

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

SUSHI CONCEPTS SUNSET, LLC, §

Plaintiff, §

v. §

CASE NO. _____

MOD RESTAURANT INC., AND §

MALI HU, §

Defendants. §

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

INTRODUCTION

1. This complaint seeks an injunction (and other relief) to prevent and redress a likelihood of consumer confusion being caused by the Defendants’ adoption and use of a mark that is identical to the Plaintiff’s federally registered trademark for identical services that are promoted by similar means to the same class of clients.

2. Plaintiff Sushi Concepts Sunset, LLC (“Plaintiff” or “Sushi Concepts”) has, for over fifteen (15) years, provided restaurant services featuring sushi and grilled Japanese cuisine, offered in chic, upscale settings, under the federally-registered, incontestable mark KATANA.

3. The defendants, Mod Restaurant Inc. (“Mod”) and Mali Hu (“Hu”) (collectively, Mod and Hu are “Defendants”), are using the identical mark

KATANA and the deceptively similar mark KATANA TEPPANYAKI AND SUSHI (collectively, “Defendants’ Marks”) for upscale restaurant services featuring sushi and other grilled Japanese cuisine offered to the same class of customers as Plaintiff’s restaurants. Defendant’s use of marks that are identical to or deceptively similar to Sushi Concept’s trademark for identical services is likely to cause confusion in the marketplace.

4. If not stopped, Defendants will continue to benefit from an unfair “running start” in consumer name recognition as a result of plaintiff’s investment in, promotion of, and press publicity bestowed on, its high quality restaurant services under the KATANA mark.

PARTIES

5. Plaintiff is a California limited liability company with its corporate headquarters at 9200 Sunset Boulevard, Suite 650, West Hollywood, California 90069.

6. Mod is a Georgia limited liability company located at 3230 Compass Way, Milton, Georgia 30004. Mod owns the restaurant operating at 3345 Lenox Road NE, Atlanta, GA 30326 under the name KATANA or KATANA TEPPANYAKI AND SUSHI (“Defendants’ Restaurant”).

7. On information and belief, Mali Hu is a Georgia citizen residing at 3230 Compass Way, Milton, Georgia 30004. On information and belief, Mali Hu controls Mod, which owns Defendants' Restaurant.

NATURE OF ACTION, JURISDICTION AND VENUE

8. This is an action for trademark infringement and unfair competition under the Lanham Act, 15 U.S.C. §§ 1114 & 1125 and unfair competition under the law of Georgia.

9. This Court has jurisdiction over the claims made in this complaint under the Lanham Act, 15 U.S.C. § 1121, and under 28 U.S.C. §§ 1331 and 1338.

10. Personal jurisdiction and venue are proper in this district pursuant to 28 U.S.C. § 1391 because both Defendants reside in this District, and a substantial part of the infringing and tortious acts described in this Complaint took place at Defendants' Restaurant in the Buckhead neighborhood of Atlanta, which is located in this District.

FACTS

Sushi Concepts Sunset, LLC and Its Distinctive Mark

11. Plaintiff, through its licensees, offers upscale restaurant services featuring sushi and grilled Japanese cuisine, offered in distinctive, energetic and stylish settings, under the mark KATANA.

12. The mark KATANA is inherently distinctive as a mark for restaurant services because it is arbitrary. Katana is a Japanese word associated with swords that were used by the samurai of ancient and feudal Japan. A katana sword is characterized by its distinctive appearance: a curved, single-edged blade with a circular or squared guard and long grip to accommodate two hands.

13. For over fifteen years, Plaintiff Sushi Concepts has continuously used its KATANA mark in connection with its high-quality restaurant services.

14. Long before Defendants' recent adoption of its infringing name, the KATANA mark acquired substantial commercial strength and a favorable reputation in the marketplace as an identifier and symbol of Plaintiff Sushi Concepts' services and goodwill. That commercial strength and reputation stretches across the nation and even the world due to the quality of Plaintiff's restaurants in Los Angeles, Chicago and Dubai. The renown and accolades that Plaintiff's KATANA branded restaurants have garnered articles in magazines, newspapers, and other publications. For example, Plaintiff's KATANA branded restaurants have received publicity and accolades in such widely-read publications as *Forbes* and the *Chicago Tribune*.

