment. (Doc. No. 24.) An appropriate Order follows.

All Citations

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IV. CONCLUSION

Footnotes

- 1 As noted by Plaintiffs in support of the instant motion, Plaintiffs effected service as to Defendant pursuant to the Hague Convention on the Service Abroad of Judicial and Extra-Judicial Documents in Civil or Commercial Matters. (Doc. No. 25 at 2.)
- 2 Plaintiffs do not appear to request additional damages (Doc. No. 1), and their supporting brief does not allude to any specific damages as to Counts II or III. Accordingly, the Court limits its damages award to \$100,000 in statutory damages as to Count I.

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Only the Westlaw citation is currently available.

United States District Court,
M.D. Pennsylvania.

JAMA CORPORATION et al., Plaintiffs,

v.

Dr. Giriwarlal GUPTA, et al., Defendants.

Nos. 3:99-CV-01624, 3:99-CV-1574.

I

Jan. 3, 2008.

Attorneys and Law Firms

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MEMORANDUM

A. RICHARD CAPUTO, District Judge.

*1 Presently before the Court is Plaintiff's post-trial motion for further relief. This motion requests prejudgment interest on the breach of contract claim, delay damages on the trademark infringement claim, a trebling of damages of the trademark infringement claim, a permanent injunction enjoining Defendants from further use of the trademark, an order directing Defendants to change the name of the Old West Cowboy Boots Corporation, and an order of sequestration and turn over of all documents, packaging, advertising and products bearing the "Old West" trademark. (Doc. 43, 3:99-CV-1624.) For the reasons set forth below, the Plaintiff's motion will be granted in part and denied in part. The Court will grant Plaintiff's motion for prejudgment interest, as prejudgment interest is a legal right in a breach of contract claim. The Court will deny Plaintiff's motion for delay damages, as they are inapplicable to a lost profits claim. The Court will deny the Plaintiff's motion for a trebling of damages, as held in the Court's Order of January 2, 2008. The Court will issue a permanent injunction against the Defendants, as the Plaintiff satisfies the requisite factors for

an injunction. This injunction will also enjoin the Defendants from the use of "Old West" in the name of the business "Old West Cowboy Boots Corporation." Finally, the Court will deny the Plaintiff's motion for sequestration and turnover, as the Plaintiff has a sufficient remedy in the permanent injunction.

BACKGROUND

The facts of this case are well-known to the parties and the Court. Therefore, the Court will only discuss the facts relevant to this motion.

On March 21, 2003, Plaintiff filed a motion for further relief, including prejudgment interest, delay damages, treble damages on trademark infringement, a permanent injunction, an order directing Defendants to change the name of "Old West Cowboy Boots Corporation," and a sequestration and turnover of all documents, packaging, advertising, and products bearing the trademark "Old West." (Doc. 43, 3:99-CV-1624.)

This motion is fully briefed and ripe for disposition.

DISCUSSION

I. Prejudgment Interest on Breach of Contract Claim

The Third Circuit Court of Appeals has held that federal courts sitting in diversity cases should apply state law with respect to prejudgment interest. *American Mut. Liability Ins. Co. v. Kosan*, 635 F.Supp. 341, 346 (W.D.Pa.1986), *aff'd* 817 F.2d 751 (3d Cir.1987) (citing *Jarvis v. Johnson*, 668 F.2d 740, 746 (3d Cir.1982)). Plaintiff seeks prejudgment interest on the breach of contract claim pursuant to 42 PA. CONS.STAT. ANN. § 8101, which provides "[e]xcept as otherwise provided by another statute, a judgment for a specific sum of money shall bear interest at the lawful rate from the date of the verdict or award, or from the date of the judgment, if the judgment is not entered upon a verdict or award." 42 PA. CONS.STAT. ANN. § 8101. This statute generally addresses the awarding of post-judgment interest. However, prejudgment interest is awardable in breach of contract cases pursuant to the case law of Pennsylvania.

*2 "In a contract action the award of such [prejudgment] interest does not depend upon discretion but is a legal right." *Gold & Co., Inc. v. Northeast Theater Corp.*, 281

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Pa.Super. 69, 421 A.2d 1151, 1154 (Pa.Super.Ct.1980) (citing *Palmgreen v. Palmer's Garage, Inc.*, 383 Pa. 105, 117 A.2d 721, 722 (Pa.1955); *West Republic Mining Co. v. Jones & Laughlins*, 108 Pa. 55, 68 (1884)). Prejudgment interest is granted despite the good faith of the party contesting the claim. *Id.* Accordingly


[p]laintiffs were entitled to interest at the rate of 6% per annum from the time when they should have been paid for the services rendered by them. In all cases of contract interest is allowable at the legal rate from the time payment is withheld after it has become the duty of the debtor to make such payment; allowance of such interest does not depend upon discretion but is a legal right. It is a right which arises upon breach or discontinuance of the contract provided the damages are then ascertainable by computation and even though a bona fide dispute exists as to the amount of the indebtedness.

Palmgreen v. Palmer's Garage, Inc., 383 Pa. 105, 117 A.2d 721, 722 (Pa.1955) (citations omitted). The legal rate of interest refers to the rate of six (6) percent per annum. 41 P.S. § 202 (“Reference in any law or document enacted or executed heretofore or hereafter to ‘legal rate of interest’ ... shall be construed to refer to the rate of interest of six per cent per annum.”). Furthermore, Pennsylvania courts have held that an award of prejudgment interest should be computed as simple interest. *See Widmer Engineering, Inc. v. Dufalla*, 837 A.2d 459, 469 (Pa.Super.Ct.2003) (citing *Spang & Co. v. USX Corp.*, 410 Pa.Super. 254, 599 A.2d 978, 984 (Pa.Super.Ct.1991)).




Plaintiff requests that the rates of interest should be calculated from the dates on which the five (5) bills of exchange were due and payable. These dates were August 12, 1999 (\$65,506.50); August 14, 1999 (\$80,353.50); September 1, 1999 (\$83,847.75); September 20, 1999 (\$14,586.00); and September 22, 1999 (\$26,888.00). *See* Pl.'s Tr. Ex. 12. Such bills of exchange totaled \$271,181.75.

Defendant Old West Cowboy Boots Corporation argues that Plaintiff is not entitled to prejudgment interest, as the

damages from the breach of contract are not ascertainable with mathematical precision. This argument stems from the fact that the jury awarded the Plaintiff \$315,000, which is greater than the \$271,181.75 claimed by the Plaintiff. In the alternative, Defendant states that the \$43,818.25 above the \$271,181.75 claimed should be offset by the interest claim.

However, the Plaintiff's damages are ascertainable, and the bills of exchange provide dates on which the payments were due and payable. As prejudgment interest is a legal right in breach of contract claims, the Plaintiff will be awarded prejudgment interest on the five bills of exchange beginning on each due date. Prejudgment interest runs from the time of the breach until the date of judgment. *See*  *McDermott v. Party City Corp.*, 11 F.Supp.2d 612, 633 (E.D.Pa.1998). Plaintiff requests that prejudgment interest run until the time when the Court determines attorneys fees and other damages. However, in this case, judgment was entered in favor of the Plaintiff on March 20, 2003. (Doc. 207.) Therefore, the calculation of interest will run from the date of each bill of exchange until March 20, 2003. The prejudgment interest on the August 12, 1999 bill of exchange is calculated at \$14,170.94. The prejudgment interest on the August 14, 1999 bill of exchange is calculated at \$17,356.36. The prejudgment interest calculated on the September 1, 1999 claim is calculated at \$17,863.02 The prejudgment interest on the September 20, 1999 claim is calculated at \$3,061.86 The prejudgment interest on the September 22, 1999 claim is calculated at \$5,635.43. The total amount of prejudgment interest owed on the five (5) bills of exchange is \$58,087.61. Therefore, the Plaintiff's motion for prejudgment interest on the breach of contract claim will be granted in the amount of \$58,087.61.

II. Delay Damages on Trademark Infringement Claim

*3  Pennsylvania Rule of Civil Procedure 238 provides that “[a]t the request of the plaintiff in a civil action seeking monetary relief for bodily injury, death or property damages, damages for delay shall be added to the amount of compensatory damages....”  PA. R. CIV. P. 238(a)(1). This is a substantive rule that a federal court may follow when sitting in diversity. *Fauber v. KEM Transp. and Equip. Co.*, 876 F.3d 327, 328 (3d Cir.1989). However, Plaintiff fails to address this request in its brief. Even so, Plaintiff is not entitled to such an award. As held in  *Hughes v. Consol-Pennsylvania Coal Co.*, 945 F.2d 594, 616 (3d Cir.1991), a plaintiff may only be awarded delay damages for “bodily

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injury, death or property damage.” Like *Hughes*, the Plaintiff in the instant action was awarded lost profits. *Id.* As Rule 238 does not provide delay damages for lost profits, the Plaintiff’s motion for delay damages will be denied.

III. Trebling of Trademark Damages

The Court previously held in the Court’s January 2, 2008 Order that the imposition of treble damages for the trademark infringement claim would be unjust. (Doc. 311.) Therefore, Plaintiff’s request for treble damages will be denied.

IV. Permanent Injunction

Plaintiff also requests a permanent injunction pursuant to the Lanham Act. Section 1116(a) of Title 15 provides that

[t]he several courts vested with jurisdiction of civil actions arising under this chapter shall have the power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable ... to prevent a violation under subsection (a), (c), or (d) of section 1125 of this title. Any such injunction may include a provision directing the defendant to file with the court and serve on the plaintiff within thirty days after the service on the defendant of such injunction, or such extended period as the court may direct, a report in writing under oath setting forth in detail the manner and form in which the defendant has complied with the injunction. Any such injunction granted upon hearing, after notice to the defendant, by any district court of the United States, may be served on the parties against whom such injunction is granted anywhere in the United States where they may be found, and shall be operative and may be enforced by proceedings to punish for contempt, or otherwise, by the court by which such injunction was granted, or by any other United States

district court in whose jurisdiction the defendant may be found.

15 U.S.C. § 1116(a).

In deciding whether to grant a permanent injunction, a court must consider four factors: (1) whether the moving party has shown actual success on the merits; (2) whether the moving party will be irreparably injured by the denial of injunctive relief; (3) whether the granting of the injunction will result in even greater harm to the defendant; and (4) whether the injunction would be in the public interest.” *Gucci America, Inc. v. Daffy’s Inc.*, 354 F.3d 228, 236 (3d Cir.2003) (citing *Shields v. Zuccarini*, 254 F.3d 476, 482 (3d Cir.2001)).

*4 First, the Plaintiff has demonstrated actual success on the merits, as demonstrated by the jury’s verdict that Defendants willfully infringed the Plaintiff’s trademark. (Doc. 205.) Second, the Plaintiff has demonstrated irreparable injury for purposes of an injunction. In *S & R Corp. v. Jiffy Lube Int’l, Inc.*, 968 F.2d 371, 378 (3d Cir.1992), the Third Circuit Court of Appeals held that

[g]rounds for irreparable injury include loss of control of reputation, loss of trade, and loss of goodwill. Lack of control amounts to irreparable injury regardless of allegations that the infringer is putting the mark to better use. Irreparable injury can also be based on the possibility of confusion. Finally, and most importantly for this case, trademark infringement amounts to irreparable injury as a matter of law.

Id. at 378 (citations omitted). See also *Opticians Assoc. of America v. Indep. Opticians of America*, 920 F.2d 187, 196 (3d Cir.1990) (infringement inhibits te “ability to control its own ... marks, which in turn creates the *potential* damage to its reputation. Potential damage to reputation constitutes irreparable injury for the purpose of granting a preliminary injunction in a trademark case.”). As trademark infringement was found by the jury, there is *per se* irreparable injury to the plaintiff.

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Third, the Court will consider the balance of the hardships between the Plaintiff and Defendants. Here, the balance of hardships clearly favors an injunction. If the Court did not issue an injunction, the Plaintiff would suffer the hardship of potential further infringement. Although there is some hardship on the Defendants, as they can no longer use the infringing goods, such a hardship does not outweigh the hardship of the Plaintiff.

Finally, the Court finds that the public interest would be served by a permanent injunction. The Restatement (Third) of Unfair Competition, § 35, comment b, states that “[i]n cases of deceptive marketing, trademark infringement, or trademark dilution, a prevailing plaintiff is ordinarily awarded injunctive relief to protect the plaintiff and the public from the likelihood of future harm.” In this case, the public would be protected by the issuance of an injunction. There would be no question as to the quality and manufacturer of “Old West” cowboy boots, and would eliminate any possible confusion on the part of the consumer. As the factors weigh heavily in the interest of the Plaintiff, the Court will issue a permanent injunction against the Defendants, enjoining them from the use of the trademark “Old West.”


Plaintiff also requests this Court to issue an order to require the Defendants to change the name “Old West Cowboy Boots Corporation” to a name not including the words “Old West.” Essentially, Plaintiff is requesting an injunction enjoining the Defendants from using “Old West” in the name of their business. As the Court will issue a permanent injunction in favor of the Plaintiff enjoining the Defendants from the use of the trademark “Old West,” the Court will further extend that injunction to enjoin the use of the name “Old West Cowboy Boots Corporation.”

V. Sequestration and Turn Over of “Old West” Products

*5 The Lanham Act further provides for the destruction of infringing articles. Section 1118 of Title 15 provides that

[i]n any action arising under this chapter, ... a violation under section 1125(a) of this title ... shall have been established, the court may order that all labels, signs, prints, packages, wrappers, receptacles, and

advertisements in the possession of the defendant, bearing the registered mark or, in the case of a violation of section 1125(a) of this title ... the word, term, name, symbol, device, combination thereof, designation, description, or representation that is the subject of the violation, or any reproduction, counterfeit, copy, or colorable imitation thereof, and all plates, molds, matrices, and other means of making the same, shall be delivered up and destroyed....

15 U.S.C. § 1118. Whether the infringing materials and means of their production shall be delivered is left to the discretion of the district court. In  *Birthright v. Birthright, Inc.*, 827 F.Supp. 1114, 1143 (D.N.J.1993), the court found that the remedy provided for in Section 1118 was unnecessary, as there was an injunction in place prohibiting the defendants from using the name or logo. The court held that such an injunction was sufficient to protect from future infringements, and therefore the relief of sequestration and turnover was denied. *Id.* In this case, the Court has similarly issued a permanent injunction against the Defendants. Therefore, the sequestration and turnover is unnecessary, as the Plaintiff is sufficiently protected by the permanent injunction. Plaintiff's motion will therefore be denied.

CONCLUSION

For these reasons, the Plaintiff's motion will be granted in part and denied in part. First, the Court will grant Plaintiff's motion for prejudgment interest, as prejudgment interest is a legal right in a breach of contract claim. Second, the Court will deny Plaintiff's motion for delay damages, as they are inapplicable to a lost profits claim. Third, the Court will deny the Plaintiff's motion for a trebling of damages, as held in the Court's Order of January 2, 2008. Fourth, the Court will issue a permanent injunction against the Defendants, as the Plaintiff satisfies the requisite factors for an injunction. This injunction will also enjoin the Defendants from the use of “Old West” in the name of the business “Old West Cowboy Boots Corporation.” Finally, the Court will deny the Plaintiff's motion for sequestration and turnover, as the Plaintiff has a sufficient remedy in the permanent injunction.

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An appropriate Order follows.

ORDER

NOW, this *3rd* day of January, 2008, **IT IS HEREBY ORDERED** that Plaintiff's post-trial motion (Doc. 43, 3:99-CV-1624) for:

(1) prejudgment interest on the breach of contract claim is **GRANTED** in the amount of \$58,087.61.

(2) delay damages on the trademark infringement claim is **DENIED**.

(3) treble damages on the trademark infringement claim is **DENIED**.

*6 (4) a permanent injunction is **GRANTED**.

