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Requiring Plaintiffs to Prove Irreparable Harm: “It Isn’t Right.” (Herb Reed Enters, LLC v. Fla Entm’t Mgmt. Inc. (9th Cir.2013))

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Cover Page Footnote

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Requiring Plaintiffs to Prove Irreparable Harm: “It Isn’t Right.”
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By: Anthony Kremer

I. Introduction

“It isn't right for you to hurt me / It isn't right to make me blue / It isn't right to take my kisses / And give them to somebody new. . .”

–The Platters, *It Isn’t Right*¹

The Platters were one of the most popular bands of the 1950s.² The band was admitted into the Rock and Roll Hall of Fame in 1990, and even today, their music maintains a degree of popularity.³ Although band members came and went from their ranks, the trademark everyone recognizes them by, “The Platters,” has remained the same.⁴ Sadly, however, The Platters trademark has become the subject of decades of litigation regarding the mark’s ownership, as multiple groups have laid claim to and have used the mark since the 1950s.⁵

In 2011, it was determined that Herb Reed, the founder of The Platters, owned the rights to The Platters trademark.⁶ At that point, Herb Reed had the right to sue others who used The Platters mark unlawfully.⁷ But another, more daunting, legal question presented itself: whether

¹ THE PLATTERS, *It Isn’t Right*, on ALL-TIME GREATEST HITS (The Island Def Jam Music Group 2004). The procedural history of *Herb Reed., LLC, v. Fla. Entm’t Mgmt.*, 736 F.3d 1239 (9th Cir. 2013) has had its share of clever references to The Platters’ discography. *See id.* at 1242 (“[T]he names of The Platters’ hits ironically foreshadowed decades of litigation – ‘Great Pretender,’ ‘Smoke Gets In Your Eyes,’ ‘Only You,’ and ‘To Each His Own.’”); *See also* Herb Reed Enters., LLC v. Fla. Entm’t Mgmt., 2012 U.S. Dist. LEXIS 102566 (D. Nev. July 24, 2012) (“In this case, the assignee of founding band member Herb Reed ask the Court to tell Defendants - who promote an unlicensed show featuring a group called The Platters - that ‘It Isn’t Right.’ Plaintiff asks that the Court answer Reed’s ‘Prayer,’ and hold that Defendants are a merely [sic] “Great Pretender” while ‘Only You [Reed]’ (‘and [Reed] Alone’) owns ‘The Platters’ mark.”).

² *The Platters Biography*, THE ROCK AND ROLL HALL OF FAME AND MUSEUM, available at <http://rockhall.com/inductees/the-platters/bio/>.

³ *Id.*

⁴ *See id.*

⁵ *Herb Reed Enters., LLC*, 736 F.3d at 1243-45.

⁶ *Id.* at 1244.

⁷ *See id.* at 1247.

plaintiffs like Herb Reed must prove that damage done to their trademark by infringers cannot be adequately compensated by money damages, or whether plaintiffs benefit from a presumption that such damage would be irreparable.⁸ This question has become a critical cog in the determination of whether a court should bar a defendant's illegal use of trademarks, and while legal tradition sided with the later stance, this conclusion is under serious fire.⁹

Part II of this Casenote provides a basic framework for intellectual property law in the United States by analyzing the U.S. Constitution, federal statutes, and existing case law. Part II also explains how courts have previously evaluated the need for injunctions in lawsuits. Part III discusses the case *Herb Reed Enters, LLC v. Fla. Entm't Mgmt.* and the Ninth Circuit's holding that irreparable harm cannot be presumed in a trademark infringement context. Part IV critiques the Ninth Circuit's analysis. Finally, Part V concludes that the presumption of irreparable harm should continue to be implemented in trademark infringement cases where the plaintiff is seeking a preliminary injunction.

