

Protecting a “Jewel” of a Trademark: Lessons Learned from the “Dae Jang Geum” Litigation on Using U.S. Law to Protect Trademarks Based on Imported Popular Culture Icons

by

ROBERT J. KANG^{*}

I.	Introduction	340
II.	About MBC’s “Dae Jang Geum” Television Show and Solafide’s “Dae Jang Gum” Ramen	341
III.	About U.S. Trademark Law.....	345
IV.	The District Court’s First Order Establishes that Trademarks Based on Imported Cultural Icons Can Be Strong and Protectable.....	347
V.	The District Court’s Second Order Confirms That Trademark Damages for Violating Trademarks Based on Imported Cultural Icons May Be High	355
VI.	The Court’s Third Order Confirms That Persons Who Violate Trademarks Based on Imported Cultural Icons Face Risk.....	362
VII.	Conclusion.....	364

^{*} Robert J. Kang is in-house counsel at the Southern California Edison Company. Prior to that he was an attorney at Jones Day, counsel of record for MBC, the trademark owner in the litigation discussed within. He may be reached at rjk555@ymail.com. All of the views expressed in this article are his own and should not be imputed to any others. Dedication: This article is dedicated to the Honorable Johnnie B. Rawlinson, of the United States Court of Appeals for the Ninth Circuit. Thank you for everything, Judge. It is also dedicated to MBC and the Dae Jang Geum litigation team, whose professionalism made this case a memorable one.

I. Introduction¹

The United States has a tradition of integrating popular culture from foreign sources. For example, Japanese culture icons such as Godzilla and Hello Kitty are ubiquitous, and the protection provided by U.S. law to trademarks based on those icons is unassailable.²

But Japan is not the only country exporting its popular culture icons to the United States. For example, with Korean pop princesses the Wonder Girls performing with U.S. heartthrobs the Jonas Brothers, and U.S. comedian Stephen Colbert engaging in a Comedy Central dance-off with his “arch-nemesis,” the Korean singer-turned-Hollywood-actor Rain,³ popular culture icons from other countries, like South Korea, are growing in American popularity.⁴ But with this

1. Images used with permission of MBC America Holdings, Inc., and/or pursuant to the Fair Use Doctrine, which permits use of trademarked and copyrighted materials in academic and news-reporting articles. 15 U.S.C. § 1125(c)(3)(B) (2006); 17 U.S.C. § 107 (2006). Accreditation for images: **Image 1 (left):** *Dae Jang Geum: episode 25*, at t: 00:58:53 (Munhwa Broad. Corp. 2003); **Image 1 (right):** Dae Jang Gum Imperial Asian Spice with Beet Noodles ramen packaging (Solafide, Inc. 2006). **Image 2:** News article – *More ramen consumed in the US than in Korea*, KOREA CENTRAL DAILY, March 5, 2007 [hereinafter *Korea Central Daily Article*].

2. *E.g.*, Toho Co., Ltd. v. William Morrow & Co., Inc., 33 F. Supp. 2d 1206, 1215 (C.D. Cal. 1998) (upholding preliminary injunction prohibiting unauthorized book on Godzilla because publisher’s particular use of the term “Godzilla” in the title infringed on trademark owner’s trademark); Sanrio Co. v. Ann Arctic, Inc., No. CV-98-1858, 1998 U.S. Dist. LEXIS 19384, at *1 (E.D.N.Y. May 13, 1998) (protecting various Sanrio Company trademarks, including “Hello Kitty”).

3. The Korean singer/actor Rain was also involved in a recent trademark dispute with a U.S. company, the Rain Corporation, which asserted that the singer had infringed on the company’s rights to the term “Rain.” *Rain Corp. v. JYP Entm’t, Ltd.*, No. 03:07-CV-00081-LRH-RAM, 2007 U.S. Dist. LEXIS 45282 (D. Nev. June 21, 2007). The case settled on undisclosed terms, though scattered media reports indicate that Rain will call himself “the Rain” on music products within the United States. *Compare* Docket Entry No. 115, *Rain Corp. v. JYP Entm’t, Ltd.*, No. 3:07-cv-00081-LRH-RAM, Jan. 9, 2009 (reflecting Minute Order dated January 9, 2009, noting that terms of settlement were placed in the court record which was then sealed as confidential), *with* AllroyHavok, *Exit “Rain,” enter “The Rain,”* ALLKPOP, Feb. 11, 2009, http://www.allkpop.com/index.php/full_story/exit_rain_enter_the_rain/ (reporting on Rain’s new title). Rain’s rights to defend himself against a claim of trademark infringement by a senior U.S. user of the term “Rain,” and his rights to offensively assert trademark infringement against more junior users of the term, are subjects for a future academic article.

4. See Marian Liu, *Asian superstars Wonder Girls open for Jonas Brothers*, THE SEATTLE TIMES, available at http://seattletimes.nwsourc.com/html/musicnightlife/2009385102_wondergirls26.html. To view Comedy Central videos featuring Stephen Colbert’s mock rivalry with Rain, see *The Colbert Report: Rain Dance-Off* (Comedy Central television broadcast May 5, 2008), available at <http://www.colbertnation.com/the-colbert-report-videos/156555/may-05-2008/rain-dance-off>. Rain’s November 25, 2009 Hollywood debut, “Ninja Assassin,” opened at number 6 in the box office for that time period. David Germain, *‘New Moon’ keeps top box office spot with \$42.5M*, ASSOCIATED

growing popularity comes an increased risk of trademark infringement as American infringers seek to exploit the goodwill embodied in these icons’ trademarks. Until recently, caselaw addressing the protection of trademarks based on imported popular culture icons has been minimal.

2007 and 2008 witnessed an important contribution to this body of law: the case of *Munhwa Broadcasting Corporation v. Solafide, Inc.*, and its progeny. Collectively referred to the “Dae Jang Geum litigation,” this collection of cases represents the first major litigation successfully protecting U.S. trademarks based on an imported Korean popular culture icon – a Korean television drama broadcasted in the United States called “Dae Jang Geum.” Although the defendant first argued that the plaintiff’s imported drama-based trademarks were weak and unprotectable, it ultimately admitted to infringement and settled the case for \$850,000—an amount over 170 times the defendant’s gross infringing sales of \$4,400.⁵ With its robust record, the Dae Jang Geum litigation provides guidance for attorneys seeking to protect trademarks based on imported cultural icons. By analyzing the three most important orders issued in the case, this article shows the following: (1) that U.S. trademarks based on imported popular culture icons can be strong and protectable; (2) that damage awards in such cases may be sizeable; and (3) that infringers face significant risk by misappropriating intellectual property based on such icons.

II. About MBC’s “Dae Jang Geum” Television Show and Solafide’s “Dae Jang Gum” Ramen

On June 15, 2007, Munhwa Broadcasting Corporation (“MBC”), a Korean television broadcasting and production company, filed suit in the United States District Court for the Central District of California, alleging that a U.S. company, Solafide, Inc. (“Solafide”), had infringed on MBC’s U.S. trademarks for the English-language

PRESS ONLINE, Nov. 29, 2009, available at <http://www.necn.com/Boston/Arts-Entertainment/2009/11/29/New-Moon-keeps-top-box/1259513709.html>.

5. Compare *Munhwa Broad. Corp. v. Solafide, Inc.* (In re. Solafide, Inc.), No. SACV 08-718 DOC (C.D. Cal. July 21, 2008) (order withdrawing bankruptcy reference) [hereinafter Order Withdrawing Bankruptcy Reference], at 4, 6 (repeating Solafide’s claim it made approximately \$4,400 in gross sales), with *Munhwa Broad. Corp. v. Solafide, Inc.* (In re. Solafide, Inc.), No. SACV 08-618 DOC (C.D. Cal. Sept. 22, 2008) (order approving settlement), at 2, 5, and *In re. Solafide, Inc.*, No. 1:07CV134 LMB, 2008 U.S. Dist. LEXIS 74851, at *1, *3 (C.D. Cal. Sept. 22, 2008) (parties settled case for \$850,000) [hereinafter Order Approving Settlement].

term “Dae Jang Geum” and its Korean and Chinese- language equivalents.⁶

First broadcasted in Korea and in the United States in 2003, “Dae Jang Geum,” also called “Jewel in the Palace,” is the name of a Korean television drama about a sixteenth century Korean royal cook named “Jang Geum.”⁷ Best known for its frequent “Iron-Chef-like” cooking competitions, the show follows Jang Geum on her quest to become the head chef of the Korean Royal Kitchen.⁸ Toward the end of the series, Jang Geum switches professions and becomes the King’s personal physician—a feat that turns her into “Dae (an honorific) Jang Geum.”⁹ Loosely based on an obscure sixteenth century Korean physician of the same name, the show’s depiction of Dae Jang Geum as a cook is pure fiction.¹⁰ Exported to over sixty countries, where it has earned critical acclaim, respect from government officials, and phenomenal ratings, Dae Jang Geum is likely “the most popular exported [Korean] TV drama ever.”¹¹ And in the United States, TV

6. Since the lawsuit, MBC has formed a U.S. corporation, “MBC America Holdings, Inc.,” also known simply as “MBC America.” However, the lawsuit was filed at the time MBC was acting on its own through a U.S. office also called MBC America. Complaint at 3, *passim*, *Munhwa Broad. Corp. v. Solafide, Inc.*, No. SACV 07-699 DOC (ANx) (C.D. Cal. June 15, 2007) [hereinafter MBC Complaint].

The Dae Jang Geum litigation spanned the following three court proceedings, which are discussed throughout this article: *Munhwa Broad. Corp. v. Solafide, Inc.*, No. SACV 07-699 DOC (ANx) (C.D. Cal. 2007) (Honorable David O. Carter, presiding) (initial MBC trademark litigation); *In re. Solafide, Inc.*, No. 8:08-bk-12484-ES (C.D. Cal. Bankr. 2008) (Honorable Erithe Smith, presiding) (Solafide’s bankruptcy filing); and *Munhwa Broad. Corp. v. Solafide, Inc.* (In re. *Solafide, Inc.*), No. SACV 08-618 DOC (C.D. Cal. 2008) (Honorable David O. Carter, presiding) (MBC’s bankruptcy reference withdrawal proceedings).