(5) a change of name of Old West Cowboy Boots Corporation is **GRANTED**.

(6) sequestration and turn over of "Old West" products, documents, and other materials is **DENIED**.

All Citations

Not Reported in F.Supp.2d, 2008 WL 60204

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United States District Court,
M.D. Pennsylvania.

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

v.

TANG SOO KARATE SCHOOL,
INC., et al., Defendants.

No. 3:12-CV-00669.

Signed Aug. 17, 2015.

Attorneys and Law Firms

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Scott E. Schermerhorn, Law Office of Scott E. Schermerhorn, Scranton, PA, for Defendants.

MEMORANDUM OPINION

ROBERT D. MARIANI, District Judge.

I. Introduction

*1 This action came before the Court as an action for trademark infringement. The Plaintiff, United States Soo Bahk Do Moo Duk Kwan Federation, Inc., is a not-for-profit New Jersey corporation which practices, teaches, and promotes a Korean style of martial arts known as “Moo Duk Kwan.” On April 10, 2012 it filed this action against Tang Soo Karate School, Inc., d/b/a International Tang Soo Do Moo Duk Kwan Association, a karate school which also practices, teaches, and promotes Moo Duk Kwan, in Dickson City, Pennsylvania. The Complaint (which was subsequently amended on April 30, 2012) named as additional Defendants Eric Kovaleski, the current President and owner of Tang Soo Karate School, and his father, Robert Kovaleski, the founder and former President of the school.

The lawsuit alleges that the Defendants are liable for infringing trademarks in both Plaintiff’s name and logo. As to the name, the Plaintiff alleges that it owns both the term

“United States Tang Soo Do Moo Duk Kwan Federation” and the term “Moo Duk Kwan” standing alone. As to the logo, Plaintiff alleges that it trademarked a symbol for its organization consisting of a fist surrounded by laurel leaves and berries above a scroll of Korean characters. According to the Plaintiff, Defendants used the term “Moo Duk Kwan” as well as a logo confusingly similar to the fist-and-laurel-leaves design as part of their business.

In response, Defendants counterclaimed that Plaintiff’s trademarks should be cancelled on several different grounds, all of which are discussed in detail below.

A nonjury trial was held on these issues from February 9 to February 11, 2015. During the course of that trial, the Court heard testimony from the following witnesses:

1. Lawrence Seiberlich, a long-time Moo Duk Kwan practitioner, who was involved in bringing Moo Duk Kwan to the United States and who serves as a member of the Plaintiff Federation’s Senior Advisory Committee;
2. H.C. Hwang, a famous Moo Duk Kwan expert; son of the alleged Founder of Moo Duk Kwan, Grandmaster Hwang Kee; and successor to the Hwang Kee as President of the Plaintiff Federation;
3. Dae Kyu Chang, the owner of a California martial arts studio associated with the Plaintiff Federation;
4. Richard Philip Duncan, the executive administrator of the Plaintiff Federation;
5. Defendant Eric Kovaleski;
6. Defendant Robert Kovaleski; and
7. Daniel Segarra, the owner of a New York martial arts studio who expressed lay opinions on the historical origins of the term “Moo Duk Kwan.”

The Court allowed the parties additional time to take the trial deposition of John Faglierone, a Tang Soo Do practitioner who was unable to participate at the time of the trial. Once the deposition was completed and a transcript submitted to the Court, the Court heard closing arguments on April 13, 2015.

Upon review of all testimony and evidence of record in this case, the Court concludes that the Plaintiff has proven all elements of its trademark infringement claims against all three Defendants. The Defendants, on the other hand, have not

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proven any grounds for cancellation. Accordingly, judgment will be entered in favor of the Plaintiff and against Defendants Tang Soo Karate School, Inc., Eric Kovaleski, and Robert Kovaleski.

II. Findings of Fact

a. Background

*2 1. “Plaintiff United States Soo Bahk Do Moo Duk Kwan Federation is a not-forprofit corporation of the State of New Jersey which has member organizations throughout the United States.” (Stipulated Facts for Trial, Doc. 120, at ¶ 3.)

2. Defendant Tang Soo Karate School, Inc. (“TSKSI”), d/b/a International Tang Soo Do Moo Duk Kwan Association, “is an organization for the practice, teaching and regulation of martial arts.” (See *id.* at ¶ 4.) Its principal place of business is in Dickson City, Pennsylvania. (Am. Compl., Doc. 27, at ¶ 4.)¹

3. “Defendant Robert Kovaleski is the past President of Defendant TSKSI and has been directly involved in and has

directed such association in adopting and using the marks INTERNATIONAL TANG SOO DO MOO DUK KWAN ASSOCIATION and a fist and laurel leaves Design which are accused of infringement in this case.” (Stipulated Facts, ¶ 5.)

4. “Defendant Eric Kovaleski is the current President of Defendant TSKSI and has been a moving force and directly involved in the use of the marks International Tang Soo Do Moo Duk Kwan Association and the fist and laurel leaves Design by such organization.” (*Id.* at ¶ 6.)

5. Eric Kovaleski is the son of Robert Kovaleski and took over the business from his father in approximately 1999. (See Eric Kovaleski Trial Test., Feb. 10, 2015, at 192:19–193:2.)

6. The Plaintiff filed this action for trademark infringement and unfair competition against the Defendants in 2012. (See Stipulated Facts, ¶ 1; Am. Compl. ¶¶ at 24–42.)

7. Plaintiff owns the following registered trademarks, which it claims the Defendants infringed:

Registration No.	Mark	Date of Registration
1,443,675	UNITED STATES TANG SOO DO MOO DUK KWAN FEDERATION	June 16, 1987
1,446,944	[symbol below]	July 7, 1987
3,023,145	MOO DUK KWAN	December 6, 2005
3,119,287	[symbol below]	July 25, 2006

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(Stipulated Facts, ¶ 7.)

8. Defendants then asserted four counterclaims, namely, that Plaintiff's trademarks should be cancelled for (1) genericness; (2) descriptiveness; (3) abandonment; and (4) having been obtained through fraud in the trademark application, (Answ. to Am. Compl. at ¶¶ 68–88.)

b. History of the Plaintiff Organization

i. The Founding of Moo Duk Kwan and Its Meaning in Korea

9. In November 1945, Hwang Kee, a Korean national, founded a martial arts studio in Seoul, Korea, which he named “Moo Duk Kwan.” (See H.C. Hwang Trial Test., Feb. 9, 2015, Doc. 132, at 126:15–127:5, 179:9–11; see also Hwang Kee, *The History of Moo Duk Kwan*, Pl.'s Ex. 6, at 7, 21.)

10. According to Hwang Kee, the term “Moo” means “martial, military, prevent inner/outer conflict;” the term “Duk” means “virtue, ethics, discipline;” and the term “Kwan” means “style, school, institute.” (Pl.'s Ex. 6 at 19.)

*3 11. Putting these terms together, “Moo Duk Kwan can be translated as follows: ‘Style to teach Moo and Duk through training in the martial arts.’” (*Id.*)

12. Hwang Kee has defined “Moo Duk Kwan” elsewhere as “Name of Tang Soo Do School.” (Hwang Kee, *Tang Soo Do*, Pl.'s Ex. 35, at 4.)

13. “Tang Soo Do” means “Korean Karate,” (*id.*), and “is a generic term for the martial art taught by schools in Plaintiff's organization and by other martial arts schools,” (Stipulated Facts, ¶ 8).

14. When Hwang Kee defined “Moo Duk Kwan” as “Name of Tang Soo Do School,” in his book *Tang Soo Do*, he meant “name of *our* school to teach Tang Soo Do.” (Hwang Trial Test., Feb. 9, 2015, at 176:14–16 (emphasis added).) He did not mean “the name of *any* school that might teach Tang Soo Do.” (*Id.* at 176:17–19 (emphasis added).)

15. This has been established by the testimony of H.C. Hwang, who is the son of now-deceased Hwang Kee and successor to Hwang Kee as President of the Plaintiff Federation. H.C. Hwang was involved in translating the book *Tang Soo Do*—where the relevant definition is found—from Korean to English. (See *id.* at 174:22–181:5.)

16. Moreover, in an instructional guide written in 1993 by both Hwang Kee and H.C. Hwang, the authors define “Moo Duk Kwan” as “Name of *the* Organization or style.” (*Id.* at 180:7–181:5.; Hwang Kee & H.C. Hwang, *Red Belt Instructional Guide*, Pl.'s Ex. 38, at 154 (emphasis added).)

17. The facts that H.C. Hwang was Hwang Kee's son and handpicked successor, (see Hwang Trial Test., Feb. 9, 2015, at 175:2–6), and that he worked closely with his father as co-author and translator makes H.C. Hwang's testimony as to Hwang Kee's authorial intent on this point highly credible.

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18. H.C. Hwang's testimony as to the definition of "Moo Duk Kwan" is further buttressed by the fact that around the time that Hwang Kee founded the first Moo Duk Kwan studio, other Tang Soo Do studios in Korea used different names to identify their unique schools, such as Yeon Moo Kwan and Chung Do Kwan. (*See* Pl.'s Ex. 6 at 21–22.) These schools have different English meanings than does the term Moo Duk Kwan. (Hwang Trial Test., Feb. 9, 2015, at 128:14–129:6.)

19. Thus, "Moo Duk Kwan has always been known as a name for a particular school found [*sic*] by the Founder Hwang Kee in 1945." (*Id.* at 164:7–8.)

20. Hwang Kee adopted the fist-and-laurel-leaves design, pictured above, as "the official emblem of Grand Master Hwang Kee's Moo Duk Kwan." (*Id.* at 131:16–132:23.)

21. H.C. Hwang has never seen "the fist and laurel leaves [design] associated with any schools, other than the Moo Duk Kwan schools over in Korea." (*Id.* at 131:12–15.)

22. H.C. Hwang never had "any doubt that [the design] was created by the Founder," Hwang Kee. (*Id.* at 131:16–19.)

23. Lawrence Seiberlich is a Moo Duk Kwan practitioner who currently serves as a member of the Plaintiff Federation's Senior Advisory Committee. (Lawrence Seiberlich Trial Test., Feb. 9, 2015, Doc. 132, at 34:16–20.)

*4 24. He is a former U.S. Army serviceman who first began training in Tang Soo Do Moo Duk Kwan while stationed in Korea in 1959. (*Id.* at 35:9–36:9.)

25. When he was in Korea, he used the term "Moo Duk Kwan" to refer to "the organization that was founded by Hwang Kee, which taught Tang Soo Do." (*Id.* at 36:23–37:1.)

26. He never saw any martial arts studio in Korea that was called "Moo Duk Kwan" and was not associated with Hwang Kee. (*Id.* at 37:2–5.)

27. He is familiar with the fist-and-laurel-leaves design, which he owns and wears as a pin. (*Id.* at 37:10–38:12.)

28. He knows of no other martial arts school not associated with Hwang Kee in Korea that might be associated with the fist-and-laurel-leaves design. (*Id.* at 38:13–16.)

29. Dae Kyu Chang is a member of the Plaintiff Federation who lived the first nineteen years of his life in Korea, is fluent in Korean, and first trained in Moo Duk Kwan while living in Korea. (Dae Kyu Chang Trial Test., Feb. 10, 2015, Doc. 130, at 96:8–22.)

30. He is now 58 years old and operates a Moo Duk Kwan studio affiliated with the Plaintiff Federation in Santa Barbara, California. (*Id.* at 95:17–96:4.)

31. Mr. Chang developed the following understanding of Moo Duk Kwan while he lived in Korea: "Moo Duk Kwan was [a] prestigious organization then. So if Moo Duk Kwan name is mentioned, Hwang Kee name was followed. If Hwang Kee name was mentioned, Moo Duk Kwan was mentioned." (*Id.* at 97:13–19.)

32. He understands "Moo Duk Kwan" to mean "the name of the organization founded by Hwang Kee." (*Id.* at 97:20–22.)

33. He considers "Moo Duk Kwan" to be a brand name and testified that a person in Korea would not "use the term Moo Duk Kwan to describe a general martial arts school." (*Id.* at 100:9–12, 101:2–4.)

34. He has never heard the name Moo Duk Kwan used to describe an organization in Korea that was not affiliated with Hwang Kee's organization and has never seen the fist-and-laurel-leaves design used in Korea by any organization that was not Hwang Kee's organization. (*Id.* at 101:10–16.)

35. John Fagliarone is a Tang Soo Do practitioner who began his training in 1985 under Master Thomas Richards of the World Tang Soo Do Association. (John Fagliarone Trial Dep., Feb. 13, 2015, Doc. 140, at 5:14–6:4.)

36. The World Tang Soo Do Association includes former members of the Plaintiff Federation and former students of Hwang Kee. (*Id.* at 7:5–8:18.)

37. Accordingly, Mr. Fagliarone is familiar with the name "Moo Duk Kwan," even though he is not affiliated with the Plaintiff. (*Id.* at 7:1–5.)

38. When he "hear[s] Moo Duk Kwan," he "think[s] of Hwang Kee's organization." (*Id.* at 13:23–24.)

39. When he sees the design of a fist and laurel leaves, he "think[s] of their organization also." (*Id.* at 14:1–3.)

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ii. Creation of the Plaintiff Moo Duk Kwan Federation in the United States

40. In the early 1960s, Hwang Kee sent one Sang Kyu Shim to the United States “to build the U.S. chapter of the Moo Duk Kwan” in a first attempt to establish a Moo Duk Kwan presence in the United States. (Hwang Trial Test., Feb. 9, 2015, at 140:21–141:4.)

*5 41. H.C. Hwang was present at a meeting when his father discussed the plan with Mr. Shim. He was therefore well aware of the plan. (*Id.* at 141:7–10.)

42. Mr. Shim then went to the United States representing the Korean Moo Duk Kwan Association. While in the United States, he taught and evaluated American students before those students would be sent to Korea for Moo Duk Kwan certification. (*Id.* at 141:11–142:12.)

43. Among others, he trained Lawrence Seiberlich and guided Mr. Seiberlich in promoting and running a Moo Duk Kwan school in Minnesota. (Seiberlich Trial Test. at 44:23–45:8.) Mr. Seiberlich understood that Mr. Shim was sent by Hwang Kee for these purposes. (*Id.* at 45:2546:4.)

44. In 1968, Hwang Kee appointed another representative to come to the United States, Jae Joon Kim, who continued doing the same work as Mr. Shim until 1973. (Hwang Trial Test., Feb. 9, 2015, at 142:13–143:6.)

45. In the mid–1960s until 1970, Moo Duk Kwan regional branches had been established in New York, Michigan, California, Washington, Texas, Florida, and New Jersey, as well as Maryland and/or Washington, DC.² (*See id.* at 143:15–145:6.)

46. These branches were all operated by individuals authorized as representatives of the Korean Moo Duk Kwan. (*Id.* at 145:7–11.)

47. Hwang Kee had procedures in place to monitor these representatives, such as having them send films of their martial-arts performance to Korea for the Moo Duk Kwan to evaluate and issue corresponding certificates. (*Id.* at 146:1–18.) The regional representatives would also send reports to Hwang Kee. (*Id.* at 146:19–21.)

48. H.C. Hwang had personal contact with many of the regional representatives. (*Id.* at 147:9–22.)

49. In 1974, Hwang Kee and H.C. Hwang traveled to many cities and states across the United States to learn about some of their instructors' concerns and to make findings about what should be done to create a national, American organization. (*Id.* at 147:24–148:19.)

50. The Hwangs found that instructors in the United States had concerns in two primary areas: first, that they wanted to have one national organization centered around the Korean Moo Duk Kwan organization under Hwang Kee, and, second, that they were concerned that many instructors were not registered in Korea. (*Id.* at 149:8–13.)