II. Background

A. Intellectual Property Law

1. *Basis, Rationale, and Purpose*

Intellectual property consists of “intangible rights [which] protect[] commercially valuable products of the human intellect.”¹⁰ Three predominant types of intellectual property are patents, copyrights, and trademarks.¹¹ Patents are a “governmental grant of the exclusive right to

⁸ See *id.* at 1248-49.

⁹ See *id.*

¹⁰ *Black's Law Dictionary* 930 (10th ed. 2014).

¹¹ *Id.* Other kinds of intellectual property include “trade-secret rights, publicity rights, moral rights, and rights against unfair competition.” *Id.*

use an invention”¹² such as new processes, machines, methods of manufacturing, and compositions of matter.¹³ Copyrights are intellectual property rights in an “original work[] of authorship fixed in any tangible medium of expression.”¹⁴ Common types of works protected by copyright are literary, musical, and dramatic works, as well as motion pictures and sound recordings.¹⁵ Finally, trademarks are “word[s], phrase[s], logo[s], or other sensory symbol[s] used . . . to designate the source of goods or services.”¹⁶ Apple® and its bitten apple logo are examples of well-recognized trademarks.¹⁷ Patent legislation is embodied in the Patent Act,¹⁸ copyright legislation in the Copyright Act,¹⁹ and trademark legislation in the Lanham Act.²⁰

Each of these predominant types of intellectual property have certain legal foundations.²¹ Copyrights and patents have their foundation in the Intellectual Property Clause of the Constitution, which states that Congress has the power “[t]o promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.”²² “Useful arts” refers to patent law, and “science” refers to copyrights.²³ The basis for trademark law in the United States, however, is not so clearly defined in the Constitution.²⁴ The Supreme Court has declared that trademark law cannot be justified by the Intellectual Property Clause.²⁵ Instead, Congress’s ability to regulate trademarks comes from

¹² *Black’s Law Dictionary* 1046 (10th ed. 2014).

¹³ 35 USCS § 101.

¹⁴ 17 USCS 102.

¹⁵ *Id.*

¹⁶ *Black’s Law Dictionary* 1721 (10th ed. 2014); *see also* 15 USCS § 1127.

¹⁷ *See Apple Trademarks List, APPLE*, available at <http://www.apple.com/legal/intellectual-property/trademark/appletmlist.html>.

¹⁸ *See generally* 35 USCS.

¹⁹ *See generally* 17 USCS.

²⁰ *See generally* 15 USCS.

²¹ *See Trade-Mark Cases*, 100 U.S. 82, 93-94 (1879).

²² U.S. Const. art. I, § 8, cl. 8.

²³ *See* 1 MELVILLE B. NIMMER, DAVID NIMMER, NIMMER ON COPYRIGHT §1.02 (Matthew Bender, Rev. Ed.).

²⁴ *Trade-Mark Cases*, 100 U.S. at 93-94.

²⁵ *Id.*

the Commerce Clause of the Constitution.²⁶ That clause states that Congress has the right to “regulate commerce . . . among the several states.”²⁷

There are also certain rationales and purposes behind patent, copyright, and trademark law.²⁸ Patents, according to the Supreme Court, “foster and reward invention” by giving inventors an economic monopoly on their inventions, “promote[] the disclosure of inventions to stimulate further innovation,” and create a public domain of knowledge for the public to use.²⁹ Similarly, an often cited justification for copyright law is that it encourages authors to produce creative works for public consumption by protecting an author’s rights to benefit economically from those works.³⁰ The rationale behind trademark law, however, is different.³¹ Trademarks serve two important functions in society: “to protect both consumers from deception and confusion over trade symbols and to protect the plaintiff’s infringed trademark as property.”³²

2. Causes of Action

The owner of a patent, copyright, or trademark, has relatively exclusive rights to that intellectual property and the ability to prevent others from using it.³³ The use of another’s intellectual property without permission is called “infringement.”³⁴ Particularly, in order to

²⁶ See 17 USCS §1127; See also S. Rep. No 79-1133, at 4-5 (2d Sess. 1946).