7. The original Dae Jang Geum television show began airing in Korea and the United States on or about October and November of 2003, respectively. *Munhwa Broad. Corp. v. Solafide, Inc.*, No. SACV 07-699 DOC (ANx), 2007 U.S. Dist. LEXIS 68727, at *1-3 (C.D. Cal. July 13, 2007) (order granting plaintiff’s motion for preliminary injunction) [hereinafter Order Granting Injunction].

8. University of Hawai’i Center for Korean Studies “Daejanggeum Symposium” Website, <http://www.hawaii.edu/korea/pages/announce/djg/djg001.html> (last visited Jan. 10, 2010, 17:21:06 PDT) [hereinafter Daejanggeum Symposium Website]. See also Order Granting Injunction, *supra* note 7, at *2-3.

9. Order Granting Injunction, *supra* note 7, at *2-3.

10. *Id.* at *12, *24. The District Court’s finding was primarily based on the Declaration of Mark Peterson in Support of Reply in Support of Munhwa Broadcasting Corporation’s Motion for Preliminary Injunction, *Munhwa Broad. Corp. v. Solafide, Inc.*, No. SACV 07-699 DOC (ANx) (C.D. Cal. July 5, 2007) [hereinafter Peterson Expert Report]. Professor Peterson, of Brigham Young University, was MBC’s Korean history and Chinese calligraphy expert. For a more thorough discussion of the historical physician, see Section II, *infra*.

11. Lisa Yuk Ming Leung, *Daejanggeum as ‘affective mobilization’: lessons for (transnational) popular culture and civil society*, 10 INTER-ASIA CULTURAL STUDIES 51,

dramas like *Jewel in the Palace* [Dae Jang Geum] are part of what’s being called the Korean Wave: dramas, movies and pop music from South Korea that have swept across the Hawaiian Islands and are starting to catch on, on the U.S. mainland. Korean dramas are now being shown on TV stations in major cities including Los Angeles, San Francisco, Chicago, and New York.¹²

With publications like the *San Francisco Chronicle* and the *Chicago Tribune* reporting on the show’s 100,000 Bay Area fans, or the fact that it turned “scores of non-Korean Chicagoans into [Korean drama] junkies,” MBC’s drama has, in the words of the United States District Court, generated a “sizeable, widespread audience” of American fans.¹³ The U.S. gourmand magazine *Saveur*

56 (2009) [hereinafter *Daejanggeum as ‘affective mobilization’ Article*]. In addition to scholarly articles, Dae Jang Geum’s international appeal is also well documented in the popular media. *E.g.*, Shim Doo-bo, *From the Korean Wave to the Asian Wave*, THE KOREA HERALD, May 30, 2009 [hereinafter *Korean Wave Article*] (reporting that Dae Jang Geum was a major component of “hallyu,” the term used to describe the international popularity of Korean pop culture); Korea Tourism Organization, *Culinary Drama Whets Appetite of Hungarian Viewers*, http://english.visitkorea.or.kr/enu/CU/content/cms_view_574345.jsp (June 13, 2008) [hereinafter *Hungarian Article*] (Korean embassy discussing popularity of the drama in Hungary); Mark Russell, *MBC tops Korean TV drama list*, HOLLYWOOD REPORTER, March 1, 2007, <http://www.allbusiness.com/services/motion-pictures/4774347-1.html> [hereinafter *Hollywood Reporter Article*] (reporting that the drama was the top rated Korean show of the decade); Claudia Blume, *VOA News: Asia Goes Crazy over Korean Pop Culture*, U.S. FED. NEWS (VOICE OF AMERICA), available at <http://english.triptokorea.com/english/viewtopic.php?t=1460&sid=ae21e37ed3c3d5253e86e018af68834c>, Jan. 6, 2006 [hereinafter *Asia Goes Crazy Article*] (reporting on immense international popularity of the drama); Winnie Chung, *Description of Dae-geum Television Show*, THE HOLLYWOOD REPORTER, Oct. 11, 2005 (reporting on immense international popularity of the drama). For other news articles and analyses relating to MBC’s show, see sources cited *infra* notes 12, 49, 51–52, 67.

12. Heidi Chang, *VOA News: Korean Wave Washes Over USA*, VOICE OF AMERICA, Oct. 4, 2006, <http://www1.voanews.com/english/news/a-13-2006-10-04-voa24.html> (discussing the “Korean Wave”). For other publications discussing the show’s presence or popularity within the United States, see Vanessa Hua, *South Korea Soap Operas Find Large Audiences*, S.F. CHRON., Aug. 28, 2005, at A1 [hereinafter *San Francisco Chronicle Article*]; Monica Eng, *Korean soaps lure unlikely audience*, CHI. TRIB., July 9, 2004, at C1 [hereinafter *Chicago Tribune Article*]; *The Saveur 100*, SAVEUR, Jan. 2007 (Special Issue), at 99 [hereinafter *Saveur Article*]; Jaymes Song, *Goodbye, ‘Guiding Light.’ Hello, ‘Dae Jang Geum.’ – Korean soap operas are capturing American hearts*, THE BOSTON GLOBE, April 2, 2006, http://www.boston.com/ae/tv/articles/2006/04/02/goodbye_guiding_light_hello_dae_jang_geum/; *LA Koreans Crying out for Lee Yeong-ae [star of Dae Jang Geum]*, CHOSUN ILBO, Aug. 17, 2004, <http://english.chosun.com/w21data/html/news/200408/200408170047.html> [hereinafter *LA Fans Article*] (on file with author). For other articles about the show’s U.S. and international popularity, see sources cited *supra* note 11, and sources cited *infra* notes 49, 51–52, 67.

13. *San Francisco Chronicle Article*, *supra* note 12; *Chicago Tribune Article*, *supra* note 12; Order Granting Injunction, *supra* note 7, at *23–24. For a list of other publications relating to the show’s presence and popularity in the United States, see sources cited *supra* note 12 and sources cited *infra* notes 49, 51–52, 67.

put it best: “[b]lock out a weekend [before watching the show], because once you start following the culinary triumphs and tribulations of this lady-in-training, you won’t be able to turn away.”¹⁴

The infringer, Solafide, Inc., is a now-bankrupt U.S. manufacturer of instant ramen noodles.¹⁵ In 2007, four years after MBC began broadcasting its Korean royal cooking drama in the United States, Solafide launched a line of “Dae Jang Gum” ramen noodles featuring a fictional “Imperial” Korean cook of the same name.¹⁶ Among other things, Solafide used a Chinese character logo for Dae Jang Gum that was virtually identical to MBC’s distinctive hand-painted Chinese character logo, and included vignettes about its fictional cook that tracked storylines from MBC’s culinary drama.¹⁷ The ramen was sold



in Asian grocery stores within the United States, and Solafide planned to export it throughout Asia, where MBC’s show had been “Dae Jang Gum” noodles.

14. *Saveur Article*, *supra* note 12.

15. Order Granting Injunction, *supra* note 7, at *6. Solafide initiated the following bankruptcy proceeding on May 8, 2008: Voluntary Petition for Bankruptcy, In re. Solafide, Inc., No. 8:08-bk-12484-ES (C.D. Cal. Bankr. 2008 May 8, 2008) [hereinafter Solafide Bankr. Petition].

16. Order Granting Injunction, *supra* note 7, at *6.

17. *Id.* at *17–20, *24–25 & n.7. MBC’s Dae Jang Geum Chinese character logo was hand-painted by In-Young Jung, a renowned Korean artist-calligrapher, and contains elements uncommon to standard Chinese calligraphy – elements present in Solafide’s Dae Jang Gum Chinese character logo. *Id.* at *5, *16–20; Peterson Expert Report, *supra* note 10, at 10–11.

especially popular.¹⁸ Although Solafide’s Korean-American Chief Executive Officer knew of MBC’s culinary drama before launching the ramen, that knowledge did not deter him from using the name for his ramen.¹⁹ Nor did it stop Solafide from filing three trademark applications at the United States Patent & Trademark Office for “Dae Jang Gum” in English and in Chinese.²⁰ MBC filed its lawsuit against Solafide three months after the ramen’s official launch.²¹

III. About U.S. Trademark Law

A trademark is a symbol or phrase that the public associates with a specific source of goods or services.²² For example, the term “Hello Kitty” evokes images of the Sanrio Company’s famous cat.²³ A trademark acts as a guarantee— “[t]he public relies upon the mark so

18. For evidence regarding Solafide’s marketing, see Order Granting Injunction, *supra* note 7, at *21–22; “Dae Jang Gum” leading “the fashion of taste” in Ramen field, THE KOREA DAILY, Jan. 25, 2007; *Union Foods, Well-Being Ramen “Dae Jang Geum” coming out in March / No MSG, Less Sodium, Biodegradable Container, takes care of health [sic]*, THE KOREANA NEWS USA, Feb. 14, 2007, at 22. For articles discussing the popularity of MBC’s drama in California (where Solafide’s ramen was sold) and throughout Asia, see *LA Fans Article*, *supra* note 12; *Hollywood Reporter Article*, *supra* note 11; *Asia Goes Crazy Article*, *supra* note 11. For other articles about the show’s popularity in the United States and abroad, see sources cited *supra* notes 11–12 and sources cited *infra* notes 49, 51–52, 67.

19. Roger Lindo, *Fabrica de fideos y . . . obreros felices*, LA OPINION, Feb. 12, 2007 (on file with author) (reporting on the nationality of Solafide’s CEO). Solafide’s discovery responses reveal that its CEO knew of MBC’s drama before launching the ramen. *E.g.*, Solafide’s Responses to Munhwa Broadcasting Corporation’s First Set of Interrogatories (Nos. 1–12) at 6–9, *Munhwa Broad. Corp. v. Solafide, Inc.*, No. SACV 07-699 DOC (ANx)(C.D. Cal. Nov. 2, 2007) [hereinafter Solafide Interrog. Resps.]. Solafide’s Interrogatory Responses were filed with the District Court at: Notice of Errata re. Declaration of John J. Kim in Support of Reply of Munhwa Broadcasting Corp. to Defendant Solafide, Inc.’s Opposition to Plaintiff’s Motion for Withdrawal of the Reference to Liquidate Claim in District Court; Exhibits at Exh. 6 (pp. 55–70), *Munhwa Broad. Corp. v. Solafide, Inc. (In re. Solafide, Inc.)*, No. SACV 08-618 DOC (C.D. Cal. June 24, 2008) [hereinafter Kim Withdrawal Decl.]. Mr. Kim was formerly a senior attorney with Jones Day, counsel of record for MBC. He is now a legal consultant at Kim & Chang, the largest law firm in South Korea.

