

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

KUTZTOWN PENNSYLVANIA GERMAN : CIVIL ACTION
FESTIVAL, INC. :
 :
v. :
 :
RICHARD THOMAS AND FESTIVAL :
ASSOCIATES : NO. 98-5695

MEMORANDUM AND ORDER

Fullam, Sr. J. February , 1999

Plaintiff seeks a preliminary injunction to prevent the defendants from using the word "Kutztown" in the name of, and in advertisements for, an annual folk festival conducted by the defendants.

For many years, beginning in 1949, the annual "Kutztown Folk Festival" was held at the Kutztown Fairgrounds. The original festival was established by a Dr. Shoemaker. Ursinus College became interested in working with the annual festival in order to preserve and celebrate the cultural heritage of the "Pennsylvania Dutch" who had settled in that area.

In 1965, Ursinus College purchased the festival from Dr. Shoemaker; the purchase included all rights to the service marks.

In 1994, Ursinus College decided to sell its interest in the festival and suggested that the Kutztown Fair Association (the owner of the fairgrounds on which the festival had been held

since its inception, pursuant to various annual leases) might wish to purchase the festival enterprise. When the fairgrounds ownership declined the opportunity, Ursinus College sold the enterprise to the defendants, Richard Thomas and a family corporation he controls. Mr. Thomas had worked at the annual Kutztown Folk Festival since its inception. He began as a lowly laborer for one of the food concessions, but gradually increased his activities to the point where he owned more than 30 of the concession stands which were the commercial essence of the festival.

The owners of the Kutztown Fairgrounds declined to lease the property to the defendants. The defendants thereupon moved the festival to the Schuylkill County Fairgrounds in Summit Station, approximately 30 miles away from the Kutztown Fairgrounds, and have continued to conduct the festival annually since 1995.

The plaintiff, a non-profit corporation which is also interested in preserving the Pennsylvania Dutch heritage, and which has some association with Kutztown University, leased the Kutztown Fairgrounds and proceeded to hold its own festival. The two groups have been holding competing festivals every year since 1995. Plaintiff's festival is designated the "Kutztown Pennsylvania German Festival." At an early stage, attorneys representing the defendants objected to plaintiff's use of the

term "annual" and other aspects of plaintiff's advertising materials on the ground that they created the erroneous impression that plaintiff's festival was a continuation of the established festival operated by the defendants. Plaintiff's representatives agreed to modify their promotional materials. Plaintiff now contends that the persons making these concessions did not have legal authority to bind the plaintiff to these concessions. On the other hand, at least some of the materials objected to by the defendants are no longer in use by the plaintiff.

It is undisputed that Ursinus College had the exclusive ownership of all of the assets, including the service marks, of the Kutztown Folk Festival and that, in 1995, it lawfully sold all of these assets and rights to the defendants (for a total price of approximately \$400,000). It seems equally clear that the plaintiff does not have the right to use the name "Kutztown Folk Festival." Indeed, plaintiff expressly disclaims any intention to preclude the defendants from asserting that their festival is a continuation of the same festival which has been held since 1949. The sole argument advanced by plaintiff is that, since defendants' festival is now held at Summit Station, Pennsylvania, not at Kutztown, defendants' continued use of the "Kutztown" designation violates the Lanham Act because it "misrepresents the...geographic origin...of [defendants'] goods,

services or commercial activities."

The issue to be decided is whether plaintiff has shown a sufficient likelihood of success on the merits to warrant the issuance of a preliminary injunction.

The word "Kutztown" is geographic. As such, it is not entitled to trade-mark protection. Delaware & Hudson Canal Company v. Clark, 80 US 311, 20 L Ed 851 (1871). (All coal mined in the Lackawanna Valley of Pennsylvania may properly be called "Lackawanna coal," regardless of which mining company first applied that term to its product.)

Plaintiff cites the case of Black Hills Jewelry Mfg. Co., et al. v. Gold Rush, Inc., et al., 633 F2d 746 (8th Cir. 1980), for the correlative proposition that a defendant may properly be enjoined from falsely representing the geographical origin of its product ("Black Hills Gold" for jewelry resembling an established line of jewelry manufactured in the Black Hills of South Dakota, but manufactured elsewhere from raw materials having no relationship to the Black Hills). But the crucial factor in such cases is the combination of (1) falsity of (2) a representation as to the origin of a product. Neither of those factors is established in the present case: defendants are not selling a product, they are conducting a festival; and, to the extent it can be said that they are representing the "origin" of their festival, the representation is basically true.

There can be no doubt that the persons who attend the defendants' festival know that it is being held in Summit Station, not in Kutztown. The only implied representation about "origin" is that the defendants' festival is the legitimate successor to the festival which has been conducted annually since 1949. On this record, that representation is true.

Plaintiff's argument that the defendants should be enjoined from using the word "Kutztown" is, in reality, an argument either that plaintiff has the exclusive right to use that word (obviously incorrect) or, perhaps, that any business enterprise formerly located in Kutztown must change its name if it relocates. In my view, plaintiff's likelihood of success in establishing that proposition is not great. It bears repetition that the public is not being deceived about the origin and history of the defendants' festival.

Since I have concluded that plaintiff has not shown a strong likelihood of success on the merits, the application for a preliminary injunction will be denied. The same result is also mandated by my conclusion that plaintiff is probably guilty of laches. Plaintiff has, quite obviously, known all about the defendants' activities for more than three years, but did not seek an injunction until the defendants' preparations for their "50th anniversary" year were well underway. In this situation, balancing the equities favors denial of the preliminary

injunction.

An Order follows.

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ORDER

AND NOW, this day of February, 1999, IT IS

ORDERED:

Plaintiff's Application for a Preliminary Injunction is

DENIED.

John P. Fullam, Sr. J.