²⁷ U.S. Const. art. I, § 8, cl. 3.

²⁸ *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257, 262 (1979); see *Mazer v. Stein*, 347 U.S. 201, 219 (1954); 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2:2 (4th ed.).

²⁹ *Aronson*, 440 U.S. at 262.

³⁰ See *Mazer*, 347 U.S. at 219.

³¹ See MCCARTHY, *supra* note 28.

³² *Id.* (citing *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 855 (1982); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 782, n.15 (1992) (J. Stevens, concurring)).

³³ See 35 USCS § 154 (“Every patent shall [give the patent holder]. . . the right to exclude others from making, using, offering for sale, or selling the invention. . .”); 17 U.S.C.S. § 106 (“[T]he owner of copyright. . . has the exclusive rights . . . (1) to reproduce the copyrighted work in copies . . . (3) to distribute copies . . . of the copyrighted work to the public by sale . . . or by rental, lease, or lending[.]”); 15 U.S.C.S. § 1115 (“[A] mark registered . . . [under] this Act [gives] . . . the registrant[] exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the registration[.]”).

³⁴ See *Black’s Law Dictionary* 900 (10th ed. 2014).

prove trademark infringement, a plaintiff must prove that he or she is “(1) the owner of a valid, protectable mark, and (2) that the alleged infringer is using a confusingly similar mark.”³⁵ To gauge whether the defendant’s mark is confusingly similar to the plaintiff’s mark, courts will consider the following factors:

(1) strength of the mark, (2) proximity of the goods, (3) similarity of the marks, (4) *evidence of actual confusion*, (5) marketing channels used, (6) type of goods and the degree of care likely to be exercised by the purchaser, (7) defendant’s intent in selecting the mark, and (8) likelihood of expansion of the product lines.³⁶

These factors are collectively referred to as the “likelihood of confusion” standard, and it is relatively similar across state and federal jurisdictions.³⁷ A plaintiff need not demonstrate that all of these factors weigh in their favor nor that actual confusion with consumers exists.³⁸

Ultimately, if the court finds trademark infringement, the consumer goodwill associated with the plaintiff’s marks is deemed at risk because consumers might believe the infringing products or services are that of the plaintiff.³⁹ If these products and services are of poor quality, that might prevent consumers from purchasing the products and services of the plaintiff.⁴⁰ In instances like these, plaintiffs can seek relief through the courts.⁴¹

Another cause of action in trademark law is trademark dilution.⁴² Trademark dilution occurs when one attempts to make an association between his or her mark and an already famous mark, resulting in the famous mark becoming less distinctive or causing harm to the reputation of

³⁵ Herb Reed Enters., LLC v. Fla Entm’t Mgmt. Inc., 736 F.3d 1239, 1247 (9th Cir. 2013).

³⁶ AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341, 348-49 (9th Cir. 1979) (emphasis added).

³⁷ 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:1:50 (4th ed.).

³⁸ See *Sleekcraft*, 599 F.2d at 348, 353.

³⁹ See 5 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 30:47 (4th ed.).

⁴⁰ *Id.*

⁴¹ See *id.* at § 30:1.

⁴² 15 USCS § 1125(c).

the famous mark.⁴³ Plaintiffs in trademark dilution cases are capable of seeking relief through the courts “*regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.*”⁴⁴

3. Injunctive Relief

Two common forms of relief in intellectual property cases are preliminary and permanent injunctions.⁴⁵ Injunctions are equitable remedies that, in the context of intellectual property infringement cases, force a potential or found infringer to cease copying another’s intellectual property.⁴⁶ Preliminary injunctions, if granted, take effect before and during an infringement trial.⁴⁷ Permanent injunctions can be granted once the trial court has found infringement.⁴⁸ In order for a plaintiff to receive a preliminary injunction, they must demonstrate:

[1] [T]hat [the plaintiff] is likely to succeed on the merits, [2] that [the plaintiff] is likely to suffer irreparable harm in the absence of preliminary relief, [3] that the balance of equities tips in [the plaintiff’s] favor, and [4] that an injunction is in the public interest.⁴⁹