51. To address these problems, Hwang Kee organized a meeting of all the Danlevel³ Moo Duk Kwan members and instructors, to be held in Burlington, New Jersey in November 1974, for the purposes of developing “standardized teaching methodology, standardized techniques, standardized uniform, schools etc.” and forming a U.S. organization “as the sole representative of [Hwang Kee's] Korean organization.” (*See id.* at 149:14–150:2; Seiberlich Trial Test. at 47:3–13.)

52. Approximately seventy to ninety Dans met in Burlington, New Jersey, all of whom were associated with Hwang Kee's Moo Duk Kwan organization. (Seiberlich Trial Test. at 48:8–17.)

*6 53. Most of the Dans wore the fist-and-laurel-leaves emblem at the Burlington meeting. (*Id.* at 48:18–25.)

54. Hwang Kee spoke at the meeting and “reaffirmed” that the purpose of the meeting “was to standardize technique, teaching, and the schools, and to be the single representative of his organization in Korea and to control its intellectual property in the United States.” (*Id.* at 49:1–7.) H.C. Hwang also recalled at trial that these were the primary purposes of the incipient American organization. (Hwang Test., Feb. 9, 2015, at 158:2–19.)

55. The Dans then voted to start the envisioned organization and to set up a task force to create a charter, bylaws, and other necessary organizational documents, (Seiberlich Test. at 49:10–19.)

56. A charter convention was held in June 1975 at the Kennedy Hilton at JFK International Airport. (*Id.* at 50:3–7.)

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57. The convention adopted the proposed charter and bylaws for the new U.S. Federation. (*See U.S. Tang Soo Do Moo Duk Kwan Federation, Inc. News*, Vol. 1, No. 1, May 1976, Pl.'s Ex. 23, at T-126.) The Plaintiff's original charter is included as Plaintiff's Exhibit 22.

58. The Plaintiff—which was at the time called “United States Tang Soo Do Moo Duk Kwan Federation”—was incorporated in June 1976 in the United States. (Stipulated Facts, ¶ 9.)

59. “By its charter and incorporation, Plaintiff was founded to be an organization for the practice, teaching and regulation of martial arts. It included many practitioners in the United States who had been taught and certified by Hwang Kee and his organization in Korea.” (*Id.* at ¶ 10.)

iii. Trademark Registration and Use in Commerce

60. Plaintiff did not immediately register its trademarks following incorporation. (*See* dates listed in Stipulated Facts, ¶ 7.)

61. Rather, it registered its first trademark, “UNITED STATES TANG SOO DO MOO DUK KWAN FEDERATION,” on June 16, 1987. It registered the trademark “MOO DUK KWAN” on December 6, 2005, and registered two variations of the fist-and-laurelleaves design on July 7, 1987 and July 25, 2006, respectively. (*Id.*)

62. Federation President Phillip Duncan testified that the reason for the wait was Plaintiff's belief that “[t]rademark use accrues, and we accrued use in that mark to the point we felt it was prudent for us to improve awareness of our ownership of that mark [i.e., by registering it]. We decided to distinguish it.” (Phillip Duncan Trial Test., Feb. 10, 2015, Doc. 130, at 162:11–17.)

63. Regardless of the reason for the delay, in the time between incorporation and the first trademark registration, Plaintiff's organizational publications referred to the fist-and-laurel leaves as the “official symbol” of the U.S. Tang Soo Do Moo Duk Kwan Federation. (*See, e.g.*, Pl.'s Ex. 23 at T-131.)

64. The Plaintiff Federation and its member schools have made and continue to make significant use of its trademarks in commerce. During trial, Phillip Duncan identified various documents and web pages dating back to at least 1990 which show continuous use of the marks. (*See* Duncan Trial Test.

at 120:10–135:17 (discussing Pl.'s Exs. 25, 27–28, 33, 42–43, 45–47, 49–50, 59, 62–63); *see also* Pl.'s Ex. 29, 31, 65 (examples of additional uses).⁴

*7 65. Several of these exhibits contain documents stating “There Is Only One Moo Duk Kwan.” (*See* Pl.'s Exs. 25 at T-451; 33 at T-608; 63 at 1–2.)

66. The Plaintiff Federation contains “between 4 and 5 thousand individual members[,] about 160 individual studios and about 300 certified instructors throughout the United States.” (Duncan Trial Test. at 114:17–20.)

67. It operates through “certified studios,” which are authorized to use the Federation's trademarks. (*Id.* at 114:20–115:2.)

68. Instructors who wish to open certified studios must hold at least “a second degree black belt or second Dan” and must pass through a detailed application process, which includes inspection of the proposed studio facility by a regional examiner, an apprenticeship period of teaching and training, and various examinations, one of which—for master-level instructor—takes eight days. (*id.* at 115:8–116:12.)

69. The Federation also maintains a formal application process for Dan certification, whereby applicants are tested and evaluated in front of a regional examining board, which then sends a recommendation to national headquarters for review as to whether Dan status should be granted to the applicant. (*id.* at 116:13–117:2.)

70. The Federation also provides a “Gup and Dan Manual” to all new members of the organization, published in 2009, which lists the “[f]ederally protected Trademarks and Service marks” mentioned above, with the trademark registration (®) symbol. (*id.* at 118:24–119:3; *Gup & Dan Manual*, Pl.'s Ex. 86, at iv.)

c. History of the Defendant Organization

i. General History

71. “Defendant Tang Soo Karate School, Inc is an organization for the practice, teaching and regulation of a martial art founded in 1994.” (Stipulated Facts, ¶ 11.)

72. The phrase “Tang Soo Karate” in Defendant's name was meant to identify the type of martial art it teaches. (Erick Kovaleski Trial Test., Feb. 10, 2015, Doc. 130, at 193:6–8.)

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73. Since 1999, the Defendant karate school has been one-hundred percent owned by Defendant Eric Kovaleski. (*Id.* at 192:24–193:2 .) All of the revenues and profits from the business go to him. (*Id.* at 193:12–14.)

74. Eric's father, Robert Kovaleski, founded Defendant TSKSI in 1994 “under [the] consent” of his former teacher, Master Frank Trojanowicz. (Robert Kovaleski Trial Test., Feb. 11, 2015, Doc. 133, at 48:2549:5.)

75. Robert Kovaleski first started studying martial arts in 1966 and began learning Tang Soo Do Moo Duk Kwan under Master Trojanowicz from 1969 to 1975. (*Id.* at 42:23–43:6, 197:4–7.)

76. Frank Trojanowicz was a founding member and a board member of the Plaintiff organization. (*See* Seiberlich Trial Test. at 51:4–15; Hwang Trial Test., Feb. 9, 2015, at 111:8–13; Eric Kovaleski Trial Test., Feb. 10, 2015, at 189:23–190:13.) When he trained Robert Kovaleski, he was a member of the Plaintiff organization. (*See* Robert Kovaleski Trial Test. at 43:746:7.)

*8 77. Mr. Trojanowicz later formed his own Tang Soo Do organization. The organization originally used the marks “Moo Duk Kwan” and the fist-and-laurel-leaves design, but, following litigation initiated by the Plaintiff, agreed to stop using them. (Seiberlich Trial Test. at 64:6–69:6.)

78. Master Trojanowicz's past and present affiliations are to entities separate and distinct from Defendant TSKSI, founded by Robert Kovaleski in 1994. (*See, e.g.*, Eric Kovaleski Trial Test ., Feb. 10, 2015, at 189:5–22.)

ii. Attempts to Procure Trademarks

79. “On October 4, 2001, Eric Kovaleski filed an application with the United States Patent and Trademark Office (‘USPTO’) to register the mark INTERNATIONAL TANG SOO DO MOO DUK KWAN ASSOCIATION and Plaintiff's fist and laurel branches design as his own trademark .” (Stipulated Facts, ¶ 12; *see also* USPTO Trademark Application, Sept. 23, 2001, Pl.'s Ex. 109.)

80. The fist and laurel leaves design that Mr. Kovaleski attempted to trademark appears as follows:



(Pl.'s Ex. 109 at 5–6; *cf. also* Stipulated Facts, ¶ 14; Defendant's Patch Exemplar, Pl.'s Ex. 118.)

81. Mr. Kovaleski's trademark application included a sworn statement that “Eric P. Kovaleski declares: that he is the owner of the mark sought to be registered ...; that to the best of his knowledge and belief no other person, firm, corporation or association has the right to use said mark in commerce, either in identical form or in such near resemblance thereto as to be likely, when applied to the goods and/or services of such other person, to cause confusion, or cause mistake, or to deceive....” (Pl.'s Ex. 109 at 2.)

82. The USPTO nonetheless rejected his trademark application, stating: “The examining attorney refuses registration ... because the applicant's mark, when used on or in connection with the identified services so resembles the marks [previously registered by Plaintiff] as to be likely to cause confusion, or to cause mistake, or to deceive.” (USPTO Decision, Jan. 4, 2002, Pl.'s Ex. 110, at 1 .)

83. The notice of rejection stated that Mr. Kovaleski had six months in which to respond or his application would be abandoned. (*Id.*)

84. Mr. Kovaleski never submitted a response to the USPTO and accordingly abandoned his application. (*See* Stipulated Facts, ¶ 13.)

85. At trial, Eric Kovaleski testified that he believed the examiner rejected his application because “I couldn't trademark our name around a generic logo.” (Eric Kovaleski

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Trial Test., Feb. 10, 2015, at 197:3–7.) He then apparently changed his answer and testified that the only problem with his trademark application was that he needed to submit a new drawing that conformed to the requirements listed on page 2 of the rejection notice. (*Id.* at 197:8–16.)

86. However, the rejection notice is written in clear and precise language that states that the primary reason for rejection is a likelihood of confusion with Plaintiff's preexisting trademarks. (*See* Finding of Fact, *supra*, ¶ 82.) Mr. Kovaleski's contrary interpretations are not reasonably supported by the text of the notice and are therefore accorded no weight.

*9 87. On September 1, 2014, while this litigation was ongoing, Eric Kovaleski filed another trademark application for the mark “TANG SOO DO MOO DUK KWAN ENCYCLOPEDIA” which was identified as “[a] series of educational and instructional books and written articles in the field of the [*sic*] history, philosophy and martial arts; Encyclopedias in the field of history, philosophy and martial arts.” (USPTO Trademark Application, Sept. 1, 2014, Pl.'s Ex. 135, at 1–2; *see also* Eric Kovaleski Trial Test., Feb. 11, 2015, at 29:9–20.)

88. This application included a declaration containing substantially the same information as that discussed in Mr. Kovaleski's first trademark application at Finding of Fact ¶ 81, *supra*: to wit, that Mr. Kovaleski was the owner of the mark sought to be registered and that “no other person has the right to use the mark in commerce.” (Pl.'s Ex. 135 at 5.)

89. The USPTO rejected this second application on the same grounds, i.e.: “Registration of the applied-for mark is refused because of a likelihood of confusion with the marks [held by Plaintiff].” (USPTO Decision, Dec. 21, 2014, Pl.'s Ex. 136, at 2.)

90. Defendants had six months to respond to this decision. (*Id.* at 1.) The sixmonth time period, however, had not expired by the time of trial.

iii. Use of the Relevant Marks in Commerce

91. Notwithstanding the USPTO's decision, the Defendants continued and even increased their use of the “International Tang Soo Do Moo Duk Kwan” mark after receiving the rejection notice. (Eric Kovaleski Trial Test., Feb. 10, 2015, at 199:11–16.)

92. In November 2011, Defendants placed “a big sign” on the front of their building, which uses the same fist-and-laurel-leaves design that was the subject of Defendant's failed trademark application. (*Id.* at 199:24–200:13, 205:25–206:4.) They also use similar signs on other parts of the building. (*See id.* at 200:14–19; *see also* Pl.'s Ex. 102 at 1–5 (collection of photographs of Defendants' storefront).)

93. Defendants use certificates using the same design and the phrase “International Tang Soo Do Moo Duk Kwan Association.” (Eric Kovaleski Trial Test., Feb. 10, 2015, at 200:20–201:2; Pl.'s Ex. 102 at 6–7; Black Belt Certificate, Pl.'s Ex. 120; Sa Bom and Kyo Sa Certificates, Pl.'s Ex. 121.)

94. Defendants embroider the same design on the backs of their black belt uniforms, which they sell for \$135. (Eric Kovaleski Trial Test., Feb. 10, 2015, at 202:4–203:17.)

95. Four or five years ago (i.e., before this litigation commenced but after the first trademark application was rejected), Defendants sold t-shirts with the same design. (*Id.* at 204:2–16 .)

96. The Defendant Kovaleskis are also profiled on third-party website *Tang Soo Do World*, which contains pictures of them wearing uniforms with the same emblem and standing in front of a large picture of the emblem. (*Id.* at 204:24–205:2, 205:13–14; *Tang Soo Do World*, Pl.'s Ex. 105, at 1–2.) However, it is unclear how *Tang Soo Do World* got these pictures. (*See* Eric Kovaleski Trial Test., Feb. 10, 2015, at 205:3–7.) Eric Kovaleski testified that a student may have sent them to the website, apparently without his express permission. (*Id.* at 205:6–12.)

*10 97. In or around late 2011, Defendants superimposed a large version of the same emblem on their studio floor. (*Id.* at 205:21–206:12.)

98. In 2012, Eric Kovaleski sent out advertisements for a “Mega Martial Arts Weekend” using the name “International Tang Soo Do Moo Duk Kwan Association “and Defendant's fist-and-laurel leaves emblem. (*See* Stipulated Facts, ¶ 16; P.J. Steyer Letter, Feb. 17, 2012, Pl.'s Ex. 104, at 2–6; Phillip Duncan Trial Test. at 158:18–159:23.)

99. Eric Kovaleski “continue[s] to use [the fist-and-laurel leaf emblem] for [his] day-to-day business.” (Eric Kovaleski Trial Test ., Feb. 11, 2015, at 7:13–15.)

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100. Indeed, Mr. Kovaleski created a flier for the “USA National Karate Championships” to be held from June 27 to June 29, 2014 that uses the same emblem. (Pl.’s Ex. 134 at 1.)

d. Trademark Infringement

101. Plaintiff’s own the registered trademarks in question. (See Stipulated Facts, ¶ 7.)

102. Defendants’ name “International Tang Soo Do Moo Duk Kwan Association” is very similar to Plaintiff’s registered mark United States Tang Soo Do Moo Duk Kwan Federation and uses fully Plaintiff’s registered mark MOO DUK KWAN.

103. Defendants’ emblem is also extremely similar to Plaintiff’s registered marks in its fist-and-laurel-leaves design. (Cf. Findings of Fact, *supra*, ¶¶ 7, 80.)

104. The emblems that both parties use in their daily business are also very similar:

Defendants’ Emblem



Plaintiff’s Emblem



(*Id.* at ¶ 14.)

105. An objective comparison of the marks registered and owned by the Plaintiff with those used by the Defendants leads the Court to conclude that many or most consumers of the martial arts services provided by the two organizations are very likely to be confused by the similarity of their names and emblems.

60. Plaintiff’s and Defendants offer the same or substantially similar services. The Plaintiff Federation was founded in part to “undertake any and all legal activities which will directly or indirectly further and encourage the study, the practice, and the growth of public recognition of the Korean martial art known as Tang Soo Do.” (Charter of U.S. Tang Soo Do Moo Duk Kwan Federation, Pl.’s Ex. 22, at § 2(A).) Likewise, “Defendant Tang Soo Karate School, Inc is an organization for the practice, teaching and regulation of martial arts.” (Stipulated Facts, ¶ 4.)

107. “The services of plaintiff and defendants are advertised and promoted through the same trade channels. Both are membership organizations. Both have Internet cites [*sic*] promoting their services in a similar fashion. Both have exhibitions for member organizations. Both provide services to their members for their instruction and their conduct of their services.” (*Id.* at ¶ 17.)

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108. Both organizations provide Gup, Dan, and instructor memberships. (See, *d. g.*, Eric Kovaleski Dep., Jan. 18, 2013, Pl.'s Ex, 156, at 46:1248:14; Seiberlich Trial Test. at 58:16–23.)

