

Joe Matal and David Bell in IP Magazine: 'Change Over'

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Last December, Congress left trademark owners a generous gift under the tree in the form of the Trademark Modernization Act of 2020 (TM Act) – which former President Donald Trump, after some vacillation, signed into law as part of the Covid-19 relief bill.

The TM Act makes what are arguably the most significant changes to U.S. trademark law since the enactment of the Lanham Act in 1946. Most importantly, the new law restores the trademark owner's right to a presumptive injunction upon showing a violation of the Lanham Act, and it creates two fast and inexpensive procedures for removing unused marks from the register.

Injunctions used to be automatically awarded in both trademark and patent cases, but after the Supreme Court of the US (SCOTUS) eliminated the presumptive right to injunctions for patents in 2006, the US Courts of Appeals for the Third, Ninth, and Eleventh Circuits extended that precedent to trademarks. These courts held that a trademark owner must provide separate evidence of irreparable harm to justify an injunction, above and beyond that which it used show a violation of the Lanham Act.

This has led to frustrating situations for mark owners that had presented compelling evidence of actual consumer confusion and even deception – and nevertheless were denied an injunction because the same evidence had already been used to show a violation of the Lanham Act. The committee report for the TM Act cites the example of the Ninth Circuit's 2018 decision in *adidas America, Inc v Skechers USA, Inc*, which affirmed a district court's findings that adidas' famous three-stripe mark had been infringed and diluted and that the defendant had even intended to deceive the public. The Court of Appeals nevertheless concluded that this was not enough to show irreparable harm for an injunction.

In a poignant dissent in *adidas*, Judge Clifton emphasized the logic behind the earlier presumption of irreparable harm: once the plaintiff had shown that its mark has been infringed and diluted, "it is not a big leap to conclude that adidas would be injured by that action." He went on to describe his own experience 30 years earlier in private practice, supporting Louis Vuitton's extensive efforts to prevent cheap imitations of its products from being sold at swap meets and flea markets. As the TM Act committee report notes, once evidence of consumer confusion and loss of control over the brand has been presented, "it is unclear what additional evidence could or should be provided."

Excerpted from *Intellectual Property Magazine*. To read the full article, click [here](#).