20. Order Granting Injunction, *supra* note 7, at *7.

21. *Id.* at *6.

22. *Chance v. Pac-Tel Teletrac Inc.*, 242 F.3d 1151, 1158 (9th Cir. 2001) (internal citations omitted) (trademarks create associations between the mark and the trademark owner). See also *Official Airline Guides v. Goss*, 6 F.3d 1385, 1391 (9th Cir. 1993) (“A [trademark] answers the buyer’s questions ‘Who are you? Where do you come from?’ ‘Who vouches for you?’”) (internal citation omitted).

23. *Cf. Sanrio Co. v. Ann Arctic, Inc.*, No. CV-98-1858, 1998 U.S. Dist. LEXIS 19384, at *13–25 (E.D.N.Y. May 13, 1998).

that ‘it will get the product which it asks for and wants to get.’”²⁴ It also embodies the trademark owner’s goodwill and reputation.²⁵

In order to assert a traditional trademark infringement claim, the claimant must show that he or she holds a strong, protectable mark, and that the infringer’s mark is similar enough to the claimant’s mark to generate a “likelihood of [consumer] confusion”—a trademark term of art indicating that a consumer who sees the infringer’s mark might erroneously believe that the infringer’s good or service is sponsored by, or somehow associated with, the claimant.²⁶ The infringer’s mark does not have to be identical to the claimant’s mark for infringement to occur—the two need only be confusingly similar.²⁷ For example, the three-word phrase “Joseph Gallo Cheese” is similar enough to the well-known trademarked term “Gallo,” used on wine, that consumers might mistakenly believe that the two separate culinary brands are somehow connected.²⁸ If infringement exists, trademark owners like the Gallo winery may prohibit others from using their infringing marks on goods and services that might mistakenly be attributed to the trademark owner.²⁹ Like Gallo, MBC asserted that consumers who saw Solafide’s “Dae Jang Gum” ramen would mistakenly associate it with MBC’s popular “Dae Jang Geum” cooking drama.³⁰ MBC also asserted that Solafide had intentionally magnified the likelihood for such confusion by adopting a Chinese character logo virtually identical to MBC’s Chinese character logo, and by featuring stories of a fictional cook with virtually the same name as MBC’s fictional cook.³¹

The stakes were high for MBC. As Solafide’s Chief Financial Officer would later admit, Solafide’s ramen had been poorly received.³² By launching its ill-regarded ramen, Solafide had hurt

24. Intel Corp. v. Terabyte Int’l, Inc., 6 F.3d 614, 619 (9th Cir. 1993) (internal quotations omitted).

25. *Id.*

26. 15 U.S.C. §§ 1114(1), 1125(a) (The Lanham Act 2006). *See also* Brookfield Comm’ns. v. West Coast Entm’t Corp., 174 F.3d 1036, 1046–47, 1053–54 (9th Cir. 1999) (internal citations omitted).

27. E. & J. Gallo Winery v. Gallo Cattle Co., 955 F.2d 1327, 1339 (9th Cir. 1992).

28. *Id.*

29. 15 U.S.C. § 1116(a) (2006) (authorizing injunctive relief). *See, e.g., E. & J. Gallo Winery*, 955 F.2d at 1345–46.

30. Order Granting Injunction, *supra* note 7, at *6–7; MBC Complaint, *supra* note 6, at *passim*.

31. *See* Order Granting Injunction, *supra* note 7, at *6–7; MBC Complaint, *supra* note 6, at 21–29.

32. *E.g.,* Transcript of Deposition of Timothy Hoang at 66–67, *Munhwa Broad. Corp. v. Solafide, Inc.*, No. SACV 07-699 DOC (ANx) (C.D. Cal. May 5, 2008) (non-confidential

both MBC’s trademarks and the U.S. market for officially licensed Dae Jang Geum-themed cuisine.³³

IV. The District Court’s First Order Establishes that Trademarks Based on Imported Cultural Icons Can Be Strong and Protectable

MBC’s first step after filing suit was to seek a preliminary injunction against Solafide.³⁴ If granted, the injunction would bar Solafide from using the Dae Jang Geum/Gum marks during the pendency of the litigation.³⁵ To obtain the injunction, MBC had to prove—without the benefit of pretrial discovery—that it would likely prevail over Solafide should the case proceed to trial.³⁶ MBC succeeded: in a meticulously-penned sixteen page decision, the District Court granted MBC’s motion.³⁷ In doing so, the Court confirmed that strong trademarks based on imported popular culture icons are as worthy of protection as their homegrown counterparts.

In order to understand how MBC won the injunction, it is instructive to start with the flaws in Solafide’s arguments.³⁸ Solafide’s

version on file with author) [hereinafter Hoang Depo. Tr.]. Note that while Mr. Hoang was testifying in his capacity as Solafide’s Chief Information Technology Officer, other Solafide filings show that Mr. Hoang was also Solafide’s Chief Financial Officer and a member of Solafide’s Board of Directors. See Solafide Bankr. Petition, *supra* note 15, at “Certificate of Corporate Resolution.” The sections of Mr. Hoang’s deposition were filed with the District Court at: Kim Withdrawal Decl., *supra* note 19, at Exh. 3 (pp. 22–42). The foregoing evidence is merely a representative sample of the relevant statements made during Mr. Hoang’s deposition.

33. See *Playboy Enters. v. Welles*, 2709 F.3d 796, 805 (9th Cir. 2002) (prohibition against trademark dilution, 15 U.S.C. § 1125(c)(1), also prohibits trademark “tarnishment,” which occurs when a famous mark becomes associated with an unauthorized inferior or offensive good or service).

34. Order Granting Injunction, *supra* note 7, at *6–8.

35. FED. R. CIV. P. 65(b) (authorizing Federal courts to issue preliminary injunctions in order to prevent “immediate and irreparable injury”).

36. There are two tests for obtaining a preliminary injunction in the United States Court of Appeals for the Ninth Circuit, where MBC’s action took place. First, the plaintiff can show “a combination of probable success on the merits and the possibility of irreparable injury.” *Brookfield Comm’ns. v. West Coast Entm’t Corp.*, 174 F.3d 1036, 1046 (9th Cir. 1999). Alternatively, the plaintiff may obtain an injunction by demonstrating “the existence of serious questions going to the merits and that the balance of hardships tips sharply in [the plaintiff’s] favor.” *Id.* The Court in the Dae Jang Geum litigation applied the first test. Order Granting Injunction, *supra* note 7, at *8. “Discovery” is the process of obtaining information from an opponent prior to trial. *E.g.*, FED. R. CIV. P. 30 (depositions by oral examination) & 34 (request for production of documents and things).

37. Order Granting Injunction, *supra* note 7, at *31.

38. This article merely summarizes the many arguments presented at the injunction hearing, and does not go through the entire test for proving a “likelihood of consumer

primary argument was that MBC could not own trademark rights to Dae Jang Geum because it was the name of a sixteenth century Korean physician who was allegedly “prominent . . . well before [MBC’s show] began airing in 2003.”³⁹ In other words, Solafide was claiming that since the United States public allegedly associated the term “Dae Jang Geum/Gum” with the historical physician, and not MBC’s drama, the name could not be trademarked.⁴⁰ Instead, the term resided within the public domain for anyone’s use.⁴¹ In support, Solafide’s CEO claimed that Solafide named its ramen and fictional cook after the physician.⁴² Secondly, Solafide implied that its rights to the physician’s name were superior to MBC’s because Solafide began using the name on its ramen before MBC filed trademark applications for Dae Jang Geum with the United States Patent & Trademark Office.⁴³

But there were two problems with Solafide’s arguments: they lacked evidentiary support and they were internally inconsistent. If Solafide had named its ramen after a historical physician who was famous “well before,” or even after, MBC’s drama, then Solafide should have been able to support that claim with documentary

confusion.” In the Ninth Circuit, the courts look to the following eight “Sleekcraft factors,” designed to approximate the thought processes of a typical consumer, to determine whether the use of an infringing mark would generate a likelihood of confusion: (1) How strong are the trademark owner’s marks? (2) How related are the goods? (3) How similar are the marks in question? (4) Is there any evidence that anyone was actually confused by the defendant’s allegedly infringing marks? (5) Do the parties use the same marketing channels? (6) How much care would a consumer exercise to determine whether the allegedly infringing good was authentic? (7) Did the defendant intentionally use the trademark owner’s marks? (8) What is the likelihood that the trademark owner will expand to other markets? *Jada Toys, Inc. v. Mattel, Inc.*, 518 F.3d 628, 632–34 (9th Cir. 2008) (citing to *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348 (9th Cir. 1979)). Other jurisdictions use similar tests. *E.g.*, *Sanrio Co. v. Ann Arctic, Inc.*, No. CV-98-1858, 1998 U.S. Dist. LEXIS 19384, at *23–24 (E.D.N.Y. May 13, 1998) (applying the Second Circuit’s essentially identical factors). The *Sleekcraft* factors are “pliant,” and the plaintiff need not satisfy every factor, provided that strong showings are made with respect to other factors. *Jada Toys*, 518 F.3d at 632–34. However, MBC satisfied all eight *Sleekcraft* factors. Order Granting Injunction, *supra* note 7, at *16–28.

39. Order Granting Injunction, *supra* note 7, at *10–11 (quoting Solafide) (alteration in District Court order).

40. *See id.*

41. *Id.* at 10.

42. *See* Declaration of Victor Sim in Support of Defendant’s Opposition to Plaintiff’s Application for Preliminary Injunction at ¶ 3, *Munhwa Broad. Corp. v. Solafide, Inc.*, No. SACV 07-699 DOC (ANx) (C.D. Cal. June 27, 2007) [hereinafter *Sim Injunction Decl.*]. Mr. Sim was Solafide’s CEO. *See also* Order Granting Injunction, *supra* note 7, at *24.