*11 109. Both organizations provide certificates to members, using remarkably similar designs. (See, *e.g.*, Pl.'s 42–43, 45, 47 (Plaintiff's certificates); 121–22 (Defendants' certificates and applications for membership).)

110. Both organizations hold martial arts tournaments. (See, *e.g.*, Pl.'s Exs. 28, 104.)

111. At the most basic level, both organizations hold themselves out as teaching and practicing the arts of Tang Soo Do and Moo Duk Kwan.⁵

e. Counterclaims

112. Ordinarily, the above facts might be sufficient to create the factual groundwork for a successful claim of trademark infringement. However, Defendants assert several significant counterclaims that require additional findings of fact.

i. Genericness and Descriptiveness

113. Defendants' first counterclaim asserts that Plaintiff's trademarks should be cancelled on grounds of genericness; that is, that "Plaintiff's Registrations are comprised of terms that are generic for the services for which they are registered." (Answ. to Am. Compl., Doc. 28, at ¶ 69.)

114. Defendants' second counterclaim asserts that Plaintiff's trademarks should be cancelled on grounds of mere descriptiveness; that is, that "[P]laintiff's Registrations are primarily descriptive of [P]laintiff's services for which they are registered." (*Id.* at ¶ 75.)⁶

115. Though these claims are legally distinct, they both depend for their resolution on the meaning of the same terms and symbols.

116. It is undisputed that the Korean phrase "Tang Soo Do" is the generic name for the martial art taught by both Plaintiff and Defendants. (Stipulated Facts, ¶ 19.)

117. It is further undisputed that the Korean word "do jang" is the generic name for a martial arts school or institute. (*Id.*)

118. Moreover, as discussed above, the preponderance of the evidence indicates that the term "Moo Duk Kwan" refers to the Tang Soo Do school first founded by Hwang Kee in 1945 and carried on by the Plaintiff U.S. Federation. (Findings of Fact, *supra*, ¶¶ 12–39.)

119. The evidence that purports to show otherwise is unconvincing, for the following reasons.

120. First, Defendants provided the testimony of Daniel Segarra, a Tang Soo Do Moo Duk Kwan practitioner who was actively involved in the Plaintiff organization for nearly twenty years. (See Daniel Segarra Trial Test., Feb. 11, 2015, Doc. 133, at 69:23–72:4.)

121. Mr. Segarra did a great deal of volunteer work with the Plaintiff organization, including providing drawings, diagrams, and translations for certain of Hwang Kee's books; hosting and maintaining the Plaintiff's website; serving on the Plaintiff's Board of Directors; producing video instructional guides; and designing logos (albeit not the fist-and-laurelleaves emblem itself). (*Id.* at 72:8–78:9.) During this time, he considered H.C. Hwang "like a father figure." (*Id.* at 75:8–9.)

122. Mr. Segarra understands "Moo Duk Kwan" to mean "School of Martial Virtue." (*Id.* at 78:17–24.)

*12 123. When he was involved with the Plaintiff organization, he believed that the term "Moo Duk Kwan" referred to the Plaintiff organization only. (*Id.* at 78:25–79:4.)

124. However, certain independent research caused him to change his mind and believe that "Moo Duk Kwan" is a generic term that had been used long before Hwang Kee founded his organization. (See *id.* at 79:5–21.)

125. Specifically, around 1995 or 1996, Mr. Segarra came upon an article by one Fred Scott. The article "stated that the term, Moo Duk Kwan, was generic and originally founded in Japan in 794, by the Emperor of Japan." (*Id.* at 79:22–80:14.)

126. The basis for Scott's conclusion was that an institute in Japan, founded in 794 A.D. went by the Japanese name "Butokuden," which, like Moo Duk Kwan, translates to English as "martial virtue school." (*Id.* at 99:8–18.)

127. The last character of both terms is "ken" in Japanese and "kwan" in Korean. They both can be interpreted

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synonymously in English, insofar as “ken” means “mansion, hall, headquarters, building, etc.” and “kwan” means “school or academy.” (*Id.* at 99:18–22.)

128. Mr. Segarra brought the Scott article to H.C. Hwang’s attention, because it contradicted what he had learned from Hwang Kee about the history of their organization and the meaning of its name. (*Id.* at 80:12–21.)

129. H.C. Hwang was unconcerned by the information contained in the Scott article, and purportedly told Segarra, “What’s the difference, if there was a Moo Duk Kwan in Japan, if there’s a Moo Duk Kwan in Korea, they’re two different areas.” (*Id.* 81:24–82:10.)

130. Aside from the information contained in the Scott article, Segarra also “came across a study done on the martial arts during the Japanese occupation” of Korea, which study was commissioned by the “Seoul History Museum or Folk Museum.” This study pointed to several schools specifically called Moo Duk Kwan that used the same characters as the Plaintiff organization, from 1923 to 1942. (*Id.* at 111:16–112:1.)

131. The Defendants provided no evidence to show any kind of causal link between the use of the Japanese term “Butokuden” during the early medieval period and the use of the Korean term “Moo Duk Kwan” over a millennium later. The only evidence before the Court is that the Japanese term “Butokuden,” which purports to have the same English translation as “Moo Duk Kwan,” was used in Japan in 794 A.D. It has not been shown that it was ever used afterwards or that, if it was, this had any effect on the use of Moo Duk in Korea and the United States.

132. Moreover, the only evidence supporting the conclusion that “Moo Duk Kwan” was used in Korea between 1923 and 1942 comes from Daniel Segarra’s book *The Secrets of the Warrior–Scholar: The Untold History of Tang Soo Do, V. 1.3*. This book was not admitted into evidence. (*See id.* at 112:25–113:7.) But even if it were, it provides no substantiation for the claim that other schools using the name “Moo Duk Kwan” existed before Hwang Kee founded his school, with the exception of records from the National Folk Museum of Korea, which were also not submitted as exhibits. (*See* Daniel Segarra, “From Hwa Soo Do to Tang Soo Do,” *The Secrets of the Warrior–Scholar*.)

*13 133. Next, Defendants provide evidence of the widespread use of the Moo Duk Kwari name and logo in various published sources going back to the 1960s.

134. These published sources include magazines that contain pictures that show the logo being used by various practitioners or at certain events, use of the marks in advertisements for Moo Duk Kwan studios or events, advertisements for Moo Duk Kwan merchandise, and mentions of “Moo Duk Kwan” in articles or letters to the editors.⁷ (*See, e.g.*, Defs.’ Ex. 1 at 5,⁸ 64–65; Ex. 2 at 42, 64; Ex. 3 at 64–65; Ex. 4 at 5, 12, 64; Ex. 5 at 52, 57, 65; Ex. 7 at 35; Ex. 8 at 52, 64–65; Ex. 9 at 10, 30, 64, 12,⁹ 53, 65; Ex. 10 at 64–65; Ex. 11 at 4, 18, 65; Ex. 12 at 7, 32; Ex. 13 at 15, 17, 21, (4); Ex. 14 at 10, 58–59, (5); Ex. 18 at (2); Ex. 19 at 3; Ex. 20 at 57, 81, (6); Ex. 21 at (2), 14, 80; Ex. 22 at (3); Ex. 23 at (2), 79–80; Ex. 24 at (2), 51–52, 65; Ex. 25 at (2), 67, 79; Ex. 26 at (2), (3); Ex. 27 at (2); Ex. 28 at (2), (3), 10, 55, 59; Ex. 30 at (2)-(5), (7), 40, 122; Ex. 31 at (2)-(3), (5)-(6), (9), 80; Ex. 32 at (1), 2, (4), (5)-(8).)

135. However, many of the organizations included in these magazines were either affiliated with the Plaintiff or prosecuted by the Plaintiff for trademark infringement. (*See* Hwang Trial Test., Feb. 9, 2015, at 167:6–172:14; Phillip Duncan Trial Test. at 132:22–133:18, 154:1–24; Segarra Trial Test. at 104:19–105:18.)¹⁰

136. Nonetheless, others are unaccounted for.

137. Defendants also submitted a collection of Moo Duk Kwan patches, using the fist-and-laurel-leaves design and/or the term “Moo Duk Kwan,” which Eric Kovaleski assembled from a Google image search. (*See* Def.’s Ex. 55; Eric Kovaleski Trial Test., Feb. 11, 2015, at 183:5–12.) Mr. Kovaleski testified about the background of patches as to which he has personal knowledge, and stated that none of them are related to the Plaintiff organization. (*See* Eric Kovaleski Trial Test., Feb. 11, 2015, at 159:22–169:10.)

138. Exhibit 55 is not the direct result of Mr. Kovaleski’s Google image search. Rather, Mr. Kovaleski ran an independent search, then collected the patches that he considered relevant and placed them in this document. (*Id.* at 162:2–8.)

139. The Court does not know whether the pictures selected for inclusion in Exhibit 55 are representative of the broader results of Mr. Kovaleski’s search.

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140. Nor is the Court able to determine the status of the emblems as to which Mr. Kovaleski has no personal knowledge.

141. The Court has no way of knowing how many of the organizations included in Exhibit 55 are now defunct, or how many of the emblems shown therein were used only a long time ago. (*Cf. id.* at 187:16–21.)

142. Other patches did not stand alone in original sources, but were only taken from pictures of uniforms. (*Id.* at 183:5–9.) The Court does not know whether the individual practitioners wearing these uniforms were associated with the Plaintiff or, if not, received the patch through authorized channels. In fact, some of the pictures were taken from the uniform of former Plaintiff's member Frank Trojanowicz. (*Id.* at 183:13–19.)

*14 143. Other pictures of patches refer to organizations that do not operate primarily in the United States. (*Id.* at 185:9–189:11.)

144. As additional evidence of the generic use of the Moo Duk Kwan name and logo, Defendants admitted various photos that were given to Eric Kovaleski by Grand Master Frank Trojanowicz. (*See id.* at 170:14–178:24.)

145. However, nearly all of these photographs either depict uses of the marks by either Frank Trojanowicz or Eric or Robert Kovaleski. (*See id.*; Def.'s Ex. 45 (photographs).)

146. The Kovaleskis' prior uses are not probative of genericness, because it is precisely these uses that are at issue in this case.

147. Moreover, as noted above, Frank Trojanowicz was a member of the Plaintiff Federation until the early 1980s. (Seiberlich Trial Test. at 64:6–17.) He then formed his own Tang Soo Do Moo Duk Kwan organization, which the Plaintiff Federation sued for trademark infringement. (*Id.* at 64:18–25.)

148. That lawsuit ended in a Consent Judgment, whereby Mr. Trojanowicz and his co-defendants stipulated that the Federation was the only entity entitled to use the fist-and-laurel leaves emblem and the name “United States Tang Soo Do Moo Duk Kwan Federation.” (Stipulation, Pl.'s Ex. 80, at ¶¶ 1–2.)

149. Thus, the photographs of Trojanowicz and his studio were either taken (1) while he was a member of the Plaintiff Federation, in which case his use was presumably authorized by the Plaintiff; (2) after he left the Plaintiff Federation but before the Consent Judgment was entered, in which case his use was subsequently litigated and is now subject to the Consent Judgment; or (3) after the Consent Judgment was entered, in which case he would have been acting in violation of the Judgment. In none of these cases would his use of the emblem or name be probative of genericness.

150. Finally, Robert Kovaleski testified from his personal recollection that when he began studying Moo Duk Kwan, around 1969 into the 1970s, “not only Moo Duk Kwan, but also the fist and laurel ... were everywhere” across northeastern Pennsylvania. (Robert Kovaleski Trial Test. at 198:16–22.)

151. At tournaments that he attended in the 1970s, he noticed many different types of patches on practitioners' uniforms, including the fist and laurel leaves. (*Id.* at 199:2–22.) He testified that these patches were worn by people unaffiliated with Hwang Kee. (*Id.* at 199:23–200:5.)

152. Eric Kovaleski also recalls seeing uses of the fist-and-laurel-leaves patch and the phrase “Moo Duk Kwan” by practitioners at tournaments who are unaffiliated with the Plaintiff. (Eric Kovaleski Trial Test., Feb. 11, 2015, at 118:15–119:11.)

153. The Kovaleskis provided no evidence to substantiate their assertions that the practitioners they observed were indeed unaffiliated with Hwang Kee, nor did they provide a basis to establish how they could personally know the affiliations of anonymous Moo Duk Kwan practitioners. Finally, they did not provide a basis for the Court to conclude that, even if it could be shown that the practitioners themselves were unaffiliated with Hwang Kee, they did not buy the patches at issue from an authorized dealer of Moo Duk Kwan merchandise or in some other manner that did not violate Plaintiff's trademark rights.

ii. Abandonment

*15 154. Defendants' third counterclaim asserts that Plaintiff's trademarks should be cancelled on the basis of abandonment; that is, that “[t]hrough plaintiff's course of conduct, including acts of omission as well as commission, the plaintiff's Registrations have lost whatever significance as

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trademarks they may have had.” (Answ. to Am. Compl. at ¶ 79.)

155. Much of the evidence for this claim comes from the karate magazines and Google image searches discussed above.¹¹

156. Additionally, Defendants proffered certain magazines and websites that sell Moo Duk Kwan merchandise in order to show that Plaintiff fails to police its own trademark ownership. (See Eric Kovaleski Trial Test., Feb. 11, 2015, at 153:16–159:16; see also Defs.’ Exs. 43–44.)

157. However, the legal status of the marks used in these catalogs is not clear from the face of the documents or from Eric Kovaleski’s testimony about them. For instance, it is not clear whether the merchandise that appears in Exhibits 43 and 44 is used with Plaintiff’s permission, as would be the case if, among other uses, they are sold by authorized member studios. (Cf. Duncan Trial Test. at 148:23–149:12.)

158. Moreover, the Plaintiff notified certain sellers included in Exhibits 43 and 44 that they were infringing on their trademarks (though it does not appear that Plaintiff proceeded further to litigate these matters). (See *id.* at 149:13–150:18.)

159. Phillip Duncan, as president of the Plaintiff Federation, spends a significant amount of time on trademark enforcement activities. He “follow[s] the directives of the board with respect to preserving their compliance with our charter and bylaws to evaluate member reports of someone that appears to be an infringer and help facilitate making a decision about what action needs to be taken.” (*Id.* at 135:18–136:2.)

160. He spends approximately twenty to thirty percent of his time engaged in trademark enforcement activities. (*Id.* at 136:3–7.)

161. Expenses for trademark enforcement constitute “about 15 percent or lower” of the Plaintiff’s expenditures “in a normal year.” (*Id.* at 136:8–13.)

162. These enforcement activities include the aforementioned litigation against Mr. Trojanowicz and his co-defendants and other complaints sent to perceived trademark violators. (Duncan Trial Test. at 136:14–148:15.)

163. Indeed, one of the primary purposes in founding the U.S. Moo Duk Kwan Federation was to protect Hwang Kee’s intellectual property rights. (Finding of Fact, *supra*, ¶ 54.)

164. If anything, Plaintiff appears to have been “overeager” in advancing its intellectual property. Phillip Duncan testified to mistakes made by “eager volunteers” who, in drafting Federation newsletters, used the mark ® to denote a registered trademark even for marks that had not yet been registered. (Duncan Trial Test. at 121:16–122:5, 123:1–3, 163:14–164:24.)

165. Finally, Defendants introduced testimony about the World Moo Duk Kwan General Federation (WMDKGF) from Seoul, Korea, which, aside from incorporating “Moo Duk Kwan” in its name, uses the fist-and-laurel-leaves design, even though it is completely separate from the Plaintiff Federation. (Eric Kovaleski Trial Test., Feb. 11, 2015, at 114:25–116:12.)

*16 166. Plaintiff has not taken legal action against the WMDKGF. (See Duncan Trial Test. at 182:11–15.)