15. Plaintiff Sushi Concepts has invested and continues to invest substantial sums in promoting the services it offers under the KATANA mark. It regularly advertises in widely-read, national publications such as *Where LA*, *Where*

Chicago, Chicago Tribune, Michigan Ave, and Los Angeles Magazine. Plaintiff Sushi Concepts also buys search engine advertising and other online advertising for its KATANA branded restaurants.

16. As a result not only of the inherent distinctiveness of the KATANA mark but, more importantly, of Plaintiff Sushi Concept's sustained, substantial, and successful promotion and provision of high-quality Japanese sushi and grill-based restaurant services under the KATANA mark, the consuming public had—prior to defendant's adoption of its infringing mark—come to associate the KATANA mark with a single, unique source. As a result, the KATANA mark, in addition to its inherent distinctiveness, has acquired substantial distinctiveness within the restaurant industry.

17. Plaintiff Sushi Concepts is also the rightful owner of a trademark registration on the Principal Register of the U.S. Patent and Trademark Office related to the KATANA mark. Specifically, Plaintiff Sushi Concepts owns Registration No. 2,769,798 covering KATANA for use with restaurant and bar services. This mark was first used in January 2002 and the Patent and Trademark Office issued the certificate of registration on September 30, 2003.

18. This registration is valid and incontestable pursuant to 15 U.S.C. § 1065. Under the Lanham Act, this registration, which is attached hereto as Exhibit A, is “conclusive evidence of the validity of the registered mark, of the registrant's

ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce.”

Defendants' Infringement

19. In approximately 2014 and certainly more than a decade after Plaintiff Sushi Concepts adopted, began using, developed unique consumer associations with, and federally registered its KATANA mark, Defendants adopted and began using the marks KATANA and KATANA TEPPANYAKI & SUSHI for upscale Japanese restaurant services featuring both sushi and grilled cuisine. Defendants operate a restaurant under the marks KATANA and KATANA TEPPANYAKI & SUSHI in the Buckhead neighborhood of Atlanta. Defendants' restaurants not only contain a similar menu, but they also feature distinctive upscale décor that evokes Japan through a dynamic and energetic space. Defendants' restaurants are marketed to the same clientele through the same channels as Plaintiff's KATANA branded restaurants.

20. Like Plaintiff's KATANA branded restaurants, Defendants KATANA and KATANA TEPPANYAKI & SUSHI branded restaurant specializes in Japanese cuisine, including sushi and grilled cuisine that targets an upscale, younger clientele, that appreciates premium Japanese fare in a dynamic and energetic setting.

21. Despite the limitless other marks and domain names that Defendants could have chosen, Defendants wrongfully appropriated a mark identical to and a mark deceptively similar to Plaintiff's well-known and established KATANA mark.

22. Defendant's infringement is willful, in that it chose a trademark that is identical to Plaintiff's federally-registered KATANA mark long after Plaintiff's mark began garnering accolades in the press and was registered with the United States Patent and Trademark Office, which registration constitutes constructive nationwide notice of plaintiff's marks under 15 U.S.C. § 1072. Defendant's infringement is further willful in that it ignored a letter sent in August 2018 on behalf of Plaintiff alerting Defendant Hu to Plaintiff's rights and demanding that Defendant Hu stop using Plaintiff's mark.

23. On information and belief, Defendant Hu is the Chief Operating Officer and day-to-day manager of Defendants' Restaurant and has, at all relevant times, had control over, and refused to stop, the infringing conduct.

Injury to Plaintiff and to the Consuming Public

24. Defendants' unauthorized use of an identical mark and a deceptively similar mark for identical services, promoted through similar media, to the same category of customers, is likely to cause confusion, to cause mistake, and/or to

deceive customers and potential customers of the parties that defendants' services originate from, are approved, sponsored, or licensed by, or are affiliated with plaintiff and/or are its services.

25. Defendants' unauthorized use of a confusingly similar mark removes from plaintiff the ability to control the nature and quality of services provided under designations that consumers are likely to erroneously associate with Plaintiff. This places Plaintiff's valuable reputation and goodwill in the hands of Defendants, an unaffiliated entity and an individual over whom Plaintiff has no control.