43. Memorandum of Points and Authorities in Opposition to Plaintiff’s Application for Preliminary Injunction at 2, *Munhwa Broad. Corp. v. Solafide, Inc.*, No. SACV 07-699 DOC (ANx), (C.D. Cal. June 27, 2007) (citing supporting declaration of Victor Sim).

evidence.⁴⁴ However, Solafide did not produce a single physical exhibit to support its allegations about the physician’s pre-drama fame—not a single textbook, encyclopedia entry, or even a children’s story about the physician.⁴⁵ Solafide’s failure was unsurprising because such evidence does not exist: the total confirmed amount of material written about this allegedly famous physician in the four centuries between her life and the drama does not fill three pages of double-spaced text,⁴⁶ and she was unknown even to Korean historians, let alone to the U.S. or Korean public, before MBC aired a fictional version of her life.⁴⁷ Even today the historical physician remains a nonentity who sits in the shadow of her fictional counterpart: there are no known academic studies about the physician, her references in the popular media simply mention that she was the inspiration for MBC’s drama, and she appears to have no value as a cultural asset outside of the drama.⁴⁸ By contrast, MBC’s *Dae Jang Geum* drama has been analyzed in scholarly works,⁴⁹ is

44. Order Granting Injunction, *supra* note 7, at *10–11 (quoting).

45. *Id.* at *10–13, *24.

46. Peterson Expert Report, *supra* note 10, at ¶¶ 7–8 (noting that the sum total of confirmed primary references to “Jang Geum” in the “Annals of Chosun Dynasty,” a government record, did not equal the length of his declaration (three pages) to that point). *See also* Order Granting Injunction, *supra* note 7, at *12–13, *14–15.

The author takes this opportunity to make a minor correction to the District Court’s injunction order. Relying on the initial expert report of MBC’s Korean history expert, the District Court stated that the name “Jang Geum” appears a mere nine times in the Annals of Chosun Dynasty, a government record spanning over 1,800 volumes. Order Granting Injunction, *supra* note 7, at *11 (citing to Peterson Expert Report, *supra* note 10, at ¶ 7). However, in a supplemental report, MBC’s expert later changed that number to ten. Report of Mark Peterson Supplementing Declaration of Mark Peterson in Support of Reply in Support of Munhwa Broadcasting Corporation’s Motion for Preliminary Injunction at 1, *Munhwa Broad. Corp. v. Solafide, Inc.*, No. SACV 07-699 DOC (ANx) (C.D. Cal. May 7, 2008) (on file with author).

47. *See* Order Granting Injunction, *supra* note 7, at *12–13, *14–15; Peterson Expert Report, *supra* note 10, at ¶¶ 5–8.

48. For example, neither MBC’s Korean history expert, nor the author, were able to find any articles, textbooks, or dictionary entries, about the historical physician. *E.g.*, Peterson Expert Report, *supra* note 10, at ¶¶ 5–8. Solafide did not provide any such evidence. Order Granting Injunction, *supra* note 7, at *10–13, *24. For a sample of the physician in the popular U.S. media, *see* [urbandictionary.com](http://urbandictionary.com/define.php?term=dae+jang+gum), Definition for “Dae Jang Gum,” <http://www.urbandictionary.com/define.php?term=dae+jang+gum> (last visited 17:24:39 PST) (definition for the term is primarily about the show, not the physician).

49. *See, e.g., Daejanggeum as ‘affective mobilization’ Article*, *supra* note 11; Robert J. Kang, A “Jewel” of a Trademark: A Discussion about U.S. Trademark Law and the *Dae Jang Geum* Litigation at KOCCA, Presentation held at the Los Angeles, California, Office of the Korea Culture & Content Agency (March 30, 2009); Helen Hua Wang, *Hedonic processing of narrative persuasion: An examination of Dae Jang Geum for social change*, Paper presented at the International Comm’n Assoc. Annual Conference, Montreal Canada (May 2008); Yusef Proglar, *Medical Wisdom in the Popular Korean TV Series*

referenced often in the U.S. and foreign popular media,⁵⁰ is used by Korea's official tourism bureau—with MBC's permission—to promote tourism from the United States to Korea,⁵¹ and has effectively been canonized by the Korean government as a *de facto* ambassador of cultural goodwill.⁵² Evidence-wise, Solafide's famous historical physician argument was, and still remains, unviable.⁵³

The Court's concerns with Solafide, however, were not limited to the scarcity of the company's evidence. Also problematic for Solafide was the fact that its arguments were inconsistent with the facts. For example, Solafide claimed that the physician's name resided in the public domain, and thus could not be trademarked.⁵⁴ However, noted the Court, if that were true, then why did Solafide try to register the name three times with the United States Patent and Trademark Office as a trademark?⁵⁵ Further undercutting Solafide's credibility was the fact that its ramen featured a fictional *cook* named "Dae Jang Gum," and not a physician.⁵⁶ Since the image of Dae Jang Geum as a cook was a work of fiction created by MBC, the culinary nature of

"*Dae Jang Geum*," 13 J. OF RES. IN MED. SCI. 41, 41–42 (2008); Daejanggeum Symposium Website, *supra* note 8 (2005 symposium about the show).

50. *See supra* notes 11–12.

51. The Korean-government-sponsored Korea Tourism Organization ("KTO"), South Korea's official tourism bureau, uses MBC's drama, and not the obscure physician, to promote tourism from the United States to Korea. *See* Korea Tourism Organization, *Korea Travel Guide*, 2007, at 42–44 (discussing the drama); Korea Tourism Organization, *Tour around Gyeonggi along the trail of the TV series Daejanggeum – Jewel in the Palace*, http://english.visitkorea.or.kr/enu/SI/SI_EN_3_6.jsp?cid=258470 (last visited Jan. 10, 2010, 15:37:11 PST). KTO obtained MBC's permission for this use. Order Granting Injunction, *supra* note 7, at *4–5.

52. *See, e.g., South Korea Interview – Lee Myung-Bak, President of South Korea*, FIN. TIMES, April 13, 2009 (South Korean president noting impact of "Jewel in the Palace" [Dae Jang Geum] on tourism to Korea); Kim Se-Jeong, *Korean Soap Opera Becomes Jewel in Korea-Iran Relations*, THE KOREA TIMES, February 10, 2008, http://www.koreatimes.co.kr/www/news/special/2008/02/176_18637.html (Korean ambassador to Iran invited Iranian government officials to his residence to watch the last episode of the drama); *Hungarian Article*, *supra* note 11 (Korean embassy in Hungary discussing the drama's role in introducing Korean culture to Hungary); Vivienne Chow, *TV series fuels exodus to South Korea; Fans eager for a taste of Jewel push number of visitors from HK up by 10pc*, SOUTH CHINA MORNING POST, April 11, 2005 (Korean Consul General to China discussing popularity of show in China); Korea Tourism Organization, [*Korea*] 'Hallyu' Lands Korean Cuisine on Far-Flung Asian Tables, May 15, 2006, http://english.visitkorea.or.kr/enu/FU/FU_EN_15.jsp?cid=289733 (Korean Ministry of Forestry and Agriculture attributing increase in exports of Korean food to MBC's drama).

53. *See* Order Granting Injunction, *supra* note 7, at *10–13, *24.

54. *Id.* at *10, *13–14 (quoting Solafide as stating: "[p]arties cannot reach into [the] public domain 'and appropriate portions thereof for their own exclusive use'" (internal citation omitted; alterations in District Court order).

55. *Id.* at *10 & n.4.

56. *Id.* at *24.

Solafide’s own product showed that Solafide had likely adopted the Dae Jang Gum marks “to deceive the public into thinking its ramen noodles were somehow sponsored by or connected to MBC’s hit show.”⁵⁷

However, while Solafide’s inability to support its arguments was telling, MBC still bore the burden of affirmatively proving its ownership of the Dae Jang Geum marks. As noted earlier, trademark rights come into being when the public associates the mark with a specific source of goods or services.⁵⁸ These associations are created by using the trademark in commerce, which presents the mark to the public and strengthens the public’s association between the mark and its owner.⁵⁹ For example, Sanrio’s Hello Kitty trademark is especially strong because Sanrio uses it on every commercial good imaginable, from inexpensive pencils to Neiman Marcus jewelry worth thousands of dollars.⁶⁰ As a corollary to that rule, the name of a real person can become a protectable U.S. trademark if it acquires “secondary meaning”—a trademark term of art signifying that, while initially based on something real, the trademark owner’s efforts have caused the public to associate that name with the owner’s goods or services.⁶¹ For example, the term “Gallo” is both a common Italian surname and a well-known trademark denoting a specific brand of wine.⁶² Similarly, the slogan “[It’s] Miller Time” does not call to mind the pastimes of a family named Miller, but rather images of celebrations with a specific brand of beer.⁶³ Paraphrasing the secondary meaning doctrine, the District

57. *Id.* at *12, *24–25, *31 & n.7.

58. *Chance v. Pac-Tel Teletrac Inc.*, 242 F.3d 1151, 1158 (9th Cir. 2001). *See also* *Official Airline Guides v. Goss*, 6 F.3d 1385, 1391 (9th Cir. 1993).

59. *See Chance*, 242 F.3d at 1156–59. *See also* *Sengoku Works Ltd. v. RMC Int’l, Ltd.*, 96 F.3d 1217, 1219 (9th Cir. 1996).

60. *Compare* Sanrio website, <http://shop.sanrio.com/on/demandware.store/Sites-eStore-Site/default/Search-Show?q=pencil> (collected Jan. 10, 2010, 17:17:10 PST) (Hello Kitty pencils), *with* Neiman Marcus website, http://www.neimanmarcus.com/store/catalog/template/catB6.jhtml?itemId=cat8160731&parentId=cat000160&_requestid=33176 (collected Sept. 6, 2009, 17:49:13 PST) (Hello Kitty jewelry). *See also* *Sanrio Co. v. Ann Arctic, Inc.*, No. CV-98-1858, 1998 U.S. Dist. LEXIS 19384, at *13–*25 (E.D.N.Y. May 13, 1998) (enjoining trademark infringer from using Sanrio’s Hello Kitty trademarks).