167. But the reason Plaintiff has not taken legal action against the WMDKGF is because that entity does not maintain a legal presence in the United States; it only maintains one in Korea. The Plaintiff therefore “couldn’t find a way to take against them.” (*Id.*)¹²

168. However, H.C. Hwang did meet with members of the WMDKGF in Korea in an (apparently unsuccessful) attempt to persuade them to change their corporate name. (*Id.* at 177:5–10.)

169. Moreover, Mr. Duncan testified that the Plaintiff was not subjectively concerned about the fact that WMDKGF members wore fist-and-laurel-leaves patches because these members are Moo Duk Kwan alumni who hold Dan positions issued by Hwang Kee. (*Id.* at 178:19–23.) Thus, “[f]or them to represent they are Moo Duk Kwan alumni is appropriate and not a problem for us.” (*Id.* at 178:24–25.)

iii. Fraud in the Trademark Application

170. Finally, Defendants assert a counterclaim for Fraud in Plaintiff’s Trademark Application. (See Answ. to Am. Compl. at ¶¶ 83–88.)

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171. H.C. Hwang and Phillip Duncan signed applications for the trademarks at issue, wherein each swore a variation of the following: “he believes [Plaintiff] to be the owner of the service mark sought to be registered; to the best of his knowledge and belief no other person, firm, corporation or association has the right to use said mark in commerce either in the identical form or in such near resemblance thereof as to be likely, when used with the services of such other person, to cause confusion, or to cause mistake, or to deceive; and the facts set forth in this application are true; all statements made herein of his own knowledge are true and all statements made on information and belief are believed to be true.” (*See* Trademark Applications, Pl.'s Exs. 82 at SBD-1497, 83 at SBD-1501, 84 at SBD-1505, 85 at SBD-1507.)

172. Defendants argue that “Plaintiff knew or should have known that this declaration was false, and that other practitioners of this Korean style of Karate had the permission to use these marks and designs directly from the Grandmasters in Korea to represent the martial art.” (Answ. to Am. Compl. at ¶ 86.)

173. H.C. Hwang testified that, when he signed the above oath, he was unaware of any other person who had a better right to use the mark than the Plaintiff. (Hwang Trial Test., Feb. 9, 2015, at 162:15-166:17; Hwang Trial Test., Feb. 10, 2015, at 6:24-8:20, 91:22-93:6.)

174. Philip Duncan testified the same. (Duncan Trial Test. at 150:19-153:25, 174:3-23.)

175. No independent evidence was presented at trial that could call H.C. Hwang or Philip Duncan's characterizations of their own mental states into question.

176. In a previous Opinion denying reconsideration of our denial of summary judgment, the Court stated that “[i]f Hwang [or, by extension, Duncan] knew at the time of the application that the marks sought to be registered were generic and/or descriptive terms that were as commonly used as Defendants claim, then [they] may indeed have acted fraudulently by claiming ownership, because marks in such common use could not be owned.” (Mem. Op. Denying Reconsider., Nov. 4, 2014, Doc. 105, at 7.)

*17 177. Thus, in the absence of explicit evidence showing that Hwang or Duncan knowingly signed a false statement, the fraud claim depends on a finding of whether the marks in question were generic and/or descriptive. The relevant

findings of fact on this issue have already been stated in this Opinion, in Findings of Fact section (e)(i).

f. Damages

178. No evidence was offered at trial showing that the Plaintiff sustained actual damages from Defendants' conduct.

179. Instead, Plaintiff's claim for damages is based on the facts that Defendants used and profited from the use of Plaintiff's trademarks. (*See, e.g.*, Pl.'s Proposed Findings of Fact, ¶¶ 79-83.)

180. Eric Kovaleski believes that removing the words “Moo Duk Kwan” from his school's name would hurt his business, because it would require him to incur expenses to change the school's certificates, logos, advertising, and the members' patches. (Eric Kovaleski Trial Test., Feb. 10, 2015, at 187:4-11.)

181. However, he does not believe that removing the words “Moo Duk Kwan” would make it more difficult to conduct the same business and get the same students. (*Id.* at 187:12-25, 201:2-16.)

182. He thinks that the symbol he uses represents Tang Soo Do to potential customers in a recognizable manner and that customers looking for Korean martial arts may be attracted to his business because of it. (*Id.* at 201:14-21.)

183. Robert Kovaleski also does not believe that “using the fist and laurel leaf design increases the profitability of [his] business,” stating that “people come to my school or my son's school for us, not for any of the paperwork.” (Robert Kovaleski Trial Test. at 61:15-62:1.)

184. “Defendants' organization had gross receipts of approximately \$95,000 in 2009; \$106,000 in 2010; \$161,000 in 2011; \$158,000 in 2012 and \$122,000 in 2013.” (Stipulated Facts, ¶ 18.)

185. Little evidence was admitted as to the source of Defendants' revenues. Defendants do, however, charge schools a one-time \$500 fee to become a member of their organization. (Eric Kovaleski Trial Test., Feb. 11, 2015, at 27:3-11.) They also charge Dan members of their organization a \$35 annual fee and charge Gup members a \$25 lifetime membership fee. (*Id.* at 27:12-16.)

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186. As discussed above, Defendants also sell merchandise and obtain revenue from events using the term “Moo Duk Kwan” and the fist-and-laurel-leaves emblem. (Findings of Fact, *supra*, ¶¶ 94–95, 98–100.)

187. Eric Kovaleski testified that, after deducting expenses from his gross revenues, he only makes a total of \$15,000 to \$20,000 per year. (Eric Kovaleski Trial Test., Feb. 11, 2015, at 182:34.) But Defendants provided no evidence beyond Mr. Kovaleski’s testimony to substantiate these claims.

188. The context of these remarks is indicative of their lack of evidentiary weight:

ATTORNEY SCOTT SCHERMERHORN: Do you have to pay expenses out of [your stipulated revenues]?

*18 ERIC KOVALESKI: Yes, I did.

MR. SCHERMERHORN: Do you make much in your business?

MR. KOVALESKI: 15 or \$20,000 a year.

MR. SCHERMERHORN: After you’re [*sic*] gross earnings that are reflected, you pay expenses, and you make, approximately, 15, 20,000 a year?

MR. KOVALESKI: Yes, sir.

(*Id.* at 182:1–7.)

189. These remarks—which are quoted in their entirety—are insufficient to demonstrate Defendants’ net profits. The Court cannot accept something as true just because Eric Kovaleski said it; Defendants must offer some extrinsic reason to believe that the things they claim are actually true. Instead, Defendants have offered only an unsubstantiated, impromptu estimation of profits.

III. Conclusions of Law

a. Jurisdiction


1. “The district courts shall have original jurisdiction of all civil actions arising under the ... laws ... of the United States.” 28 U.S.C. § 1331.

2. The Amended Complaint in this case alleges two counts under the Lanham Act, 15 U.S.C. § 1051, *et seq.*, for Trademark Infringement (Am. Compl., Count I) and Trademark Counterfeiting (*id.*, Count II).

3. It also asserts a common law claim for Trademark Infringement and Unfair Competition. (*Id.*, Count III)

4. Defendants’ counterclaims arise under the Lanham Act, 15 U.S.C. §§ 1064(3) (genericness, abandonment, and fraud) and 1052(e) (descriptiveness).

5. The Lanham Act is a federal law, enacted by the United States Congress, which provides in part that “[t]he district and territorial courts of the United States shall have original jurisdiction ... of all actions arising under this chapter, without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties.” 15 U.S.C. § 1121(a).

6. Moreover, Plaintiff’s common law claim is before the Court under the doctrine of pendent jurisdiction. “Pendent jurisdiction, in the sense of judicial power, exists whenever there is a claim ‘arising under [the] Constitution, the Laws of the United States, and Treaties made, or which shall be made, under their Authority,’ U .S. Const., Art. III, s. 2, and the relationship between that claim and the state claim permits the conclusion that the entire action before the court comprises but one constitutional ‘case.’ The federal claim must have substance sufficient to confer subject matter jurisdiction on the court. The state and federal claims must derive from a common nucleus of operative fact. But if, considered without regard to their federal or state character, a plaintiff’s claims are such that he would ordinarily be expected to try them all in one judicial proceeding, then, assuming substantiality of the federal issues, there is power in federal courts to hear the whole.”  *United Mine Workers of Am. v. Gibbs*, 383 U.S. 715, 725, 86 S.Ct. 1130, 1138, 16 L.Ed.2d 218 (1966) (internal citations omitted).

7. Under these principles, the Court has original subject-matter jurisdiction over this case, which arises under federal law, and has pendent jurisdiction over the Plaintiff’s common law claim.

*19 b. Trademark Infringement (Plaintiff’s Count I)

8. The Lanham Act provides that “[a]ny person who shall, without the consent of the registrant-(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause

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confusion, or to cause mistake, or to deceive ... shall be liable in a civil action by the registrant for the remedies hereinafter provided.” 15 U.S.C. § 1114(1).

9. Plaintiff alleges both federal trademark infringement under 15 U.S.C. § 1114 and federal unfair competition under 15 U.S.C. § 1125(a)(1)(A) in Count I. The legal standards for these two alleged violations are identical. *A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 210 (3d Cir.2000).

10. Because the analyses are identical, for ease of exposition, and because the Plaintiff only characterized Count I as a claim for “trademark infringement” at trial and in its post-trial submissions, the Court will only refer to Count I in this Opinion as alleging “trademark infringement.”

11. To prove trademark infringement under 15 U.S.C. § 1114, “a plaintiff must demonstrate that (1) it has a valid and legally protectable mark; (2) it owns the mark; and (3) the defendant's use of the mark to identify goods or services causes a likelihood of confusion.” *Id.*

i. Valid and Legally Protectable Mark; Ownership

12. “Any registration ... of a mark registered on the principal register provided by [the Lanham Act] and owned by a party to an action ... shall be *prima facie* evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude another person from proving any legal or equitable defense or defect...” 15 U.S.C. § 1115(a).

13. As discussed above, Plaintiff registered the four trademarks at issue on the principal trademark register. (Findings of Fact, *supra*, ¶ 7, 61.)

14. Moreover, all of these trademarks have been in continuous use for five consecutive years subsequent to the date of their registration, and are still in use in commerce. (*See id.* at ¶ 64.)

15. In general, when a registered mark “has been in continuous use for five consecutive years subsequent to the

date of such registration and is still in use in commerce,” then “the right of the owner to use such registered mark in commerce for the goods or services on or in connection with which such registered mark” has been in use “shall be incontestable.” 15 U.S.C. § 1065.

16. “To the extent that the right to use the registered mark has become incontestable under section 1065 ... the registration shall be *conclusive evidence* of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce.” *Id.* at § 1115(b) (emphasis added).

*20 17. However, the right to use a mark does not automatically become incontestable after five years. It only becomes incontestable if, among other things, “an affidavit is filed with the Director within one year after the expiration of any such five-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for such five consecutive years and is still in use in commerce, and other matters specified” elsewhere in section 1065. *Id.* at § 1065(3).

18. The first three trademark registrations indicate that the requisite Lanham Act section 15 (15 U.S.C. § 1065) affidavits have been filed. (*See* Pl.'s Exs. 1–3; *cf. also* Pl.'s Ex. 4 (final trademark registration, showing no section 15 affidavit).

19. Thus, the Court finds that Plaintiff has proven that its first three marks have become incontestable under section 1065.¹³

20. The first two prongs of infringement under *A & H Sportswear* are therefore “conclusively” proven pursuant to section 1115(b). *Cf. also Fisons Horticulture, Inc. v. Vigoro Indus., Inc.*, 30 F.3d 466, 472 (3d Cir.1994) (“The first two requirements, validity and legal protectability, are proven where, as here, a mark was federally registered and has become ‘incontestible’ [*sic*] under the Lanham Act....”).

21. The fourth, contestable mark is inherently distinctive and therefore entitled to the lesser statutory protections accorded a distinctive registered mark in section 1115(a). *See Ford Motor Co. v. Summit Motor Prods., Inc.*, 930 F.2d 277, 291 (3d Cir.1991) (“Where a mark has not ... achieved incontestability, validity depends on proof

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secondary meaning, unless the incontestable mark is inherently distinctive.”).

22. Defendants have presented no evidence to rebut Plaintiff’s “*prima facie* evidence of the validity of the registered mark and of the registration of the mark, of the registrant’s ownership of the mark, and of the registrant’s exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the registration subject to any conditions or limitations stated therein” by registering this mark. *See* 15 U.S.C. § 1115(a).

23. The Court concludes that the facts that the fourth mark was registered and that no evidence has adequately rebutted the corresponding *prima facie* showing of validity, ownership, and exclusive right of use (with the possible exceptions of the counterclaims discussed below) mean that the fourth mark also satisfies the first two prongs of showing infringement under *A & H Sportswear*, 237 F.3d at 210.

ii. Likelihood of Confusion

24. “A likelihood of confusion exists when ‘consumers viewing the mark would probably assume that the product or service it represents is associated with the source of a different product or service identified by a similar mark.’ “ *Id.* at 211 (quoting *DranoffPerlstein Assocs. v. Sklar*, 967 F.2d 852, 862 (3d Cir.1992)).

*21 25. “Proof of actual confusion is not necessary; likelihood is all that need be shown.” *Ford Motor*, 930 F.2d at 292 (quoting *Opticians Ass’n of Am. v. indep. Opticians of Am.*, 920 F.2d 187, 195 (3d Cir.1990)).

26. “In determining whether there is a likelihood of confusion, [the Third Circuit has] adopted a non-exhaustive list of factors, commonly referred to within our Circuit as the ‘*Lapp* factors,’ based on an early case in which they were set forth.” *Arrowpoint Capital Corp. v. Arrowpoint Asset Mgmt., LLC*, — F.3d —, 2015 WL 4366571, at *3 (3d Cir.2015) (citing *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 463 (3d Cir.1983)).

27. The *Lapp* factors, modified by subsequent case law, are as follows:

- (1) The degree of similarity between the owner’s mark and the allegedly infringing mark;
- (2) The strength of the owner’s mark;
- (3) The price of the goods and other factors indicating the care and attention one expects would be given when making a purchase;
- (4) The length of time the alleged infringer has used the mark without evidence of actual confusion arising;
- (5) The intent of the alleged infringer in adopting the mark;
- (6) The evidence of actual confusion;
- (7) Whether the goods are marketed through the same channels;
- (8) The extent to which the target markets are the same;
- (9) The perceived relationship of the goods, whether because of their near identity, similarity of function, or other factors; and
- (10) Other factors suggesting that the consuming public might expect the prior owner to manufacture both products, or expect the prior owner to manufacture a product in the defendant’s market, or expect that the prior owner is likely to expand into the defendant’s market.

Id. at *3; *A & H Sportswear*, 237 F.3d at 215.


28. “[T]he *Lapp* test is a qualitative inquiry. Not all factors will be relevant in all cases; further, the different factors may properly be accorded different weights depending on the particular factual setting. A district court should utilize the factors that seem appropriate to a given situation.” *A & H Sportswear*, 247 F.3d at 215.

29. Nonetheless, “[t]he single most important factor in determining likelihood of confusion is mark similarity,” i.e., *Lapp* factor (1). *Id.* at 216.

30. In the instant case, the Court concludes that *Lapp* factors (1), (7), (8), (9), and (10) strongly support a finding of likelihood of confusion.



31. As to factor (1), “[t]he test for such similarity is ‘whether the labels create the same overall impression when

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viewed separately.’ Marks ‘are confusingly similar if ordinary consumers would likely conclude that the two products share a common source, affiliation, connection, or sponsorship.’ Side-by-side comparison of the two marks is not the proper method for analysis when the products are not usually sold in such a fashion. Instead, an effort must be made to move into the mind of the roving consumer.” *Id.* (quoting  *Fisons Horticulture*, 30 F.3d at 476).