The second factor, irreparable harm, refers to damages that cannot be remedied with money damages.⁵⁰ If a plaintiff is able to prove that these four items exist in a trademark infringement context, they can receive a preliminary injunction to stop a potential infringer’s actions until a final decision is made at trial.⁵¹ However, plaintiffs must also place a bond with the court before the injunction can be granted.⁵² If the trial court does find infringement, the court could then

⁴³ 15 USCS § 1125(c)(2)(B),(C).

⁴⁴ 15 USCS § 1125(c)(1) (emphasis added).

⁴⁵ McCarthy, *supra* note 39, at § 30:1.

⁴⁶ *Id.* at § 30:4.

⁴⁷ See 11 CHARLES ALAN WRIGHT, ARTHUR R. MILLER & EDWARD H. COOPER, FEDERAL PRACTICE AND PROCEDURE § 2947 (3d ed.).

⁴⁸ MCCARTHY, *supra* note 39, at § 30:1.

⁴⁹ Winter v. Natural Res. Def. Council, Inc., 555 U.S. 7, 20 (2008).

⁵⁰ MCCARTHY, *supra* note 39, at § 30:46.

⁵¹ *Id.* at § 30:1.

⁵² Fed. R. Civ. P. 65(c).

grant a permanent injunction as well as money damages.⁵³ The test for determining whether a permanent injunction is appropriate is fundamentally the same as that for a preliminary injunction, except instead, there must be a finding that the plaintiff has suffered irreparable harm.⁵⁴

B. Related Case Law

Traditionally, courts have applied a presumption of irreparable harm in trademark infringement cases.⁵⁵ A presumption is a rebuttable “legal *inference* or assumption that a fact exists because of the known or proven existence of some other fact or group of facts.”⁵⁶ Presumptions of irreparable harm have been applied in trademark cases, largely because courts have found that the reputational harm done to plaintiffs by a defendant is “virtually impossible to quantify in terms of monetary damages.”⁵⁷ Some courts justify the presumption based on the strength of a plaintiff’s case of likelihood of confusion.⁵⁸ If the case for likelihood of confusion is stronger, courts are more likely to presume irreparable harm than if the case for likelihood of confusion was very weak.⁵⁹ Importantly, the presumption in trademark infringement cases, like

⁵³ MCCARTHY, *supra* note 39, at § 30:1.

⁵⁴ See *eBay Inc. v. MercExchange, LLC*, 547 U.S. 388, 391 (2006). (“A plaintiff must demonstrate: (1) that [the plaintiff] has suffered an irreparable injury; (2) that remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) that considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction.”).

⁵⁵ MCCARTHY, *supra* note 39, § 30:46 (4th ed.).

⁵⁶ *Black’s Law Dictionary* 1376 (10th ed. 2014).

⁵⁷ *Groupe SEB United States, Inc. v. Euro-Pro Operating LLC*, 774 F.3d 192, 205 n.8 (3d Cir. 2014); See also *Kraft Foods Grp. Brands LLC v. Cracker Barrel Old Country Store, Inc.*, 735 F.3d 735, 741 (7th Cir. 2013) (“[I]rreparable harm is especially likely in a trademark case because of the difficulty of quantifying the likely effect on a brand of a nontrivial period of consumer confusion.”).

⁵⁸ MCCARTHY, *supra* note 39, at § 30:45.