61. *E. & J. Gallo Winery v. Gallo Cattle Co.*, 955 F.2d 1327, 1338 (9th Cir. 1992).

62. *Compare* About.com: Genealogy, Name Meaning & Origin of “Gallo,” http://genealogy.about.com/library/surnames/g/bl_name-GALLO.htm (last visited Jan. 10, 2010, 15:42:00 PST) *with* *E. & J. Gallo Winery*, 955 F.2d at 1339.

63. *Cf.* *Decision, Miller Brewing Co. v. The Miller Family*, Claim No. FA0201000104177, National Arbitration Forum (April 15, 2002) (Wallace, A., Panelist), *available at* <http://www.adrforum.com/domains/decisions/104177.htm> (collected Jan. 10,

Court in the Dae Jang Geum litigation held that “a party [like MBC] may acquire a trademark in the name of a historical person when its television program has battered [the name] into the public consciousness . . . to an extent far beyond any fame or notoriety ever previously attached to the [person’s] name.”⁶⁴ Solafide’s evidentiary black hole and internally inconsistent arguments showed that its famous historical physician argument was unsupported.⁶⁵ It was now up to MBC to prove that its use of the marks had sufficiently “battered” the term “Dae Jang Geum” into the American public’s consciousness, thereby turning it into a protected U.S. trademark. MBC succeeded.

Since Solafide’s marketing efforts were concentrated within the Asian-American community, MBC likely could have prevented by demonstrating its show’s fame with that demographic alone. For example, MBC provided the Court with an article about Solafide’s ramen from the *Korea Central Daily*, a prominent Korean newspaper distributed within the United States, which noted that reporter had been



2010, 15:45:51 PST). Note that while this arbitration decision did not officially apply U.S. law, the decision still applied the same legal test used by U.S. law to determine the potential for trademark infringement—whether the Miller family’s website millertime.com was similar enough to the Miller Company’s slogan to create a “likelihood of confusion” that would lead consumers to believe the website belonged to the Miller Company. Compare *id.*, with *E. & J. Gallo Winery*, 955 F.2d at 1339.

64. Order Granting Injunction, *supra* note 7, at *14–15 (quoting Wyatt Earp Enters., Inc. v. Sackman, Inc., 157 F. Supp. 621, 623 (S.D.N.Y. 1958) (last two alterations in original order; internal quotation marks omitted)).

65. For an analysis of Solafide’s inability to prove the fame of the historical physician, and her current lack of prominence, see *supra* notes 46–49, 51–52.

66. E.g. Order Granting Injunction, *supra* note 7, at *21–22 (noting that Solafide initially sold the ramen in Asian stores within the United States).

attracted to the “familiar design [of the logo] and name” of the ramen.⁶⁷ The twist: although the article was about Solafide’s ramen, it featured pictures of MBC’s drama and Chinese character logo, and not of the ramen.⁶⁸ Such evidence demonstrated that Koreans in the United States, Solafide’s target audience and the audience most likely to know about the historical physician, primarily associated MBC’s “familiar” Dae Jang Geum marks with MBC’s cooking drama, and not with the physician or with Solafide.⁶⁹

MBC, however, was not satisfied with reaching for such low-hanging fruit and decided to aim higher by showing that its drama was not only popular with Asian-Americans, but that it had also made substantial inroads with broader U.S. audiences.⁷⁰ A *partial* list of the facts brought to the Court’s attention includes: (1) MBC broadcasted the show with English subtitles on television, satellite and cable throughout the U.S. starting in 2003; (2) the show was available for rent in some six-hundred video stores throughout the United States; (3) Dae Jang Geum DVDs were available for sale in both traditional and online stores ranging from Barnes & Noble to Amazon.com; (4) the Korea Tourism Organization, Korea’s official tourism bureau, with permission from MBC, used the show on its website and on brochures to promote tourism from the United States to Korea; and

67. *Korea Central Daily Article*, *supra* note 1. Additionally, MBC found two other news articles about Solafide’s ramen that used images from MBC’s show. See Daily Sports/isplus.com, *The U.S. falls in love with “Dae-Jang-Geum Ramen”* (title translated from Korean), April 5, 2007, http://changup.joins.com/changup_magerzin/wbz-sub-inquiry_view.asp?codename=OSC&seqno=929&pageNo=1&OrderBy=writedate (on file with author; unavailable as of Sept. 10, 2009); JO!NS ENTERPRISE, *The U.S. falls in love with “Dae-Jang-Geum Ramen”* (title translated from Korean), April 5, 2007, [http://changup/joins.com/changup_magerzin/wbz_sub_inquiry_view.asp?codename=\)SC&seqno=929&pageNo=1&OrderBy=writedate](http://changup/joins.com/changup_magerzin/wbz_sub_inquiry_view.asp?codename=)SC&seqno=929&pageNo=1&OrderBy=writedate) (on file with author; unavailable as of Sept. 10, 2009). For other articles about the show’s presence and popularity within the United States, see sources cited *supra* notes 12, 51.

68. *E.g.*, *Korea Central Daily Article*, *supra* note 1. See also other sources cited *supra* note 67; Order Granting Injunction, *supra* note 7, at *26.

69. For articles available in both the United States and Korea reporting on Solafide’s ramen while using images from MBC’s drama, see sources cited *supra* note 67. For authority showing that Solafide was targeting Koreans and persons interested in Korean cultural products, see *supra* note 18.

The fact that the *Korea Central Daily* reporter mistook Solafide’s “Dae Jang Gum” marks for MBC’s “Dae Jang Geum” marks is an example of “actual confusion” – a trademark term of art indicating that the similarities between the infringer’s marks and the trademark owner’s marks had actually led consumers into believing the infringer’s product came from, or was sponsored by, the trademark owner. See Order Granting Injunction, *supra* note 7, at *25–26.

70. Memorandum of Points & Authorities in Support of Plaintiff’s Motion for Preliminary Injunction at 4–8, *Munhwa Broad. Corp. v. Solafide, Inc.*, No. SACV 07-699 DOC (ANx) (C.D. Cal. June 19, 2007).

(5) various news publications reported on the show's U.S. popularity, including the *San Francisco Chronicle* and *Chicago Tribune* articles referenced earlier.⁷¹

After reviewing the parties' evidence, the Court made four important preliminary rulings relating to the strength and protectability of MBC's Dae Jang Geum marks. First, the Court described MBC's show as "very popular," and noted that it had amassed a "sizeable, widespread audience" of U.S. fans.⁷² Notably, the Court's descriptions were not limited to the ethnic Asian demographic, but instead referenced news articles demonstrating the show's broader appeal.⁷³ Next, the Court discredited Solafide's "famous historical physician" argument by noting that "the Dae Jang Geum that people know today is not the historical 16th century physician, but rather the orphaned girl from MBC's drama In fact, the public's knowledge and recognition of Dae Jang Geum are *exclusively* attributable to MBC's show."⁷⁴ Third, the Court held that Solafide's use of a fictional cook, as well as the remarkable similarities between both parties' marks, showed that Solafide likely intended to deceive the public about the source or sponsorship of the ramen, and to capitalize on the consumer goodwill associated with the drama.⁷⁵ Finally, since trademark rights in the United States are created by use, and not registration, the fact that MBC did not previously register its trademarks was immaterial.⁷⁶ Although such registration would have been useful, MBC's open and continuous use of the Dae Jang Geum trademarks since 2003 predated Solafide's use of those same marks.⁷⁷ Accordingly, the English and foreign-language

71. Order Granting Injunction, *supra* note 7, at *3–5, *22–23 (summarizing MBC's evidence). The citations to the *San Francisco Chronicle Article* and *Chicago Tribune Article* are located at note 12, *supra*. A small sampling of the Korea Tourism Organization's uses of Dae Jang Geum are presented at notes 11 & 51, *supra*, and a brief discussion about the drama's fame is also presented at Section II, *supra*. For other articles detailing the show's popularity, see sources cited *supra* notes 11–12, 49, 52.

72. Order Granting Injunction, *supra* note 7, at *2, *23.

73. *Id.* at *23–24.

74. *Id.* at *12–13, *14–15 (italics added).

75. *Id.* at *12–13, *17–20, *24–25, *31 & n.7.

76. *Id.* at *15. See also *Sengoku Works Ltd. v. RMC Int'l, Ltd.*, 96 F.3d 1217, 1219 (9th Cir. 1996). Note that while trademarks are created in the United States by use, and not registration, counsel should urge their clients to register their marks with the United States Patent & Trademark Office ("USPTO"). Registration yields numerous benefits, including a presumption of ownership. 15 U.S.C. § 1057(b) (2006). MBC has since filed several trademark applications for Dae Jang Geum. See, e.g., MBC Application for Dae Jang Geum Chinese Character Logo, U.S. Serial No. 77200873 (filed June 7, 2007); MBC Application for "Dae Jang Geum," U.S. Serial No. 77201814, (filed June 8, 2007).

77. See Order Granting Injunction, *supra* note 7, at *14–15.

Dae Jang Geum trademarks likely belonged to MBC, not Solafide.⁷⁸ On those bases, the Court issued the injunction on July 13, 2007.⁷⁹ Stopped early in its tracks, Solafide only made around \$4,400 in gross sales on its infringing marks before the injunction issued.⁸⁰

V. The District Court’s Second Order Confirms That Trademark Damages for Violating Trademarks Based on Imported Cultural Icons May Be High

By granting MBC’s motion for preliminary injunction, the Court confirmed that U.S. trademarks based on imported cultural icons can be strong and protected.⁸¹ However, as important as that ruling was, it left one major issue unspoken: damages. For how much was Solafide responsible? The injunction order’s silence on this point was not surprising as there had been no need to precisely calculate MBC’s damages at the injunction hearing. The damages issue would be addressed almost exactly one year later in the Court’s second order—an order confirming that the consequences for violating MBC’s foreign drama-based trademarks could be significant.⁸²

The march to the Court’s damages order began immediately after the injunction proceedings. Typically, the party on the losing end of an injunction settles the case on terms favorable to the trademark owner.⁸³ Had Solafide made a reasonable settlement offer, the case might have ended early, and for less than the \$850,000 for which Solafide eventually settled.⁸⁴ However, ignoring conventional wisdom, Solafide continued to assert its alleged rights to the “Dae Jang Gum” marks by relying on the same arguments that already failed at the injunction hearing.⁸⁵ To those arguments Solafide added

78. *Id.*

79. *Id.* at *31.