*22 32. Applying this standard, the marks do indeed create the same overall impression when viewed separately.

33. Both emblems contain nearly identical depictions of a fist surrounded by two laurel leaves, each of which contains six berries, and below which is a scroll containing Korean characters. Both emblems surround the fist-and-laurel-leaves design with the name of the respective organizations in a very similar fashion. (Finding of Fact, *supra*, ¶ 104.) While the emblems are not identical, they certainly “create the same overall impression when viewed separately” and a “roving consumer” not viewing them side-by-side would most likely conclude that they share a common source. The average martial-arts consumer would likely not be so sophisticated as to believe that the two emblems refer to different sources just because, for instance, the Korean writing on the scrolls is different, or because different names surround the fist and laurel leaves, when the emblems are virtually identical in every other way.

34. The same can be said about the marks “United States Tang Soo Do Moo Duk Kwan Federation” and “Moo Duk Kwan.” These marks are both confusingly similar to Defendant’s name “International Tang Soo Do Moo Duk Kwan Association.” The two marks use some different words, but the “dominant feature” of each, the trademarked term “Moo Duk Kwan,” is the same. We know that Moo Duk Kwan is the dominant feature because the parties agree that all other words used in the parties’ names are generic. (*See* Eric Kovaleski Trial Test., Feb. 11, 2015, at 6:2–7.) When “one feature of a mark may be more significant than other features ... it is proper to give greater force and effect to that dominant feature.”  *Country Floors, Inc. v. Gepner*, 930 F.2d 1056, 1065 (3d Cir.1991) (quoting  *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565, 1570 (Fed.Cir.1983)). “When the dominant portions of the two marks are the same, confusion is likely.” *Id.* Thus, the fact that the dominant portions of both Plaintiff’s and Defendants’

business names relies on Plaintiff’s trademarked term “Moo Duk Kwan” supports a finding of a likelihood of confusion.

35. *Lapp* factors (7)-(10) also strongly support a finding of a likelihood of confusion. As discussed above, the parties’ goods are marketed through the same channels and are directed toward the same target markets (i.e., toward consumers of martial arts services, in northeastern Pennsylvania and elsewhere). Moreover, the services being offered—primarily, instruction in the art of Tang Soo Do Moo Duk Kwan—are identical insofar as the Plaintiff’s services stand in direct competition with those of the Defendants, thus causing them to be closely related in the minds of consumers. Finally, the close similarity between the marks and the services offered would likely cause the consuming public to believe that the original owner of the mark, the Plaintiff, operated all services using the mark. The public would likely believe this as there has been testimony that Hwang Kee and his organization are well-known throughout the world and have been operating for a longer period of time than the Defendants. (*See, e.g.*, Seiberlich Trial Test. at 70:16–71:16; Hwang Trial Test., Feb. 9, 2015, at 139:15–140:20.) The public may well be confused by a smaller enterprise like the Defendants operating under marks commonly associated with the more famous Plaintiff.

*23 36. The parties have presented no evidence related to *Lapp* factor (2), and the Court accordingly disregards it as irrelevant.

37. As to *Lapp* factor (3), the parties have presented some evidence indicating the costs of the products and services that the Defendants provide. (Findings of Fact, *supra*, ¶¶ 94, 185.) The services are relatively inexpensive, such that, all else being equal, potential martial-arts students would be unlikely to do extensive research on the background of the schools before joining. Therefore, to the extent that *Lapp* factor (3) applies, it supports a likelihood of confusion.

38. The Defendant has been using the marks for years, and yet no evidence was presented at trial that actual confusion has ever arisen. Thus, *Lapp* factors (4) and (6) tend to favor the Defendants.

39. Finally, *Lapp* factor (5), also weighs slightly in favor of Defendants. Eric Kovaleski was admittedly put on notice by the USPTO about a likelihood of confusion when the trademark examiner rejected his proposed trademarks on the grounds that they were likely to be confused with

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Inc., 221 F.Supp.2d 513, 517–518 (D.N.J.2002) (“If a party has a federal trademark registration, it constitutes a strong presumption that the term is not generic or descriptive.”).¹⁵

50. Defendants have put forward no evidence sufficient to discharge their burden of proof and overcome by a preponderance of the evidence the *prima facie* validity of Plaintiff’s registered trademarks.

*25 51. Defendants attempted to meet their burden by showing the use of “Butokuden” in Japan in 794 A.D.; uses captured in karate magazines and Google image searches; and the Kovaleskis’ personal recollections of observing uses by practitioners unaffiliated with the Plaintiff. (*See generally* Findings of Fact, *supra*, ¶¶ 120–153.)

52. All of this evidence is, however, subject to the severe evidentiary defects discussed above. (*Id.*) By way of summary, there is no causal connection between the alleged Japanese use of Butokuden in 794 and the Korean use of Moo Duk Kwan in the early twentieth century. Nor is there any context to the magazines, Google searches, or the Kovaleski’s personal recollections sufficient to cause this Court to conclude that the uses observed were not authorized by the Plaintiff, whether because they were made by present or former members of the Plaintiff organization or because they were made by people who bought the emblems at issue through an authorized dealer of Moo Duk Kwan merchandise.

53. But these past uses by themselves and without any additional context cannot logically imply that the term “Moo Duk Kwan” is the common descriptive term for the product class of Korean martial arts services or that the fist-and-laurel-leaves emblem reflects the genus of Korean martial arts services. If this could be implied, then all that would be necessary to establish genericness of any name or logo would be to show that it has been widely used by great numbers of people. By this logic, the fact that many people wear baseball hats with their favorite team’s logo could be taken as evidence that the team logo is generic. Obviously, such reasoning is fallacious. Widespread use does not necessarily mean that a term or logo is generic; it may just as easily mean that the rightful trademark owner has achieved commercial success in distributing its products widely throughout the market. When, as here, the alleged uses do not contradict Plaintiff’s claims of ownership—and when, indeed, there is evidence that many of these uses were actually authorized by the Plaintiff, (*see* Findings of Fact, *supra*, ¶ 135)—genericness cannot be established.

54. Finally, even if these uses were in fact unauthorized by the Plaintiff, this need not show genericness. It may just as well show that other people have also infringed on Plaintiff’s registered trademark rights. The fact that many other people infringed on Plaintiff’s trademarks does not impact the Court’s genericness inquiry.¹⁶

55. These conclusions should not be taken as contradicting the Court’s previous statements that genericness could be established by showing at trial that “the terms and logos in this case ... are in common use such that they may not be registered.” (Mem. Op. Denying Reconsid. at 7–8 n. 2.)

56. In ruling thusly, the Court made clear that, if the word “Moo Duk Kwan” were shown to be as common as a word like “pizza”—i.e., the generic name of the very item offered for sale by the parties—then the Court could determine that the term was generic. (*See id.*; *see also* Mem. Op. Denying Summ. J., Doc. 89, at 4–9.)

*26 57. The Court made these statements in the contexts of denying summary judgment and then denying reconsideration of its summary judgment decision.

58. In so doing, it stated, in part: “it is unclear whether the many uses of the Moo Duk Kwan name and logo that Defendants compile in their exhibits in opposition to summary judgment, based on Google searches and reviews of old karate magazines, are actually evidence of generic and widespread use of the name and logo. They may in fact be, to the contrary, evidence of individual uses that were approved by the Plaintiff federation or even examples of Plaintiff’s own use of its own marks. Without any context behind the various uses of the trademarks, the Court cannot know what kind of use is being displayed. This factual dispute will have to be resolved at trial, when the authenticity, context, and meaning of Defendants’ exhibits can be better established.” (Mem. Op. Denying Summ. J. at 9.)

59. Now that the trial has occurred, the Court may assess the weight of Defendants’ exhibits in a way that it could not on summary judgment.

60. For all the reasons discussed above, the trial did not add any context to Defendants’ exhibits to establish genericness even by a preponderance of the evidence.

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61. Therefore, the Court will enter judgment in favor of the Plaintiff on Defendants' genericness counterclaim.

ii. Mere Descriptiveness (Defendants' Second Counterclaim)

62. The Lanham Act differentiates “a mark that is ‘the common descriptive name of an article or substance’ from a mark that is ‘merely descriptive.’” *Park ‘N Fly*, 469 U.S. at 193–94.

63. The former “are referred to as generic” and are subject to the Conclusions of Law stated in the immediately preceding section. See *id.* at 194.

64. “A ‘merely descriptive’ mark, in contrast, describes the qualities or characteristics of a good or service, and this type of mark may be registered only if the registrant shows that it has acquired secondary meaning, i.e., it ‘has become distinctive of the applicant's goods in commerce.’” *Id.* (quoting 15 U.S.C. § 1052(e), (f)).

65. The Lanham Act requires that a petition to cancel a mark may only be filed “[w]ithin five years from the date of the registration of the mark under this chapter.” 15 U.S.C. § 1064(1).

66. “Section 1064 is ‘in effect, a five year time limit barring certain attacks on a registration.’” *Imperial Tobacco, Ltd. v. Philip Morris, Inc.*, 899 F.2d 1575, 1579 n. 5 (Fed.Cir.1990) (quoting *Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*, 680 F.2d 755, 761 n. 6 (C.C.P.A.1982)).

67. This provision does, however, include several exceptions, which apply to Defendants' other three counterclaims. See 15 U.S.C. § 1064(3).

68. Cancellations based on descriptiveness are not among those allowed to be cancelled more than five years after registration. See generally *id.* at § 1064.

69. Even if this were not true, the Defendants' descriptiveness counterclaim would depend on all the same evidence discussed under the “genericness” section, above.

*27 70. Insofar as the evidence does not suggest that the term “Moo Duk Kwan” or the fist-and-laurel-leaves emblem

represent the genus of which the parties' services are the species, it also does not suggest that these marks “describe the qualities or characteristics” of the parties' services.

71. Nor is it even conceptually clear how these marks could in fact “describe qualities or characteristics” of a type of martial art if they are not also generic for the type of martial art services rendered. No clarification was provided at trial.

72. Therefore, the Court will enter judgment in favor of the Plaintiff on Defendant's descriptiveness counterclaim.

iii. Abandonment (Defendants' Third Counterclaim)

73. “A mark shall be deemed to be ‘abandoned’ if ... the following occur: ... When any course of conduct of the owner including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark.” 15 U.S.C. § 1127(2).

74. A mark that “has been abandoned” may be cancelled “[a]t any time.” *Id.* at § 1064(3).

75. As with the genericness counterclaim, even an incontestable mark can be cancelled if it “has been abandoned by the registrant.” *Id.* at 1115(b)(2).

76. “[A]bandonment, being in the nature of a forfeiture, must be strictly proved.” *U.S. Jaycees v. Philadelphia Jaycees*, 639 F.2d 134, 139 (3d Cir.1981); see also *Doebler's Pennsylvania Hybrids, Inc. v. Doeblner*, 442 F.3d 812, 822 (3d Cir.2006) (“[A] party arguing for abandonment has a high burden of proof.”).

77. Defendants argue that Plaintiff's trademarks were abandoned because “Plaintiff's own course of conduct has caused the marks to become generic due to a lack of enforcement of the marks. Specifically, the evidence is overwhelming that the marks are used widely throughout trade magazines, events, on products, etc., for decades without any action by the Plaintiff to enforce the same, except for 4 occasions, the Defendants herein being one of them.” (Defs.' Proposed Conclusions of Law, Doc. 138, at ¶ B(2),)

78. As repeatedly discussed above, there is no evidence sufficient to carry Defendants' burden of proof on their genericness claim. Therefore, the Court cannot conclude that

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the uses cited by the Defendants have “cause[d] the mark to become the generic name for the goods or services on or in connection with which it is used” under section 1127.

79. Defendants would therefore need to show that some other course of conduct has “caused [the trademarks] to lose [their] significance as ... mark[s].” 15 U.S.C. § 1127(2).

80. The only evidence of such a course of conduct produced at trial was evidence that Plaintiff somehow failed to police infringements of its own marks. (Findings of Fact, *supra*, ¶¶ 155–56.)

81. This evidence is subject to the defects discussed in the Findings of Fact above. (*Id.* at ¶¶ 120–153, 157)

*28 82. As discussed in those Findings of Fact, it is not at all clear that Defendants' evidence actually shows a failure to enforce Plaintiff's trademarks; there is evidence that many of the uses shown were either authorized by the Plaintiff, prosecuted by the Plaintiff, or are uses as to which no party has knowledge of the status of the mark. (*See id.* at 158–69.)

83. Moreover, there has been testimony that the Plaintiff devotes a great deal of resources to enforcement activities. (*See id.* at ¶¶ 159–61.)

84. But even if many of these uses were infringing uses that the Plaintiff did not police, that does not establish that any such non-enforcement has caused the Plaintiff's marks to lose their significance as a mark. Cf. *Sweetheart Plastics, Inc. v. Detroit Forming, Inc.*, 743 F.2d 1039, 1047–48 (4th Cir.1984) (“In the typical trademark litigation, the relevance of failure to prosecute others is not to ‘abandonment,’ but to ‘strength.’ The issue is hardly ever ‘abandonment,’ because that requires proof that the mark has lost all significance as an indication of origin.”) (quoting J. McCarthy, *Trademarks and Unfair Competition*, § 17:5 at 779–780 (2d ed.1984)).

85. In other words, whether Plaintiff properly polices its own marks has no bearing on the “significance” of its trademarks. There has been testimony that the marks retain significance as being related to Hwang Kee's school. In the absence of a viable genericness claim, all that any purported lack of enforcement could mean is that many people violate Plaintiff's trademarks. This does not, by itself, indicate a weakening of the tie between the marks and the Plaintiff organization. A “trademark owner is not required to take action against every infringing or *de minimis* use of its mark.” *Hershey Co.*

v. Promotion in Motion, Inc., Civ. No. 07–1601, 2011 WL 5508481, at 7 (D.N.J.2011).

86. Therefore, the Court will enter judgment in favor of the Plaintiff on Defendants' abandonment counterclaim.

iv. Fraud in the Trademark Application (Defendants' Fourth Counterclaim)

87. A “registration [that] was obtained fraudulently” may also be cancelled “[a]t any time.” 15 U.S.C. § 1064(3).

88. As with the genericness and abandonment counterclaims, even an incontestable mark may be cancelled if the Defendants can show “[t]hat the registration or the incontestable right to use the mark was obtained fraudulently.” *Id.* at § 1115(b)(1).

89. “Fraud in procuring a service mark occurs when an applicant knowingly makes false, material representations of fact in connection with an application.” *Metro Traffic Control, Inc. v. Shadow Network, Inc.*, 104 F.3d 336, 340 (Fed.Cir.1997).

90. “The obligation which the Lanham Act imposes on an applicant is that he will not make *knowingly* inaccurate or *knowingly* misleading statements in the verified declaration forming a part of the application for registration.” *Id.*

*29 91. Thus, fraud “requires a purpose or intent to deceive the PTO in the application for the mark.” *Sovereign Military Hospitaller Order of St. John of Jerusalem, of Rhodes, and of Malta v. Florida Priory of the Knights Hospitallers of the Sovereign Order of St. John of Jerusalem*, 702 F.3d 1279, 1289 (11th Cir.2012).

92. “If the declarant subjectively believes the applicant has a superior right to use the mark, there is no fraud, even if the declarant was mistaken.” *Id.* at 1292.

93. “A party seeking cancellation of a trademark registration for fraudulent procurement bears a heavy burden of proof. Indeed, the very nature of the charge of fraud requires that it be proven ‘to the hilt’ with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party.” *In re Bose Corp.*, 580 F.3d 1240,

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1243 (Fed.Cir.2009) (internal citations and quotation marks omitted).

94. As discussed above, no direct evidence of the declarants' mental state was presented at trial to show that they made knowingly false statements. Indeed, all evidence of mental state indicates that the declarants believed their statements to be true. (Findings of Fact, *supra*, ¶¶ 173–74.)