⁵⁹ See e.g. *Kraft Foods Grp. Brands LLC*, 735 F.3d at 740 (“[T]he more likely it is the plaintiff will succeed on the merits, the less the balance of irreparable harms need weigh towards its side; the less likely it is the plaintiff will succeed, the more the balance need weigh towards its side.”); see also MCCARTHY, *supra* note 39, at § 30:45.

other legal presumptions, is rebuttable; a defendant still has a chance to show the court that their potentially infringing activities will not result in irreparable harm to the plaintiff.⁶⁰

The presumption of irreparable harm, however, has come under increasing judicial scrutiny in light of two recent Supreme Court rulings: *eBay Inc. v. MercExchange, LLC* and *Winter v Natural Res. Def. Council, Inc.*⁶¹ These two decisions, both of which came out within the past decade, have greatly influenced the discussion of injunctions and irreparable harm in trademark infringement cases, notwithstanding the fact that neither case discusses trademark law nor mentions the presumption of irreparable harm.⁶² While some circuit courts continue to apply a presumption of irreparable harm in trademark infringement cases,⁶³ some have begun to question the practice,⁶⁴ and others, including the Ninth Circuit, now reject the presumption.⁶⁵

a. *eBay Inc., v. MercExchange, LLC*

In *eBay Inc., v. MercExchange, LLC*, eBay and one of its subsidiaries, Half.com, were sued by MercExchange for patent infringement.⁶⁶ MercExchange claimed that eBay and Half.com infringed MercExchange's patent, which covered "electronic market design[] to facilitate the sale of goods between private individuals by establishing a central authority."⁶⁷ At trial, the district court found that eBay and Half.com had infringed MercExchange's patent, but

⁶⁰ MCCARTHY, *supra* note 39, at § 30:47.

⁶¹ See generally Jeffery M. Sanchez, Comment, *The Irreparably Harmed Presumption? Why the Presumption of Irreparable Harm in Trademark Law Will Survive eBay and Winter*, 2011 B.Y.U.L. Rev. 535.

⁶² *Id.*

⁶³ See, e.g., *Abraham v. Alpha Chi Omega*, 708 F.3d 614, 627 (5th Cir. 2013).

⁶⁴ See, e.g., *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1228 (11th Cir. 2008).

⁶⁵ *Herb Reed Enters, LLC v. Fla Entm't Mgmt. Inc.*, 736 F.3d 1239, 1250 (9th Cir. 2013).

⁶⁶ *eBay Inc. v. MercExchange, LLC*, 547 U.S. 388, 390 (2006).

⁶⁷ *Id.*

MercExchange was denied a permanent injunction.⁶⁸ The Court of Appeals for the Federal Circuit reversed and granted the injunction because of the finding of patent infringement.⁶⁹

The Supreme Court ultimately vacated the Federal Circuit’s decision.⁷⁰ Neither the district court, nor the appellate court, according to the Supreme Court, had correctly applied the four-factor test to determine if a permanent injunction was appropriate, given eBay and Half.com’s infringement.⁷¹ The Patent Act, the Court stressed, states that injunctions “may [be] issue[d] only in accordance with the principles of equity” and that the principles of equity dictate that all four factors exist.⁷² Congress, the Court hinted, could indicate through legislation a departure from these principles of equity if necessary.⁷³ As a result, the Court declared that the “categorical grant” of an injunction upon a finding of patent is improper.⁷⁴ The Court also alluded that the same line of reasoning applies to copyright infringement cases and other suits governed by the rules of equity.⁷⁵ The majority opinion did not reference trademark law.⁷⁶

Chief Justice Roberts and Justice Kennedy, while concurring with the majority opinion, added caveats to it.⁷⁷ In his concurring opinion, Justice Roberts observed that “there is a difference between exercising equitable discretion pursuant to the established four-factor test and writing on an entirely clean slate.”⁷⁸ He went on to imply that in applying the Court’s rationale in *eBay*, courts must be mindful of historical practice.⁷⁹ Justice Kennedy, in his own

⁶⁸ *Id.* at 390-91.

⁶⁹ *Id.*

⁷⁰ *Id.* at 394.

⁷¹ *Id.* at 393-94.

⁷² *Id.* at 394 (internal quotes omitted; emphasis added).

⁷³ *Id.* at 392.

⁷⁴ *Id.* at 393-94.

⁷⁵ *Id.* at 394.

