

Peter M. Brody
Responses to Questions for the Record from
Rep. Henry Johnson, Jr., Chairman

Q1. *Your testimony largely focuses on the benefit of an irreparable harm presumption in cases where likelihood of confusion has been found (or deemed likely), but it also notes that the irreparable harm presumption should apply in Lanham Act cases where the standard is not likelihood of confusion, such as in dilution cases. Why should the presumption also apply in these cases?*

The Lanham Act explicitly protects famous marks from dilution. The statute recognizes two forms of this wrong: dilution by “blurring” (defined as an “association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark”) and dilution by “tarnishment” (defined as an “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark”). Both forms of dilution entail substantial harm to the *value* of a famous trademark in the marketplace – harm that, just like the harm from infringement, can be exceedingly difficult to quantify or fully and effectively remedy through damages. Consumers, too, suffer when an established trademark no longer serves to distinguish the owner’s goods or services from those of others (blurring) or when a trademark no longer conveys the goodwill and positive reputation once associated with the goods or services it represented. These potentially permanent and irreversible harms to the trademark owner and consumer are most effectively remedied through injunctive relief. Thus, the rebuttable presumption of irreparable harm is just as necessary and important to ensuring the robust availability of the injunctive remedy in the dilution context as in the infringement context.

Q2. *Have plaintiffs had difficulty proving irreparable harm in courts where the presumption is no longer followed?*

Indeed, in a number of trademark infringement cases, courts have denied injunctive relief despite finding that confusion is likely or has occurred. For example, in an oft-cited decision, the Court of Appeals for the Ninth Circuit denied an injunction notwithstanding the plaintiff’s submission of evidence of actual customer confusion, stressing that “to establish irreparable injury, a trademark owner must do more than merely demonstrate that a trademark has been infringed or that consumers have been confused.” *Herb Reed Enterprises, LLC v. Florida Entm’t Mgmt., Inc.*, 736 F.3d 1239, 1250 (9th Cir. 2013). Courts in that Circuit are bound by that decision. *See, e.g., Cerule, LLC v. Stemtech Healthsciences, Inc.*, 2016 U.S. Dist. LEXIS 112741 (D. Ore. 2016) (noting that “the Ninth Circuit specifically rejected the argument that a showing of infringement supported a finding of irreparable harm”); *TPW Mgmt., LLC v. Yelp Inc.*, 2016 U.S. Dist. LEXIS 147884 (N.D. Cal. 2016) (holding that accepting plaintiff’s claims on potential loss of control over its mark and reputation “would necessarily collapse the likelihood of confusion and the irreparable harm analyses, in direct contravention to the law in the Ninth Circuit”); *Williams v. Green Valley RV, Inc.*, 2015 U.S. Dist. LEXIS 103409 (C.D. Cal. 2015) (finding that evidence of underlying actual confusion in the irreparable harm context is “nothing more than a regurgitation

of consumer confusion evidence, which is the exact type of evidence explicitly rejected by the Ninth Circuit in *Herb Reed*. Irreparable harm is no longer presumed or proven by a mere showing of consumer confusion").

Courts in other federal Circuits have reached similar conclusions. *See, e.g., Brandywine Prod. Group Int'l v. Universal Distrib. Ctr. LLC*, 2016 U.S. Dist. LEXIS 132195 (D.N.J. 2016); *Kotori Designs, LLC v. Living Well Spending Less, Inc.*, 120 U.S.P.Q.2d 1800 (M.D. Fla. 2016).

While courts across the nation are now holding that evidence of confusion does not, by itself, establish irreparable harm, there is scant discussion in the cases of what sort of evidence *would* satisfy that prong of the four-part test for injunctive relief. This lack of clarity as to the nature of the burden of proof compounds the difficulties for trademark owners seeking an effective remedy for infringement.