26. By adopting an identical mark for identical services promoted through similar media to the same category of customers, Defendants have obtained an unfair "running start" in garnering consumer recognition of its services on the back of Plaintiff's investment in, and persistent promotion of, high quality services under the KATANA mark. Defendants' unauthorized use of a confusingly similar mark and domain name thus unjustly enriches Defendants at the expense of Plaintiff's hard-won goodwill.

27. Unless Defendants' unlawful acts are restrained by this Court, they will continue, causing irreparable injury to Plaintiff and to the public, for which there is no adequate remedy at law.

COUNT 1: INFRINGEMENT OF REGISTERED TRADEMARK UNDER THE LANHAM ACT

28. Plaintiff repeats and realleges the foregoing paragraphs above as if fully set forth herein.

29. Defendants' actions, as set forth, constitute infringement of a registered trademark in violation of the Lanham Act, 15 U.S.C. § 1114(1).

30. By reason of the foregoing, Plaintiff has been and will continue to be irreparably harmed and damaged. Plaintiff's remedies at law are inadequate to compensate for this harm and damage.

COUNT 2: UNFAIR COMPETITION UNDER THE LANHAM ACT

31. Plaintiff repeats and realleges the foregoing paragraphs 1-27 above as if fully set forth herein.

32. Defendants' actions, as set forth, constitute unfair competition in violation of the Lanham Act, 15 U.S.C. § 1125(a)(1).

33. By reason of the foregoing, Plaintiff has been and will continue to be irreparably harmed and damaged. Plaintiff's remedies at law are inadequate to compensate for this harm and damage.

COUNT 4: UNFAIR COMPETITION UNDER GEORGIA COMMON LAW

34. Plaintiff repeats and realleges the foregoing paragraphs 1-27 above as if fully set forth herein.

35. Defendants' wrongful acts, as detailed above, constitute unfair competition under the common law of the State of Georgia.

36. By reason of the foregoing, Plaintiff has been and will continue to be irreparably harmed and damaged. Plaintiff's remedies at law are inadequate to compensate for this harm and damage.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests the entry of judgment against the Defendants as follows:

1. That the Court preliminarily and permanently enjoin Defendants, their affiliates, managers, officers, principals, agents, servants, employees, attorneys, successors and assigns, and all those persons in active concert or participation with any of them:

a. From using the terms KATANA and KATANA TEPPANYAKI & SUSHI, or any other confusingly similar designations, in connection with restaurant services;

b. From otherwise competing unfairly with Plaintiff in any manner, including adopting or using any other marks or designations that are confusingly similar to Plaintiff's KATANA mark.

c. From conspiring with, aiding, assisting or abetting any other person or business entity in engaging in or performing any of the activities referred to in subparagraphs a-b above;

2. That the Court order Defendants and their affiliates, managers, principals, officers, agents, servants, employees, attorneys, and all those persons in active concert or participation with any of them, to deliver up for destruction, or show proof of destruction of, any and all products, labels, signs, prints, packages, wrappers, receptacles, and advertisements, and any other materials (including electronically-stored information) in their possession or control that depict or refer to the mark KATANA or KATANA TEPPANYAKI & SUSHI, or any other mark confusingly or substantially similar to Plaintiff's KATANA mark, and any materials, articles, or electronically-stored information used for making or reproducing the same as provided by 15 U.S.C. § 1118;

3. That the Court order Defendants to file with the Court and to serve upon Plaintiff, within thirty (30) days after the entry and service of an injunction upon Defendants, a report in writing and under oath, specifying the manner and form in which each Defendant has complied with paragraphs 1 and 2 immediately above and/or any other injunctive provisions ordered by the Court;

4. That Plaintiff recover all damages it has sustained as a result of Defendants' infringement and unfair competition;

5. That treble damages be added to said damages in favor of Plaintiff pursuant to 15 U.S.C. § 1117(a);

6. That the Court award Plaintiff its reasonable attorneys' fees for prosecuting this action pursuant to 15 U.S.C. § 1117(a);

7. That Plaintiff recover its costs of this action and prejudgment and post-judgment interest; and

8. That Plaintiff recover such other and further relief as the Court may deem appropriate.

JURY TRIAL DEMAND

Pursuant to FED. R. CIV. P. 38, plaintiff hereby demands a trial by jury on all issues triable by right to a jury.

Dated: October 26, 2018

Respectfully submitted,

/s/Elizabeth J. Campbell

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