⁷⁶ *See generally id.*

⁷⁷ *See id.* at 394-97. (JJ. Roberts and Kennedy, concurring).

⁷⁸ *Id.* at 396-97. (J. Roberts, concurring).

⁷⁹ *Id.* (J. Roberts, concurring).

concurrence, echoed Justice Roberts' concerns, stating, "historical practice . . . is most helpful and instructive when the circumstances of a case bear substantial parallels to litigation the courts have confronted before."⁸⁰ He also noted that the court's conclusion on irreparable harm was appropriate in the patent context:

When the patented invention [at issue] is but a small component of the product the companies seek to produce and the threat of an injunction is employed simply for undue leverage in negotiations, legal damages may well be sufficient to compensate for the infringement and an injunction may not serve the public interest.⁸¹

b. *Winter v. Natural Res. Def. Council, Inc.*

Another case recently decided by the Supreme Court that discusses injunctions is *Winter v. Natural Res. Def. Council, Inc.*⁸² In *Winter*, the U.S. Navy had developed and used a technology called MFA sonar to detect underwater submarines.⁸³ The Navy was sued by the Natural Resources Defense Council and others which claimed that the MFA sonar caused great physical and social harm to marine mammals.⁸⁴ The ultimate result of the complex trial and appellate proceedings was a preliminary injunction that limited the Navy's ability to use MFA sonar.⁸⁵ In their analysis of irreparable harm, both the trial court and the Ninth Circuit determined that the "possibility" that marine life would be injured through use of MFA sonar constituted irreparable harm that weighed in favor of an injunction.⁸⁶

The Supreme Court reversed the decision of the appellate court and vacated the injunction.⁸⁷ The mere possibility of irreparable harm, the Court declared, was too lax of a

⁸⁰ *Id.* (J. Kennedy, concurring).

⁸¹ *Id.* (J. Kennedy, concurring; emphasis added).

⁸² See generally *Winter v. Natural Res. Def. Council, Inc.*, 555 U.S. 7 (2008).

⁸³ *Id.* at 12-13.

⁸⁴ *Id.* at 17-18.

⁸⁵ *Id.* at 19-20.

⁸⁶ *Id.* at 21-22.

⁸⁷ *Id.* at 33.

standard to apply to a remedy as powerful as a preliminary injunction.⁸⁸ Instead, the Court surmised that judges should apply the same standard they always have: a *likelihood of irreparable harm*.⁸⁹ The Supreme Court admitted that, given the evidence at trial, a likelihood of irreparable harm could still be proven, but the Court still reprimanded the lower courts for not considering the Navy's willingness to abide by some of the restrictions already in place before upholding the stricter injunction.⁹⁰ That, combined with the fact that the Navy had been using MFA sonar for over forty years, cast doubt on whether irreparable harm was truly occurring.⁹¹ In the end, the Court declared a decision on the likelihood of irreparable harm was not needed since the public interest factor weighed in favor of letting the Navy continue using the MFA sonar.⁹² To the Court, there was not a real enough threat to marine mammals to justify handicapping the Navy's training exercises and use of MFA sonar.⁹³

C. Aftermath in the Circuit Courts

In light of the Supreme Court's rulings in *eBay* and *Winter*, the circuit and district courts are being forced to answer whether presumptions of irreparable harm should continue to exist.⁹⁴ For example, now neither the Second Circuit nor the Ninth Circuit applies a presumption of harm in copyright cases.⁹⁵ In addition, the Third Circuit has recently held in a false advertising lawsuit, *Ferring Pharms, Inc. v. Watson Pharms, Inc.*, that it violated the principles of equity to

⁸⁸ *Id.* at 22.

⁸⁹ *Id.*

⁹⁰ *Id.* at 22-23.

⁹¹ *Id.* at 23.

⁹² *Id.* at 26.