95. Nor was any evidence produced at trial to show that the statements were *in fact* false. The preponderance of the evidence shows that Plaintiff had the superior right to use the marks, insofar as Defendants' evidence of other uses is unconvincing, for reasons already demonstrated.

96. If evidence had been presented at trial sufficient to prove that the marks sought to be registered were generic, then the Court could possibly infer from the circumstances that the declarants knew that they could not register the marks but made false statements to the contrary anyway. *Bose*, 580 F.3d at 1244 (agreeing with the proposition that “intent must often be inferred from the circumstances”).

97. Even if the genericness counterclaim had been proven, this would not necessarily prove the fraud counterclaim, because the former may be proven by a preponderance of the evidence, whereas the latter is subject to the heightened clear-and-convincing-evidence standard. Nonetheless, a finding of genericness would make a finding of fraud possible.

98. No evidence was presented to prove that the trademarks were generic by a preponderance of the evidence.

99. There is accordingly no evidence from which the Court could infer that the declarants knew their statements were false.

100. Therefore, the Court will enter judgment in favor of the Plaintiff on Defendants' fraud counterclaim.

v. Conclusion

101. The Court has now rejected all four of Defendants' counterclaims. This means that the Court must enter judgment in favor of the Plaintiff on its claim of trademark infringement.

d. Liability

i. Liability of the Various Defendants

102. The acts of infringement enumerated above were committed by Defendant Tang Soo Karate School, Inc. Therefore, the corporation Tang Soo Karate School, Inc. is liable for trademark infringement.

*30 103. As to the Defendant Kovaleskis, the Lanham Act imposes liability on “[a]ny person” who commits the types of trademark infringement discussed in this Opinion. See 15 U.S.C. §§ 1114(1), 1125(a)(1).

104. These sections of the Lanham Act are “very broadly worded and appl[y] to ‘any person’ who uses virtually any means to deceive the public regarding the origin or nature of goods, services, or commercial activities.” *Elec. Lab. Supply Co. v. Cullen*, 977 F.2d 798, 807 (3d Cir.1992).

105. “It is well settled that one who, with knowledge of the infringing activity, induces, causes, or materially contributes to the infringing activity of another, may be held liable as a ‘contributory’ infringer. An officer or director of a corporation who knowingly participates in the infringement can be held personally liable, jointly and severally, with the corporate defendant.” *Columbia Pictures Indus., Inc. v. Redd Home, Inc.*, 749 F.2d 154, 160 (3d Cir.1984) (internal citations and quotation marks omitted); see also *Metromedia Steakhouses Co. v. Resco Mgmt., Inc.*, 168 B.R. 483, 486 (D.N.H.1994) (relying on the “any person” language to conclude that “[p]ursuant to the plain language of the Lanham Act, any individual may be liable in civil action for damages”); *Major League Baseball Promotion Corp. v. Colour-Tex, Inc.*, 729 F.Supp. 1035, 1043 (D.N.J.1990) (“Corporate officers and principal shareholders can be personally liable for infringement and unfair competition claims.”); *Ford Motor Co. v. B & H Supply, Inc.*, 646 F.Supp. 975, 997 (D.Minn.1986) (“In addition to the liability of the various corporate defendants, the court concludes that the individual officers and principal shareholders are personally liable for damages suffered by Ford—These individual defendants [who owned, controlled, and actively participated in the business of their respective corporations] may thus be held personally liable for the claims of trademark infringement and unfair competition.”).

106. The parties agree that both Eric and Robert Kovaleski materially contributed to the trademark infringements at issue

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in this case. (See Stipulated Facts, ¶ 5 (“Defendant Robert Kovaleski is the past President of Defendant TSKSI and has been directly involved in and has directed such association in adopting and using the marks INTERNATIONAL TANG SOO DO MOO DUK KWAN ASSOCIATION and a fist and laurel leaves Design which are accused of infringement in this case.); *id.*, ¶ 6 (“Defendant Eric Kovaleski is the current President of Defendant TSKSI and has been a moving force and directly involved in the use of the marks INTERNATIONAL TANG SOO DO MOO DUK KWAN ASSOCIATION and the fist and laurel leaves Design by such organization.”)).

107. “[F]actual stipulations are ‘formal concessions that have the effect of withdrawing a fact from issue and dispensing wholly with the need for proof of the fact. Thus, a judicial admission is conclusive in the case.’” *Christian Legal Soc’y Chapter of Univ. of Cal., Hastings Coll. of Law v. Martinez*, 561 U.S. 661, 677–78, 130 S.Ct. 2971, 2983, 177 L.Ed.2d 838 (2010) (quoting 2 K. Broun, McCormick on Evidence § 254, p. 181 (6th ed.2006)) (internal alterations omitted).

*31 108. This is so even if the stipulation is contradicted by testimony at trial. If trial testimony contradicts the stipulation, then it is the stipulation that must be accepted as true. See *Leizerowski v. E. Freightways, Inc.*, 514 F.2d 487, 490 (3d Cir.1975) (“Because this testimony was in direct conflict with a conclusively established fact by stipulation, it could not be relied on by the court as evidence....”).

109. “Litigants, we have long recognized, ‘are entitled to have their case tried upon the assumption that facts, stipulated into the record, were established.’” *Christian Legal Soc’y*, 561 U.S. at 676 (quoting *H. Hackfield & Co. v. United States*, 197 U.S. 442, 447, 25 S.Ct. 456, 49 L.Ed. 826 (1905)) (internal alterations omitted).

110. Therefore, the Defendant Kovaleskis’ personal involvement in the trademark infringements has been established by stipulation. Both of them will accordingly be held personally liable for infringement.

ii. Injunctive Relief

111. “The several courts vested with jurisdiction of civil actions arising under [the Lanham Act] shall have power to grant injunctions, according to the principles of equity and

upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent and Trademark Office or to prevent a violation under [redacted] subsection (a), [redacted] (c), or [redacted] (d) of section 1125 of this title.” 15 U.S.C. § 1116(a).

112. “According to well-established principles of equity, a plaintiff seeking a permanent injunction must satisfy a four-factor test before a court may grant such relief. A plaintiff must demonstrate: (1) that it has suffered an irreparable injury; (2) that remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction.” *eBay, Inc. v. MercExchange, LLC*, 547 U.S. 388, 391, 126 S.Ct. 1837, 1840, 164 L.Ed.2d 641 (2006).

113. “Grounds for irreparable injury include loss of control of reputation, loss of trade, and loss of goodwill. Lack of control over one’s mark creates the potential for damage to reputation. Thus, trademark infringement amounts to irreparable injury as a matter of law.” *Kos Pharm., Inc. v. Andrx Corp.*, 369 F.3d 700, 726 (3d Cir.2004) (internal citations, quotation marks, and alterations omitted).

114. Trademark infringement need not automatically result in a finding of irreparable injury when the infringement claim relies on an assertion of actual damages. See *Gucci Am., Inc. v. Daffy’s, Inc.*, 354 F.3d 228, 237 (3d Cir.2003).

115. But the situation is different, when, as here, the infringement claim asserts a likelihood of confusion. Cf. *id.* “Once the likelihood of confusion caused by trademark has been established, the inescapable conclusion is that there was also irreparable injury.” *Kos Pharm., Inc. v. Andrx Corp.*, 369 F.3d 700, 726 (3d Cir.2004) (quoting *Pappan Enters., Inc. v. Hardee’s Food Sys., Inc.*, 143 F.3d 800, 805 (3d Cir.1998)) (internal alterations omitted).

*32 116. Because the Plaintiff has established all elements of trademark infringement, including a likelihood of confusion, the Court finds that the “irreparable injury” prong is satisfied.

117. Proceeding to the second prong, “loss of control of reputation, loss of trade, and loss of good will” are harms “of

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a peculiar nature, so that compensation in money cannot atone for” them. See *Opticians*, 920 F.2d at 195 (3d Cir.1990) (citing *Morton v. Beyer*, 822 F.2d 364, 372 (3d Cir.1987)).

118. Defendants' use of Plaintiff's trademarks at the very least caused Plaintiff to lose control over its reputation. Defendant Tang Soo Karate School is a separate entity from the Plaintiff with a reputation of its own, which the Plaintiff cannot control.

119. In so concluding, the Court need not determine which entity has a better reputation or has put the marks to better use. “[T]he key in these cases is not better use, but rather, lack of control which potentially might result in a damaged reputation.” *Id.*

120. An injunction would also protect the Plaintiff against future infringement, which money damages cannot do.

121. Therefore, money damages are inadequate to remedy Defendants' trademark infringement. Most district courts dealing with these issues in the context of a permanent injunction restraining trademark infringement have concluded the same. See, e.g., *Rovio Entm't, Ltd. v. Allstar Vending, Inc.*, —F.Supp.3d —, 2015 WL 1508497, at *7 (S.D.N.Y.2015) (“Toy Amazon's past behavior suggests that Toy Amazon might continue to engage in infringing activities and counterfeiting unless enjoined by the Court, demonstrating the danger that monetary damages will fail to fully provide Rovio with relief.”); *E.A. Sween Co. v. Deli Express of Tenafly, LLC*, 19 F.Supp.3d 560, 577 (D.N.J.2014) (“Defendant's continued infringing activity threatens E.A. Sween's reputation and goodwill. The remedy of injunctive relief will protect E.A. Sween against the threat of future infringement, a threat that cannot be averted by compensatory relief alone.”); *7-Eleven, Inc. v. Upadhyaya*, 926 F.Supp.2d 614, 630 (E.D.Pa.2013) (“The Court finds that 7-Eleven has shown irreparable injury resulting from loss of control of its marks, which cannot be compensated for in monetary terms.”); *S & H Indus., Inc. v. Selander*, 932 F.Supp.2d 754, 765 (N.D.Tex.2013) (“Plaintiff's loss of control also demonstrates that money damages cannot adequately compensate Plaintiff for Defendant's unauthorized use of the Mark.”); *Coryn Group II, LLC v. O.C. Seacrets, Inc.*, 868 F.Supp.2d 468, 497 (D.Md.2012) (“Monetary damages often do not accurately measure or compensate for damage to a senior user's reputation and goodwill.

The likelihood of continued infringement renders monetary damages inadequate.”) (internal citations omitted).

122. Next, the balance of harms weighs in favor of the granting a permanent injunction.

123. Defendants have testified that the costs they would face from ceasing use of the marks are minimal and primarily consist of putting up new signs. (Findings of Fact, *supra*, ¶¶ 180, 183.) Their primary objection at trial was not that it would be costly to remove the infringing uses, but simply that they should not, in justice, have to remove them. (See Eric Kovalski Trial Test., Feb. 11, 2015, at 181:3–19.)

*33 124. Plaintiff, on the other hand, stands to suffer the serious and intangible losses of control over its reputation and goodwill discussed above.

125. Moreover, because Defendants have no legal basis to continue the infringing uses, then an injunction only prevents them from persisting in unlawful conduct. Cf. *Jews for Jesus v. Brodsky*, 993 F.Supp. 282, 312 (D.N.J.1998) (holding that an infringing party cannot complain about injury “if a preliminary injunction is issued because he misappropriated the Mark and Name of the Plaintiff Organization with full knowledge of the rights of the Plaintiff”).

126. Finally, the public interest favors an injunction.

127. “In a trademark case, the public interest is ‘most often a synonym for the right of the public not to be deceived or confused.’ Where a likelihood of confusion arises out of the concurrent use of a trademark, the infringer's use damages the public interest.” *S & R Corp. v. Jiffy Lube Int'l, Inc.*, 968 F.2d 371, 379 (3d Cir.1992) (citing *Opticians*, 920 F.2d at 197–98).

128. Therefore, the public interest favors eliminating the likelihood of confusion caused by Defendants' infringement, which is the purpose intended to be served by the Lanham Act. See, e.g., *Kos*, 369 F.3d at 730.

129. For all of these reasons, the Court will issue an injunction restraining Defendants Tang Soo Karate School, Inc., Eric Kovalski, Robert Kovalski, and all persons in active concert with them from infringing the trademarks at issue in this case.

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iii. Monetary Damages

130. “When a violation of any right of the registrant of a mark registered in the Patent and Trademark Office, a violation under [redacted] section 1125(a) or [redacted] (d) of this title, or a willful violation under [redacted] section 1125(c) of this title, shall have been established in any civil action arising under this chapter, the plaintiff shall be entitled, subject to the provisions of sections 1111 and [redacted] 1114 of this title, and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action. The court shall assess such profits and damages or cause the same to be assessed under its direction.” 15 U.S.C. § 1117(a).

131. The Plaintiff has provided no evidence of damages. It relies instead on a recovery of Defendants' profits. (*See* Pl.'s Proposed Conclusions of Law, Doc. 137, at 75–79.)

132. “An accounting for profits is a form of equitable relief, and it does not follow as a matter of course upon the mere showing of an infringement. It will be denied where an injunction satisfies the equities of a case, as for example, where there is a clear showing that no profit was made,” [redacted] *Williamson–Dickie Mfg. Co., v. Davis Mfg. Co.*, 251 F.2d 924, 927 (3d Cir.1958); *see also* [redacted] *Microsoft Corp. v. CMOS Techs., Inc.*, 872 F.Supp. 1329, 1337 (D.N.J.1994) (“[U]nder the express language of § 1117, an accounting of profits is not automatic and is granted in light of equitable considerations. The Third Circuit repeatedly has held that an accounting will be denied where an injunction forbidding future infringing acts satisfies the equities of the case.”) (collecting cases).

*34 133. Courts apply a factor-based approach to determine “whether an award of profits is appropriate in trademark infringement cases. The factors to be considered include, but are not limited to ‘(1) whether the defendant had the intent to confuse or deceive, (2) whether sales have been diverted, (3) the adequacy of other remedies, (4) any unreasonable delay by the plaintiff in asserting his rights, (5) the public interest in making the misconduct unprofitable, and (6) whether it is a case of palming off.’” [redacted] *Quick Techs., Inc. v. Sage Group PLC*, 313 F.3d 338, 349 (5th Cir.2002) (quoting [redacted] *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 554 (5th Cir.1998), *abrogated on other grounds*), followed by [redacted] *Banjo Buddies, Inc. v. Renosky*, 399 F.3d 168, 175 (3d Cir.2005), [redacted] *Gucci*, 354 F.3d at 241.

134. Several of these factors are easily disposed of.

135. For instance, there has been no evidence that actual sales have been diverted. The Plaintiff's theory for recovery has always been that a likelihood of confusion exists. (*See, e.g.*, Pl.'s Proposed Findings of Fact, ¶¶ 79–83.)

136. Nor is this a case of “palming off.” “Passing off (or palming off, as it is sometimes called) occurs when a producer misrepresents his own goods or services as someone else's.” [redacted] *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 27 n. 1, 123 S.Ct. 2041, 2045, 156 L.Ed.2d 18 (2003). Here, the Defendants did not misrepresent that its services were being provided by the Plaintiff Federation; they used their own trade name to designate their own services, but simply did so in a way that violated the Plaintiff's trademark rights. This case, therefore, is a traditional matter of trademark infringement and not palming off.

137. Accordingly, factors (2) and (6) clearly weigh against granting profits.

138. Factor (4), “any unreasonable delay by the plaintiff in asserting [its] rights” has no relevance to the case. Plaintiff has not acted unreasonably in asserting its rights. But the fact that Plaintiff was not an unreasonable litigant does not advance Plaintiff's entitlement to profits.

139. As to “an intent to confuse or deceive” (factor (1)), carelessness need not equate to a culpable intent to confuse or deceive. *Cf.* [redacted] *SecuraComm Consulting, Inc. v. Securacom, Inc.*, 166 F.3d 182, 189 (3d Cir.1999) (“[C]arelessness is not the same as deliberate indifference with respect to another's rights in a mark or a calculated attempt to benefit from another's goodwill. Therefore, Securacom New Jersey's failure to conduct a trademark search is insufficient to establish that its infringement was willful or intentional.”) (internal citation omitted), *superseded by statute on other grounds*, 15 U.S.C. § 1117(a).

