

Trademark Law

Prof. Madison

Today: Remedies

Key concepts from Class 16:

Legal rules and concepts as tools for problem solving.

“Descriptive” use of a trademark, by a competitor, as the key, traditional affirmative defense to a claim of trademark infringement.

Additional, more recently developed defenses yet to come.

Trademark remedies: key concepts

- “Theories of harm,” a/k/a stories of the case.
- Injunctions and other equitable relief: general equitable principles apply.
- Damages? Defendant’s profits (unjust enrichment) and/or harm to the plaintiff/mark owner (lost sales, reputational harm, out of pocket expenses, remedial advertising).
- Seizure/destruction.
- Criminal penalties.
- Attorneys’ fees.
- Alternative (private) dispute resolution. Platform dispute resolution?

Injunctions and other equitable relief

- Equitable relief: TROs, preliminary, permanent injunctions.
- Standard elements for PI: (i) likelihood of success on the merits; (ii) likelihood of irreparable harm absence of injunction; (iii) balance of hardships and public interest considerations favor issuance of injunction.
- Courts generally apply *eBay v. MercExchange* (U.S. 2006) (patent case), holding that violation of the substantive IP right does not give rise to a presumption of irreparable harm; plaintiff must show harm in addition to showing (infringement). Goal is to align IP remedies w/standard equitable principles.
- **BUT Trademark Modernization Act (2020) restores rebuttable presumption of irreparable harm if infringement/dilution is shown (or likely shown, in a PI)**
- Common to ask whether harm could be remedied via damages (equity steps in where legal remedies are inadequate).

Injunctions and other equitable relief

- What does “trademark harm” look like other than confusion itself, or dilution itself?
- **Was Congress right?** Applying *eBay* too aggressively may perpetuate consumer injury because plaintiffs may have difficulty in showing economic harm.
- Much rides on the evidentiary showing.
- Beware the theory of the case! (esp. if this gets developed *after* rush for TRO and PI).
- Bonding.

Injunctions and other equitable relief

- General remedial principle: plaintiffs get to decide what kinds of relief they want.
- When it comes to TROs, PIs, and permanent injunctions: ask for what you want, and want what you ask for!
- Nb. claims in equity (including disgorgement) do not trigger juries. Damages are “legal” rather than “equitable.”
- And – despite the restoration of the rebuttable presumption - remember that many district courts don’t know about (or don’t understand) *eBay*, esp. in districts w/few IP cases and a limited IP bar. How can the presumption be rebutted?

Damages: *read the statute (Lanham Act Sections 34, 35)*

- Lost profits (defendant's unjust enrichment) and harm to plaintiff (trademark owner).
- Goal is compensation; no punitive damages. But:
- Actual damages usually must be shown for the plaintiff to recover damages.
- "Willful" infringement (not innocent) may trigger treble damages.
- For infringement of a registered mark (whether the claim arises under § 32 or § 43), damages are available only for harm arising after the registrant gave notice of the registration (e.g., via the ® symbol).
- What's the evidence of loss? Of willfulness?
- Damages questions almost always turn on role of dueling expert witnesses (economists): what is the value of a mark? What is the structure of a market?

Harm?

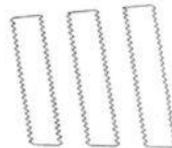
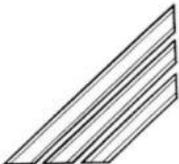
adidas Am., Inc. v. Skechers USA, Inc. (9th Cir. 2018):

- **PI affirmed** as to infringement of trade dress in “Stan Smith” shoe; **reversed** as to infringement and dilution of the Three-Stripe mark

The Stan Smith Trade Dress



The Skechers “Onix”



The Skechers
“Relaxed Fit
Cross Court TR”

Seizure and destruction

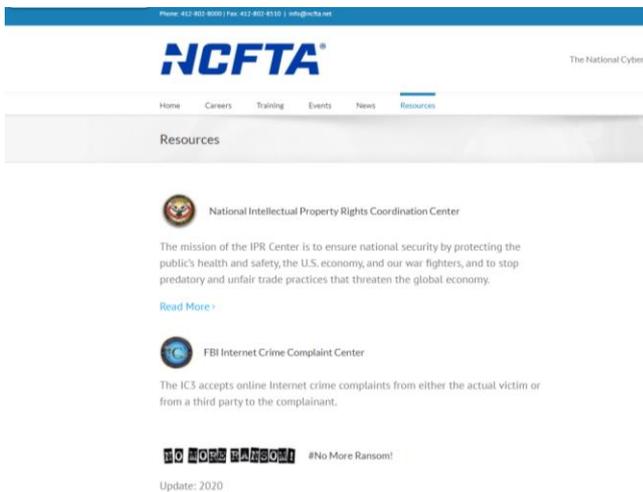
- Registered marks only.
- Counterfeiting only (identical marks, identical goods).
- Order can cover counterfeit goods and marks and means of making the marks.
- *Specificity matters.*
- Ex parte relief, often. Accelerated discovery? File under seal?
- Bonding.
- Executing Team, team, team.

Attorneys' fees

- Attorneys' fees are available to the prevailing party (plaintiff or defendant) in “exceptional cases.”
- What's an exceptional case? See *Octane Fitness, LLC v. ICON Health & Fitness, Inc.* (U.S. 2014):
 - (i) bad faith / willful infringement / extraordinary disparity in the merits of the parties' positions and/or
 - (ii) super aggressive/oppressive litigation conduct (“scorched earth”)

Criminal law, seizure and impoundment, and third party help

- How to get the attention of the US Attorney's Office.
- Alternatives to US federal courts: other countries; US FDA (pharma); US Customs & Border Protection; US ITC (w/patent claims); online



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Resources

 National Intellectual Property Rights Coordination Center

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 FBI Internet Crime Complaint Center

The IC3 accepts online Internet crime complaints from either the actual victim or from a third party to the complainant.

NO MORE RANSOM! #NoMoreRansom!

Update: 2020



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Report Infringement

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