80. *Id.* at *6 (noting Solafide officially began selling Ramen around April 2007 and that MBC filed suit in June 2007). *See also* Declaration of Victor Sim in Support of Defendant Solafide, Inc.’s Opposition to Plaintiff’s Motion for Withdrawal of the Reference to Liquidate Claim in District Court at 2 & Exh. 1, *Munhwa Broad. Corp. v. Solafide, Inc.* (In re. Solafide, Inc.), No. SACV 08-618 DOC (C.D. Cal. June 16, 2008) [hereinafter *Sim Withdrawal Decl.*]. Mr. Sim was Solafide’s CEO.

81. *E.g.*, Order Granting Injunction, *supra* note 7, at *22–24.

82. Order Withdrawing Bankruptcy Reference, *supra* note 5, at 6–7.

83. *E.g.*, Joshua Besar, *False Endorsement or First Amendment?: An Analysis of Celebrity Trademark Rights and Artistic Expression*, 41 *SAN DIEGO L. REV.* 1787, 1799 (Fall 2004).

84. Order Approving Settlement, *supra* note 5, at *3 (noting settlement amount).

85. *Compare* Order Granting Injunction, *supra* note 7, at *passim*, with Joint Rule 26(F) Report at 3–4, *Munhwa Broad. Corp. v. Solafide, Inc.*, No. SACV 07-699 DOC (ANx) (C.D. Cal. Sept. 10, 2007) [hereinafter *Joint Rule 26(F) Report*]; Solafide Interrog.

one more: any damage to MBC's allegedly weak foreign drama-based trademarks could not exceed \$5,000, an amount slightly over Solafide's gross infringing sales.⁸⁶ Putting its theory to practice, Solafide made a settlement offer, later filed with the District Court, of only \$5,000, and did not budge from that number for most of the litigation.⁸⁷

However, Solafide's damages theory revealed a fundamental misunderstanding about the protections provided by U.S. trademark law, which does not allow an infringer to escape meaningful consequences by simply claiming minimal profit.⁸⁸ In addition to disgorgement of profit (or in Solafide's case, disgorgement of its gross sales), trademark recovery can also be measured by the amount needed to compensate the trademark owner for its injuries—a method of calculation that does not consider the infringer's profits, or lack thereof.⁸⁹ One such example is prospective advertising costs.⁹⁰ Since market misimpressions generated by the launch of an infringing product can tarnish the value of a trademark and confuse consumers, the trademark infringer may have to pay for a corrective advertising campaign to counter those misimpressions.⁹¹ Also available are discretionary damages when such an award would be “just;” treble

Resps., *supra* note 19, at 10–12; Answer of Solafide, Inc. & Counterclaim at *passim*, Solafide, Inc. v. Munhwa Broad. Corp., Inc., (Munhwa Broad. Corp. v. Solafide, Inc.), No. SACV 07-699 DOC (ANx) (C.D. Cal. July 9, 2007).

86. See Offer of Judgment Pursuant to FED. R. CIV. P. 68, Munhwa Broad. Corp. v. Solafide, Inc., No. SACV 07-699 DOC (ANx) (C.D. Cal. Aug. 27, 2007) [hereinafter Solafide Settlement Offer]. This document was filed with the District Court at: Declaration of Robert J. Kang in Support of Reply of Munhwa Broadcasting Corp. to Defendant Solafide, Inc.'s Opposition to Plaintiff's Motion for Withdrawal of the Reference to Liquidate Claim in District Court; Exhibits (Part 1) at Exh. 5 (pp. 45–48), Munhwa Broad. Corp. v. Solafide, Inc. (In re. Solafide, Inc.), No. SACV 08-618 DOC (C.D. Cal. June 24, 2008) [hereinafter Kang Withdrawal Decl. (Part 1)] (declarant was an attorney at Jones Day, counsel of record for MBC). See also Sim Withdrawal Decl, *supra* note 80, at ¶ 7 (claiming less than \$5,000 in sales); Joint Rule 26(F) Report, *supra* note 85, at 3 (repeating arguments).

87. Solafide Settlement Offer, *supra* note 86.

88. 15 U.S.C. § 1117(a) (2006); *Intel Corp. v. Terabyte Int'l, Inc.*, 6 F.3d 614, 620–21 (9th Cir. 1993) (affirming damages award despite defendant-appellant's claim that it did not profit off of its infringement and counterfeiting). See also *Earthquake Sound Corp. v. Bumper Indus.*, 352 F.3d 1210, 1218–19 (9th Cir. 2003) (affirming attorney's fee award despite defendant-appellant's claim that it “had only limited sales success from its infringement”); *GTFM, Inc. v. Solid Clothing, Inc.*, 215 F. Supp. 2d 273, 305–06 (S.D.N.Y. 2002) (detailing circumstances that might lead to significant trademark damages).

89. 15 U.S.C. § 1117(a)(1)–(3) (2006); *Intel Corp.*, 6 F.3d at 621.

90. See *Adray v. Adray-Mark, Inc.*, 76 F.3d 984, 988–89 (9th Cir. 1995).

91. See *Playboy Enters. v. Welles*, 279 F.3d 796, 805 (9th Cir. 2002). See also *Adray*, 76 F.3d at 988–89.

damages in counterfeiting cases; and attorney’s fees in “exceptional” cases of infringement.⁹²

All of these remedies likely applied to the case at hand. Solafide was correct that it could be forced to disgorge its ill-gotten gains.⁹³ But MBC was also entitled to additional remuneration based on its injuries.⁹⁴ For example, since Solafide’s public relations campaign had persuaded a number of news organizations, including the *Wall Street Journal*, to report on the launch of its poorly-received ramen, MBC had a particularly compelling case for significant corrective advertising costs.⁹⁵ The Court’s blunt assessment that Solafide likely engaged in intentional infringement meant that discretionary damages, treble damages, and attorney’s fee awards were also within reach.⁹⁶ Despite this, Solafide’s \$5,000 settlement offer remained unchanged.⁹⁷ With no reasonable offer on the table the case shifted to the discovery phase, an expensive move that raised the stakes of the litigation. Court filings show that Solafide likely incurred over half-a-million dollars in discovery-related legal fees and costs in six months alone.⁹⁸

92. 15 U.S.C. § 1117(a)–(b) (2006); *Earthquake Sound Corp.*, 352 F.3d at 1216–19; *GTFM, Inc.*, 215 F. Supp. 2d at 305–06 (detailing circumstances that might lead to enhanced trademark damages).

93. 15 U.S.C. § 1117(a)(1). This remedy is available even though MBC did not sell food products at this time, and thus did not complete directly with Solafide. See *Maier Brewing Co. v. Fleischmann Distilling Corp.*, 390 F.2d 117, 120, 123–24 (9th Cir. 1968).

94. Compare 15 U.S.C. § 1117(a)(1), with *id.* at § 1117(a)(2).

95. Citations to authority regarding Solafide’s poorly-received ramen may be found at note 32, *supra*. For an example of Solafide’s public relations strategy, see, e.g., Kang Withdrawal Reply Decl. (Part 1), *supra* note 86, at Exh. 7 (pp. 65–67) (e-mail from Janet Falk, Newspros, to Victor Sim, Solafide, (Jan. 3, 2007, 10:58)); Raymund Flandez, *Upstart Hopes to Soup Up Ramen Noodles’ Appeal: Union Foods [Solafide] Seeks Niche in Bid to Compete Against Larger Rivals*, WALL ST. J., Jan. 23, 2007, at B12.

96. Order Granting Injunction, *supra* note 7, at *24–25. For authority discussing the availability of enhanced damages, see sources cited *supra* note 92.

97. See Solafide Settlement Offer, *supra* note 86.

98. Solafide’s 2007 legal bills are unknown. However, Bankruptcy Court filings show that Solafide incurred approximately \$575,091.36 in discovery-related legal expenses in two distinct periods in 2008. First, Solafide incurred approximately \$314,171.10 in legal expenses in the five month period between January 2008 through May 2008. Although Solafide did not directly attribute these fees to discovery, the following evidence indicates that most, if not all, of those expenses involved discovery: (1) filings made by Solafide and its counsel noting that they were engaged in heavy discovery activities during this time; (2) MBC filings detailing Solafide’s extensive discovery activities; and (3) the absence of any Court conferences or Court hearings in 2008 prior to the bankruptcy filing. See, e.g.: First Interim Application of Townsend and Townsend and Crew LLP, Litigation Counsel for the Debtor, Pursuant to 11 U.S.C. §§ 105(a), 330, 331 and 503(b)(2), FED. R. BANKR. P. 2016 and Local Rule 2016-1(a), for Entry of an Order Allowing and Awarding Payment of Fees and Reimbursement of Expenses; Declaration of Anthony J. Malutta; Declaration of

Solafide's ensuing defense was both aggressive and expensive.⁹⁹ However, that defense did not prevent MBC from tracking down incriminating evidence. The injunction proceeding showed that Solafide had likely "parroted" MBC's trademarks in order to capitalize on the goodwill generated by the show.¹⁰⁰ The discovery process confirmed that MBC's drama was on Solafide's mind while creating and selling the ramen. For example, the graphic designer Solafide hired to craft its ramen packaging not only confirmed that the Dae Jang Geum word mark and Chinese character logo were "synonymous with MBC's television show[.]" she reported that Solafide was "clearly aware of the show's fame."¹⁰¹ Concerned about infringement, the designer requested confirmation from Solafide that it could use the Dae Jang Geum marks.¹⁰² Solafide not only assured its designer that it could use those marks, it also discussed the

Stephen T. Kong at 6, In re. Solafide, Inc., No. 8:08-bk-12484-ES (C.D. Cal. Bankr. Nov. 24, 2008) [hereinafter Townsend Fee App'n] (Townsend was Solafide's primary litigation counsel for most of the litigation). See also First Interim Application of Reed Smith LLP, Bankruptcy Counsel for the Debtor, Pursuant to 11 U.S.C. §§ 105(a), 330, 331 and 503(b)(2), FED. R. BANKR. P. 2016 and Local Rule 2016-1(a), for Entry of an Order Allowing and Awarding Payment of Fees and Reimbursement of Expenses Declarations of Christopher O. Rivas and Timothy Hoang at 52, In re. Solafide, Inc., No. 8:08-bk-12484-ES (C.D. Cal. Bankr. July 25, 2007) [hereinafter Reed Smith First Fee App'n] (Reed Smith was Solafide's bankruptcy counsel and secondary litigation counsel for part of the litigation). See also Sim Withdrawal Decl., *supra* note 80, at 3-4; sources cited note 113 *infra*; District Court Docket at *passim*, *Munhwa Broad. Corp. v. Solafide, Inc.*, No. SACV 07-699 DOC (ANx) (C.D. Cal. June 15, 2007) (no conferences held in 2008 prior to the bankruptcy filing). Even assuming that up to \$75,000 of the initial \$314,171.10 amount was related to tasks other than discovery, Solafide's total expenses for discovery-related tasks in the six month period at issue in this footnote would still exceed half-a-million dollars.