140. Here, the evidence shows that Eric Kovaleski was most likely simply careless and/or ignorant of trademark law. The Court does not question the sincerity of his belief that the marks in question were generic. Without knowing the background of all the marks contained in certain karate magazines, a layperson unversed in trademark concepts might well conclude that widespread use indicates genericness, even

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if this lay belief has no legal validity. Thus, the fact that he used the marks does not necessarily mean that he acted with an intent to confuse or deceive. He may well have believed that he was authorized to use them.

*35 141. This conclusion is weakened by the fact that Mr. Kovaleski was twice put on notice by the USPTO that the marks he sought to trademark would cause a likelihood of confusion with Plaintiff's marks. That is because (1) the fact that he believed that he could trademark his own mark may show that he did not honestly believe that the marks were generic and (2) having been notified of a likelihood of confusion by the USPTO, it is difficult to understand how he could believe that his uses did not infringe on Plaintiff's marks.

142. Nonetheless, the Court concludes that Mr. Kovaleski's actions are still motivated by legal ignorance and not by any culpable intent to confuse or deceive. Mr. Kovaleski's testimony indicated that he believed that as long as there is any difference at all, no matter how insignificant, between the logos and names used by a trademark owner and a non-owner, then the non-owner's use is authorized. (*See* Eric Kovaleski Trial Test., Feb. 11, 2015, at 5:6–9.) Being intimately involved in the martial-arts world for a long period of time, Mr. Kovaleski may himself not be confused by the differences between the Plaintiff's and Defendants' marks. The evidence indicates that these motivating belief, though misguided, were ultimately sincere. As such, the Court cannot infer an intent to confuse or deceive.

143. Therefore, factor (1) weighs slightly against disgorging profits.

144. Notwithstanding all of the foregoing, when the Court considers “the adequacy of other remedies” (factor 3) and “the public interest in making the misconduct unprofitable” (factor 5), it becomes clear that some disgorgement of profits is warranted.

145. The public interest that the Lanham Act was created to promote is to eliminate consumer confusion as to the source of goods and services. (Conclusion of Law, *supra*, ¶ 127.) The Court has already concluded that Defendants Eric Kovaleski and Tang Soo Karate School, Inc. infringed Plaintiff's trademark rights by using marks that cause a strong likelihood of confusion. Therefore, this case presents exactly the type of conduct that the Lanham Act was drafted to prevent.

146. Given that this is so, the Court cannot conclude that ordering injunctive relief only—which would merely restrain Defendants from violating Plaintiff's rights in the future—adequately remedies the harm to the Plaintiff caused by the likelihood of confusion or deters these types of trademark violations by making them unprofitable. This case was filed over three years ago, and has been fiercely litigated at all stages, beginning with a motion for a preliminary injunction, continuing through a motion summary judgment and reconsideration of the Court's summary judgment Opinion, and ending with a bench trial that extended for four days. Without knowing the extent of the parties' legal expenses, it is reasonable to assume that retaining skilled counsel for such a case has placed at least some financial burden on the Plaintiff that it would otherwise prefer not to bear. Moreover, when Plaintiff filed this case in 2012, it had to have believed that the benefits of filing the case could ultimately outweigh the costs. If Plaintiff-or any other trademark holder-believed that litigating violations of its trademark rights in federal court would not lead to any appreciable benefit, but would instead only cause it to incur unwanted legal expenses, then cases such as this would likely never be filed.

*36 147. Awarding only injunctive relief would therefore send the message that litigating trademark violations is not an investment that pays off; it would mean that Defendants would be able to use marks that they do not own for years with no consequence other than a restraint on their ability to continue such unlawful conduct in the future. It would also disincentivize trademark owners from litigating violations of their rights on the grounds that any victory, however many years in the future, would only apply to prospective conduct.

148. The equities in this case therefore require that Plaintiff receive monetary recovery for the violations of its rights and that Defendants not be permitted years of rightsviolations with no consequences but prospective restraint. The public interest promoted by the Lanham Act compels the conclusion that injunctive relief is by itself inadequate in the case before us.

149. Therefore, factors (3) and (5) require this Court to assess an award of profits against the Defendants in favor of the Plaintiff.

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150. “In assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost or deduction claimed.” 15 U.S.C. § 1117(a).

151. The parties have stipulated that “Defendants' organization had gross receipts of approximately \$95,000 in 2009; \$106,000 in 2010; \$161,000 in 2011; \$158,000 in 2012 and \$122,000 in 2013.” (Finding of Fact, *supra*, ¶ 184.)

152. This satisfied the Plaintiff's burden of proving sales.

153. As discussed above, Defendant has offered no reliable evidence to prove costs or deductions from those sales. The total profits claimed (\$15,000 to \$20,000) are supported only by Eric Kovaleski's unsubstantiated trial testimony. (*Id.* at ¶¶ 187–189.)

154. This means that Plaintiff has proven a total \$642,000 in sales over the time period in question and that Defendants have not proven any costs or deductions.

155. However, the Lanham Act also provides that, “[i]f the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case.” 15 U.S.C. § 1117(a).

156. The Court finds that ordering disgorgement of the full \$642,000 is clearly excessive, given the circumstances of this case. This is so for several reasons.

157. First, as discussed above, the infringement was likely not done with any culpable mental state, but merely out of an ignorance of trademark law and of what makes a mark generic.

158. Second, the Court recognizes that “[t]he infringement having been proved, and the competitive sales of defendants' goods bearing the infringing mark having been shown, the burden is then upon defendants to demonstrate, if they can, that profits were not derived from the infringing use. ‘The burden is the infringer's to prove that his infringement had no cash value in sales made by him.’” *Williamson–Dickie*, 251 F.2d at 927 (quoting *Mishawaka Rubber & Woolen Mfg. v. S.S. Kresge Co.*, 316 U.S. 203, 206–07, 62 S.Ct. 1022, 1024, 86 L.Ed. 1381 (1942)). Nonetheless, Defendants have testified that students come to their karate studio “for us,”

and not based on the marks that they use. (Finding of Fact, *supra*, ¶ 183.) The Court sees no reason to disbelieve this testimony. Northeastern Pennsylvania has a finite number of karate studios. It is reasonable to believe that most consumers choose the studios based on factors such as general reputation and proximity to home instead of which trademarks the studios use. Given these facts, and despite the fact that the evidence shows that Defendants gained some income directly from their use of the marks, (*id.* at ¶¶ 94–95, 98–100 185), it would be unreasonable to assume that their profit was so extensive that it justifies full disgorgement of five years of gross revenues.

*37 159. Finally, the Court recognizes that the Defendants have modest means. They operate a karate studio in a “small area” in northeastern Pennsylvania. (Robert Kovaleski Trial Test. at 61:3–12.) Given the yearly revenues in the parties' Stipulated Facts and accepting that some amount of money must be deducted for expenses (even though the exact amount is unproven), Defendants do not make a large yearly income. Entering judgment for \$642,000 would therefore be an undue burden. While the personal characteristics of the Defendants would not necessarily be enough by themselves to offset the judgment in every case, when considered in conjunction with the other findings listed above, the Court believes it weighs in favor of offset in this particular case.

160. For all of these reasons, the Court exercises its discretion to adjust the disgorgement of profits downward from the excessive \$642,000 proven at trial.

161. The Court concludes that the equitable approach is to estimate a reasonable rate of profit from Defendants' total revenues and order a commensurate amount of profits to be disgorged.

162. Disgorgement of 18% of total revenues is considered equitable under the circumstances.


163. This leads to a total disgorgement of \$115,560, which averages to \$23,112 for each of the five years at issue.


164. Assessing this level of disgorgement balances the Plaintiff's equitable interest in receiving an adequate recovery for the violation of its trademark rights with Defendants' equitable interest in only paying an amount of damages proportionate to the nature of its conduct.

iv. Attorneys' Fees and Costs


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165. “The court in exceptional cases may award reasonable attorney fees to the prevailing party.” 15 U.S.C. § 1117(a).


166. The Supreme Court recently ruled on the meaning of identical language found in section 285 of the Patent Act. See  *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, — U.S. —, 134 S.Ct. 1749, 1755–56, 188 L.Ed.2d 816 (2014).

167. It construed the term “exceptional ... in accordance with its ordinary meaning” at the time of the Patent Act's passage as “uncommon, rare, or not ordinary.”  *Id.* at 1756 (quoting Webster's New International Dictionary 889 (2d ed.1934)).

168. The Supreme Court then concluded that “an ‘exceptional’ case is simply one that stands out from others with respect to the substantive strength of a party's litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated.” *Id.*

169. “While *Octane Fitness* directly concerns the scope of a district court's discretion to award fees for ‘exceptional’ cases under § 285 of the Patent Act, the case controls our interpretation of § [1117(a)] of the Lanham Act. Not only is § 285 identical to § [1117(a)], but Congress referenced § 285 in passing § [1117(a)].”  *Fair Wind Sailing, Inc. v. Dempster*, 764 F.3d 303, 314–15 (3d Cir.2014).

*38 170. “Under *Octane Fitness*, a district court may find a case ‘exceptional,’ and therefore award fees to the prevailing party, when (a) there is an unusual discrepancy in the merits of the positions taken by the parties or (b) the losing party has litigated the case in an ‘unreasonable manner,’”  *Id.* at 315 (quoting  *Octane Fitness*, 134 S.Ct. at 1756).

171. “Whether litigation positions or litigation tactics are ‘exceptional’ enough to merit attorneys' fees must be determined by district courts ‘in the case-by-case exercise of their discretion, considering the totality of the circumstances.’ Importantly, that discretion is not cabined by a threshold requirement that the losing party acted culpably.” *Id.* (quoting  *Octane Fitness*, 134 S.Ct. at 1756).

172. The Court cannot conclude that the instant case is an “exceptional” case warranting attorneys' fees.

173. There is no “unusual discrepancy in the merits of the positions taken by the parties.” Even though the Court ultimately concluded that Plaintiff's positions were entirely sound and Defendants' positions were entirely unsound, there was at least a colorable basis in law for each of Defendants' counterclaims. The Court does not see fit to penalize Defendants for trying to make the strongest arguments they could with the facts and law available to them, even if their arguments were ultimately unsuccessful.

174. There is also no basis to conclude that Defendants “litigated the case in an unreasonable manner,” nor has anyone proffered such a basis.

175. Finally, the Court may award “subject to the principles of equity ... the costs of the action.” 15 U.S.C. § 1117(a).

176. For the same reasons discussed above, the Court does not find it appropriate to assess costs. The Court believes that disgorgement of profits equitably compensates Plaintiff for its burdens in litigating this case. Given the equitable positions of the parties, as discussed *passim*, the Court does not believe that further recovery is appropriate.

IV. Conclusion

For the foregoing reasons, the Court will enter judgment in favor of the Plaintiff, United States Soo Bahk Do Moo Duk Kwan Federation, Inc., and against Defendants Tang Soo Karate School, Inc., Eric Kovaleski, and Robert Kovaleski in the form of (1) a permanent injunction restraining any further infringements of Plaintiff's trademarks (2) and money damages in a total amount of \$115,560. The Court will enter judgment in favor of the Plaintiff and against the Defendants on each of the Defendants' counterclaims. A separate Order of Judgment follows.

VERDICT

The Court finds that Plaintiff has established by a preponderance of the evidence that Defendants Tang Soo Karate School, Inc., Eric Kovaleski, and Robert Kovaleski have infringed on Plaintiff's registered trademarks UNITED STATES TANG SOO DO MOO DUK KWAN FEDERATION, MOO DUK KWAN, and the fist-and-laurel-leaves design.

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The Court finds that Defendants have not established any grounds for cancellation of Plaintiff's trademarks through any of their four counterclaims.

hundred sixty dollars (\$115,560) and (2) a permanent injunction restraining Defendants from using the infringing marks in the future.

*39 Consistent with the foregoing, the Court shall enter judgment in favor of the Plaintiff and against the Defendants in (1) the amount of one-hundred fifteen thousand five-

All Citations

Not Reported in F.Supp.3d, 2015 WL 4920306

Footnotes

- 1 All references to the Complaint are to portions admitted, unless otherwise specified.
- 2 It is unclear from the testimony and the document it references (Pl.'s Ex. 6 at 71) whether the Washington, DC regional branch stated in the document is the same as the Silver Springs, Maryland branch that Mr. Hwang mentions.
- 3 A "Dan" is a Moo Duk Kwan member who holds a Black Belt degree. (Seiberlich Trial Test. at 48:9–12.) Beginner and colored-belt participants are called "Gups." (*Id.* at 48:12–13.)
- 4 Not all of the marks were registered at the time of their use In these exhibits. Nonetheless, the exhibits show their use in commerce over a significant period of time.
- 5 This is true regardless of whether one defines "Moo Duk Kwan" as an art, style, school, philosophy, or anything else. For present purposes, the operative fact is that, however the parties believe Moo Duk Kwan should be precisely defined, both organizations purport to practice it.
- 6 The descriptiveness claim was the focus of very little argument attention at trial or in the post-trial submissions. But it has never been withdrawn and appears to remain at issue.
- 7 Some of the photos reproduced, being from old magazines, are blurry or unclear. The Court nonetheless accepts Eric Kovaleski's testimony that the pictures are what he says they are. (*See generally* Eric Kovaleski Trial Test., Feb. 11, 2015, at 122:14–144:25.)
- 8 All page numbers cited are to the page numbers from the original source. When no original page number appears in the original source, the citation is to the page number of the exhibit, in parentheses.
- 9 Defendants' Exhibit 9 appears to contain excerpts of two separate magazines. Thus, the pages are listed nonsequentially.
- 10 Lists of these studios are compiled in Plaintiff's Exhibits 93 and 158 and Plaintiff's Proposed Findings of Fact ¶¶ 92–94 (Doc. 137). These are demonstrative exhibits created by the Plaintiff for litigation. The Court only accepts the information contained therein as true to the extent it is supported by the trial testimony cited. Those other aspects of Plaintiff's demonstrative exhibits which contain representations that are not supported by trial testimony are not accepted as true.
- 11 Many of the uses contained in these exhibits were made prior to Plaintiff's first registrations in 1987. Of course, for purposes of analyzing abandonment, all that matters are the uses that occurred *after* the trademarks were registered.

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- 12 The Court passes no judgment as to whether Plaintiff's expressed position is a legally valid one. For abandonment purposes, all that matters is that Plaintiff did not pursue litigation against WMDKGF because it subjectively believed that it could not.
- 13 As discussed below, the incontestable trademarks may still be subject to other forms of attack.
- 14 Though Plaintiff asserts additional claims in its Complaint for Trademark Counterfeiting and for Common Law Trademark Infringement (Counts II and III, respectively), these claims were never raised in its Trial Brief (Doc. 119), Its post-trial Proposed Findings of Fact and Conclusions of Law (Doc. 137), the parties' Joint Pretrial Memorandum (Doc. 116), or at the trial itself. Therefore, the Court deems Count II abandoned in Its entirety and deems Count III abandoned to the extent that the common law trademark infringement claim differs from the federal trademark infringement claim discussed *supra*.
- 15 As these cases show, there is some disagreement as to the exact nature of Defendants' burden of proof on their genericness claim. The Court is aware of no controlling authority stating whether the Defendants need only prove their claim by *Anti-Monopoly's* "preponderance of the evidence" or by some heightened standard, as in the other cases. However, the Court need not resolve these issues, because, even assuming that the most lenient preponderance of the evidence standard applies, Defendants' genericness claim still fails.
- 16 It could, however, affect the Court's abandonment Inquiry, *infra*.

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