Solafide next incurred approximately \$260,920.26 in discovery-related expenses in the one month period between July 2008 through August 2008. Townsend Fee App'n, *supra* this note, at 11-13; Second and Final Application of Reed Smith LLP, Former Bankruptcy Counsel for the Debtor, Pursuant to 11 U.S.C. §§ 105(a), 330, 331 and 503(b)(2), FED. R. BANKR. P. 2016 and Local Rule 2016-1(a), for Entry of an Order Allowing and Awarding Payment of Fees and Reimbursement of Expenses; Declaration of Marsha A. Houston at 93-107, 112-17, In re. Solafide, Inc., No. 8:08-bk-12484-ES (C.D. Cal. Bankr. Nov. 24, 2008) [hereinafter Reed Smith Second Fee App'n] (Reed Smith was Solafide's bankruptcy counsel and secondary litigation counsel for part of the litigation). Together with the \$314,171.10 incurred in the first part of the year, Solafide incurred an estimated \$575,091.36 in discovery-related expenses in 2008. Detailed calculations on file with author.

99. *E.g.*, sources cited *supra* note 98, and *infra* note 113. See also Order Approving Settlement, *supra* note 5, at *6-*7 (describing litigation as "contentious").

100. Order Granting Injunction, *supra* note 7, at *24-25, *27, *31 & n.7.

101. Declaration of Theresa Jeehyun Oh at ¶¶ 7 & 11, *Munhwa Broad. Corp. v. Solafide, Inc.*, No. SACV 07-699 DOC (ANx) (C.D. Cal. February 10, 2008) [hereinafter Oh Decl.]. Ms. Oh's Declaration was filed with the District Court at: Kim Withdrawal Decl., *supra* note 19, at Exh. 4 (pp. 43-50).

102. Oh Decl., *supra* note 101, at ¶ 12.

characters and storylines from MBC’s drama with her while the package design was being prepared.¹⁰³ Equally telling, Solafide instructed its designer to visit websites about the drama for guidance.¹⁰⁴ Nor was this the only damaging evidence uncovered by MBC. For example, Solafide’s CFO revealed that Solafide personnel discussed MBC’s show at work; that Solafide discussed MBC’s drama with its customers; and that Solafide even made DVDs of the drama available to its employees.¹⁰⁵ When asked why MBC’s television show came up during Solafide’s sales meetings, he answered, “[b]ecause we’re selling it.”¹⁰⁶

In one sense, all of this evidence was unsurprising. Since MBC introduced the Dae Jang Geum brand to the world, and had made it famous, it followed that MBC’s drama would figure somehow into Solafide’s efforts.¹⁰⁷ By amassing such evidence, MBC eroded Solafide’s ability to deny infringement and strengthened MBC’s claim for significant damages.¹⁰⁸ But while the state of the evidence was not surprising, Solafide’s next move was very much so: three days after Solafide’s CFO made his damaging admissions, Solafide filed for Chapter 11 bankruptcy—a move that, by triggering the “automatic stay” provisions of bankruptcy law, stopped the litigation and drove MBC’s discovery momentum to a standstill.¹⁰⁹

Solafide claimed that it was driven to bankruptcy by the litigation.¹¹⁰ However, several facts suggested that the bankruptcy filing was partially, if not primarily, a litigation tactic designed to derail MBC’s discovery momentum, and to move the case to a new court unfamiliar with the facts and the parties.¹¹¹ For example, it was

103. *Id.* at ¶¶ 6, 8, 12, 16.

104. *Id.* at ¶ 8.

105. *E.g.*, Hoang Depo. Tr., *supra* note 32, at 81–82, 85–86, 90, 101–05, 108–09. Note that while Mr. Hoang was testifying in his capacity as Solafide’s Chief Information Technology Officer, other Solafide filings show that Mr. Hoang was also Solafide’s Chief Financial Officer and a member of Solafide’s Board of Directors. *See* Solafide Bankr. Petition, *supra* note 15, at “Certificate of Corporate Resolution.”

106. Hoang Depo. Tr., *supra* note 32, at 82.

107. *See, e.g.*, Order Granting Injunction, *supra* note 7, at *10–13, *24–25.

108. For evidence demonstrating that Solafide’s CEO allegedly named the ramen after the historical physician, *see* Sim Injunction Decl., *supra* note 42, at 2, *and* Solafide Interrog. Resps., *supra* note 19, at 6 (Solafide’s CEO named the ramen). For authority noting that intentional infringement, and other misconduct, may lead to significant damages, *see* sources cited *supra* note 92.

109. Order Withdrawing Bankruptcy Reference, *supra* note 5, at 2 (discussing Solafide’s bankruptcy filing history); 11 U.S.C. § 362 (2006).

110. *See* Sim Withdrawal Decl., *supra* note 80, at ¶¶ 6–10.

111. *See, e.g.*, Declaration of Brent D. Sokol in Opposition to [Solafide, Inc.’s] Ex Parte Application to Continue Hearing from June 30, 2008 to July 21, 2008 re. Motion to

unclear whether the bankruptcy was even justified: Solafide reportedly had over nine million dollars in assets at the time of the filing and only around one million dollars in liabilities.¹¹² Additionally, a company allegedly driven to the verge of bankruptcy by litigation would presumably have tried to stave off that bankruptcy by making a reasonable settlement offer. However, Solafide never increased its \$5,000 pre-filing settlement offer and, instead, continued incurring hundreds of thousands of dollars in legal bills by aggressively litigating the case up to the week of the bankruptcy.¹¹³ Finally, the timing of Solafide's bankruptcy filing was itself suspicious. Not only was the bankruptcy filed three days after Solafide's CFO made his damaging admissions, it was filed on the very morning that Solafide's CEO was scheduled to be deposed.¹¹⁴ Solafide's CEO, the person responsible for naming the ramen, had previously defaulted on an earlier scheduled deposition.¹¹⁵ Protected by the bankruptcy filing, he had avoided deposition once again.¹¹⁶

Solafide's reprieve was short-lived. Although the Bankruptcy Court was experienced, MBC believed the case would be more efficiently managed by a court familiar with the facts and the parties.¹¹⁷ Thus, MBC asked the District Court to withdraw the litigation from the Bankruptcy Court and return it to the District

Withdraw Reference to Liquidate Claim at ¶ 13, *Munhwa Broad. Corp. v. Solafide, Inc.* (In re. Solafide, Inc.), No. SACV 08-618 DOC (C.D. Cal. June 12, 2008) (recounting conversation in which Solafide's post-bankruptcy counsel stated that Solafide did not want Judge Carter, the original judge assigned to the MBC litigation, to decide certain issues since that would have the effect of "continuing [the trademark infringement] litigation."). Mr. Sokol is a partner at Jones Day, counsel of record for MBC.

112. Order Withdrawing Bankruptcy Reference, *supra* note 5, at 2.

113. The District Court described the litigation as "contentious." Order Approving Settlement, *supra* note 5, at *6-7. In terms of incurred cost, Solafide incurred approximately \$314,171.10 in litigation-related legal fees in the four month, one week period prior to the bankruptcy filing. See Order Withdrawing Bankruptcy Reference, *supra* note 5, at 2 (providing bankruptcy date). See also sources cited *supra* note 98 (authority for incurred costs). For a detailed accounting of Solafide's extensive litigation activities during this time, which included drafting and issuing offensive discovery demands and defending its personnel at deposition three days prior to the bankruptcy filing, see Kim Withdrawal Decl., *supra* note 19, at *passim*; Kang Withdrawal Decl. (Part 1), *supra* note 86, at *passim*. Solafide's \$5,000 settlement offer remained unchanged. See Solafide Settlement Offer, *supra* note 86, at 2.

114. Order Withdrawing Bankruptcy Reference, *supra* note 5, at 2, 8.

115. *Id.* at 2, 8. See also Solafide Interrog. Resps., *supra* note 19, at 6.

116. See Order Withdrawing Bankruptcy Reference, *supra* note 5, at 2, 7.

117. Motion for Withdrawal of the Reference to Liquidate Claim in District Court at 8-9, *Munhwa Broad. Corp. v. Solafide, Inc.* (In re. Solafide, Inc.), No. SACV 08-618 DOC (C.D. Cal. June 3, 2008).

Court for final judgment.¹¹⁸ Since the District Court was already familiar with the facts of the case, and in light of a fast-approaching trial date and the troubling timing of Solafide’s bankruptcy filing, the District Court issued its second major order in the case on July 21, 2008, granting MBC’s request.¹¹⁹ But the importance of the Court’s second order extended beyond merely restarting the litigation: the order also included a trademark damage analysis that would prove even more important. Solafide had vehemently opposed MBC’s efforts to restart the litigation, arguing that it would be a waste of time and money to resume litigating a case allegedly worth little more than \$4,400.¹²⁰ However, that theory was soundly rejected by the Court, which reminded Solafide that the financial consequences for violating a U.S. trademark are not limited to an infringer’s gross sales or profits.¹²¹ As MBC had maintained, corrective advertising costs, discretionary damages, treble damages and attorney’s fee awards were all also possibilities.¹²² Further, the fact that Solafide had “willingly sunk” hundreds of thousands of dollars into the case, instead of simply settling early, suggested that the case was “worth far more than \$4,400.”¹²³

The impact of the District Court’s damages order set in slowly with Solafide, which despite its claims of insolvency, continued to litigate aggressively for an additional three weeks after the Court issued its damages order. For example, Solafide “insiste[d]” that its attorneys represent a third-party witness, Solafide’s public relations firm, in the litigation, and “specifically required” its CEO be defended by attorneys from two different law firms at his eventual

118. Order Withdrawing Bankruptcy Reference, *supra* note 5, at 2. The filing of a bankruptcy “stays” all pending litigation and turns it into an unsecured creditor’s claim to be resolved by the Bankruptcy Court. 11 U.S.C. § 362 (2006). There are two procedures for “returning” a specific litigation from the Bankruptcy Court to the originating court. First, the movant can ask the Bankruptcy Court to “lift” the stay, thereby allowing the case against the bankruptcy debtor to continue in the original court. 11 U.S.C. § 362(d) (2006). Alternatively, in Federal cases, the movant can ask the District Court to “withdraw” the bankruptcy reference for a specific litigation in order to continue litigation in District Court. 28 U.S.C. § 157(d) (2006). In order to take advantage of this second procedure the movant must file an entirely new action in District Court, which MBC did. Order Withdrawing Bankruptcy Reference, *supra* note 5, at 2. The reasons MBC used the latter method to return the litigation back to the District Court instead of the first go beyond the scope of this article.

119. Order Withdrawing Bankruptcy Reference, *supra* note 5, at 6–8.

120. *Id.* at 6.

121. *See id.* at 4–8.

122. *Id.* at 4–8. *See also* sources cited *supra* notes 90, 92.

123. Order Withdrawing Bankruptcy Reference, *supra* note 5, at 6.

court-ordered deposition.¹²⁴ Despite those efforts, the company still risked huge financial liability and public scrutiny by a jury. If Solafide did not make a reasonable settlement offer that accounted for MBC's damages, and the year of litigation that MBC had been subject to, the case would proceed to trial.

VI. The Court's Third Order Confirms That Persons Who Violate Trademarks Based on Imported Cultural Icons Face Risk

On August 14, 2008, eleven months after making its \$5,000 pre-bankruptcy settlement offer, Solafide formally admitted to infringement and settled the case for \$850,000.¹²⁵ However, since Solafide was a bankrupt debtor, this settlement did not itself end the litigation. Instead, the settlement set the stage for the District Court's third, and last, major order: an order confirming that persons who unlawfully use trademarks based on imported popular culture icons face significant risk. Unlike a normal litigation, the fact that Solafide was in bankruptcy required the Court to determine whether the settlement was fair to Solafide's other creditors.¹²⁶ If the Court decided that the settlement amount, which was over 170 times Solafide's gross infringing sales, was inflated, the settlement would have to be set aside.¹²⁷

After conducting a fairness analysis, the District Court concluded the settlement was fair to Solafide's other creditors.¹²⁸ The Court considered many factors before reaching that conclusion, including

124. Solafide incurred approximately \$114,921.83 in legal bills in connection with those two activities after the bankruptcy filing. That amount is broken up as follows: (1) approximately \$29,716.50 incurred while defending third-party witness "Newspro[s];" and (2) approximately \$85,305.33 incurred while defending Solafide's CEO at deposition. Reed Smith Second Fee App'n, *supra* note 98, at 5-6, 20, 94-96; Townsend Fee App'n, *supra* note 98, at 5, 37-39. Detailed calculations on file with the author.

125. Order Approving Settlement, *supra* note 5, at *3; Notice of Filing of Proposed Settlement and Proposal for Seeking Approval of Same at 5, *Munhwa Broad. Corp. v. Solafide, Inc. (In re. Solafide, Inc.)*, No. SACV 08-618 DOC (C.D. Cal. Aug. 14, 2008) (Attached as Exhibit A).

126. *In re. A & C Properties*, 784 F.2d 1377, 1381 (9th Cir. 1986) (discussing procedure for approving settlement pursuant to FED. R. BANKR. P. 9019(a)). In order to determine whether a settlement is "fair" to the debtor's other creditors the court must consider the following factors: (1) probability of success in the litigation; (2) potential difficulties in collection; (3) likely complexity, expense, delay and inconvenience of litigation; and (4) interests of creditors and deference to their views. *Id.* at 1381.

127. FED. R. BANKR. P. 9019(a); *compare* Order Withdrawing Bankruptcy Reference, *supra* note 5, at 4, 6 (Solafide made approximately \$4,400 in gross sales), *with* Order Approving Settlement, *supra* note 5, at *3 (parties settled case for \$850,000).

128. Order Approving Settlement, *supra* note 5, at *7-8.

MBC’s “good” prospects for proving intentional infringement should the case go to trial, and the fact that Solafide would likely incur over half a million dollars in legal fees to continue defending a case in which it only had a “limited likelihood” of prevailing.¹²⁹ The Court also noted that the settlement amount reflected a “compromise . . . [and] concession[.]” by MBC—a description suggesting that a full trial on the merits might have resulted in even greater recovery.¹³⁰ Based on these and other factors, the Court approved the settlement on September 22, 2008.¹³¹ By doing so, the Court confirmed that parties that infringe on strong trademarks in imported popular culture icons do so at their peril.

The case came to a close for MBC one year after the District Court issued its last major order. Final payment on the settlement was made in 2009 and Solafide is now completely bankrupt.¹³² Bankruptcy Court filings show that Solafide incurred over \$920,000 in litigation-related expenses in 2008 alone.¹³³ Combined with the \$850,000 settlement amount, Solafide’s total *known* incurred cost to defend this allegedly \$4,400 case approaches \$2 million.¹³⁴ As for MBC, the company continues to showcase its signature drama and increase its presence within the United States. Among other things, MBC and its licensee, the Oyang Corporation, have since launched an official U.S. line of Dae Jang Geum cuisine, a commercial use that keeps MBC’s culinary drama fresh in the public’s mind and further cements MBC’s ownership of the Dae Jang Geum trademarks.¹³⁵

129. *Id.* at *5.

130. *Id.* at *6–7.

131. *Id.*, at *7–8.

132. Mark Mueller, *Noodle Maker Takes Over Local Plant*, 32 ORANGE COUNTY BUS. J. 1, 1 (2009); *Noodle Execs to Restart Plant in Irvine*, 32 ORANGE COUNTY BUS. J. 6, 3 (2009) (minor corrections to earlier article).

133. Solafide’s legal bills for 2007 remain unknown. However, the company incurred approximately \$924,711.46 in litigation-related legal bills between January and August 2008. *See* Reed Smith First Fee App’n, *supra* note 98, at 34–35, 38–39, 48–68; Reed Smith Second Fee App’n, *supra* note 98, at 54–56, 62, 65–71, 77–79, 87–117; Townsend Fee App’n, *supra* note 98, at 6. Detailed calculations on file with author.

134. Solafide’s total known incurred cost for defending this lawsuit is approximately \$1,774,711.46. *See* Order Approving Settlement, *supra* note 5, at *3 (noting settlement amount). *See also* sources cited *supra* note 133 (authority for Solafide’s legal fees and costs).

135. For example, the presence of Oyang Corporation’s “Dae Jang Geum” booth at the 2009 First Annual Korean American Coalition Korean BBQ Cook-Off, held on August 8, 2009, at Los Angeles, California, enables MBC’s Dae Jang Geum trademarks to grow in strength and commercial recognition. *See* Korean American Coalition Website, *10,000 People Attend KAC’s First Annual Korean BBQ Cook-Off*, Aug. 12, 2009,

VII. Conclusion

The District Court's orders in the Dae Jang Geum litigation provide guidance for businesses importing popular culture icons to the United States. Chief amongst them is the Court's concrete recognition that trademarks based on such icons may be protected under U.S. law. Solafide claimed that the Dae Jang Geum drama was nothing more than a niche product that could not generate worthwhile trademarks.¹³⁶ But the District Court's orders in this case confirm that imported popular culture icons from countries like South Korea can, and have, generated U.S. trademarks that are both strong and valuable.¹³⁷

Finally, although the benefits of this litigation may initially be felt in the Asian-American business and legal communities, none of the principles underlying the Court's orders are limited to that cultural demographic. The Court's recognition that trademarks based on such icons may be as worthy of protection as their homegrown counterparts applies equally to any other imported trademark that has achieved sufficient fame and strength in the United States, regardless of its country of origin. As a result, this case may encourage other businesses, Asian or otherwise, to protect their imported intellectual property. The outcome of this case may also deter other infringers. With a formidable legal team that included the law firms of Townsend & Townsend & Crew LLP and Reed Smith LLP, Solafide was well-represented.¹³⁸ Even so, Solafide was still forced to admit to infringement and pay heavily. Solafide's experience may encourage other infringers of such property to settle litigation early. Or, better yet, it may encourage them to avoid infringement entirely.

<http://www.kacla.org/?p=363> (on file with author; records of the Dae Jang Geum booth also on file with author).

136. *E.g.*, Joint 26(F) Report, *supra* note 86, at 3 (Solafide claiming that MBC's show only aired in "limited markets" and "has not achieved sufficient renown to enable Plaintiff to claim trademark rights[.]"). *See also* Solafide Interrog. Resps., *supra* note 19, at 12–13 (response to Interrogatory No. 10 claiming Solafide's ramen did not dilute MBC's trademark because show is not widely known enough to create trademark rights).

137. Order Granting Injunction, *supra* note 7, at *22–26 (discussing popularity of MBC's show and Solafide's intent in using MBC's trademarks); Order Withdrawing Bankruptcy Reference, *supra* note 5, at 4–5 (noting possibility of enhanced trademark damages); Order Approving Settlement, 2008 *supra* note 5, at *6–8 (describing \$850,000 settlement amount as "fair").

138. *E.g.*, Joint 26(F) Report, *supra* note 85 (early Court filing demonstrating Townsend's status as Solafide's litigation counsel); Reed Smith Second Fee App'n, *supra* note 98, at 2, 5–6, 18–20 (Reed Smith seeking Bankruptcy Court's authorization to be paid for services provided as Solafide's former bankruptcy counsel and secondary litigation counsel).