⁹³ *Id.*

⁹⁴ See, e.g., *Salinger v. Colting*, 607 F.3d 68, 94 (2nd Cir. 2010); *Ferring Pharms., Inc. v. Watson Pharms., Inc.*, 765 F.3d 205, 216 (3^d Cir. 2014).

⁹⁵ See *Salinger*, 607 F.3d at 94; See also *Flexible Lifeline Sys. V. Precision Lift, Inc.*, 654 F. 3d 989, 998 (9th Cir. 2011).

allow a presumption of irreparable harm in any cases arising under the Lanham Act.⁹⁶ Such a presumption, the Third Circuit declared, “function[ed] as an automatic or general grant of an injunction . . . inconsistent with [the] principles of equity.”⁹⁷

Not surprisingly, the debate has also turned directly on whether a presumption of irreparable harm should continue to apply in trademark cases, and while some circuits have recognized the issue, they have failed to decide on it.⁹⁸ For example, in *North American Medical Corporation v. Axiom Worldwide, Inc.*, the Eleventh Circuit recognized that the presumption of irreparable harm has come under fire since *eBay* but “decline[d] to decide whether . . . trademark infringement gives rise to a presumption of irreparable injury.”⁹⁹ The Eleventh Circuit asserted that upon remand, it was entirely within the district court’s discretion to rule that the presumption of irreparable harm was “an appropriate exercise of its discretion in light of the historical traditions” cited by Justices Roberts and Kennedy in *eBay*.¹⁰⁰

Another prominent example of this is found in the Fifth Circuit decision *Paulsson Geophysical Services v. Sigmar*.¹⁰¹ After first finding for the plaintiff, based on a likelihood of success on the merits for trademark infringement,¹⁰² the court declared that it would not expressly endorse a presumption of irreparable harm and noted the presumption posed “a difficult question” in light of *eBay*.¹⁰³ However, the court found that the likelihood of trademark infringement was a serious threat to the plaintiff’s goodwill in new markets where the plaintiff

⁹⁶ *Ferring Pharms., Inc.*, 765 F.3d at 216.

⁹⁷ *Id.* at 217.

⁹⁸ MCCARTHY, *supra* note 39, at § 30:47:30. (citing, *inter alia*, *Voice of the Arab World, Inc. v. MDTV Medical News Now Inc.*, 645 F.3d 26, 98 (1st Cir. 2011); *North America Medical Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 44, 50 (11th Cir. 2008)).

⁹⁹ *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1228 (11th Cir. 2008).

¹⁰⁰ *Id.*

¹⁰¹ *Paulsson Geophysical Servs. v. Sigmar*, 529 F.3d 303, 305 (5th Cir. 2008).

¹⁰² *Id.* at 312.

¹⁰³ *Id.* at 313.

was trying to develop.¹⁰⁴ The threat of losing these markets due to the infringing acts of the defendant, the court found, could not be quantified and were, thus, irreparable.¹⁰⁵

The Sixth Circuit has avoided commenting on the issue entirely.¹⁰⁶ For example, in *Audi AG v. D’Amato*, the Sixth Circuit found that the defendant, D’Amato, had infringed Audi’s automobile trademarks by registering the website “www.audisport.com” and selling goods bearing Audi trademarks.¹⁰⁷ The court, citing *eBay*, also approved the district court’s granting of a permanent injunction.¹⁰⁸ The court found that, if D’Amato’s infringing activities were not stopped, Audi would be irreparably harmed.¹⁰⁹ The court never mentioned nor commented on the presumption of irreparable harm.¹¹⁰

Following its avoidance of the issue in *Paulsson*, the Fifth Circuit, as well as the Third Circuit, have taken explicit stances on the presumption.¹¹¹ In 2013, the Fifth Circuit declared “[T]here seems little doubt that money damages are inadequate to compensate [the owner] for continuing acts of [the infringer].”¹¹² However, the Third Circuit’s *Ferring* decision provided “a plaintiff must establish irreparable harm . . . in a trademark infringement case” to receive a preliminary injunction.¹¹³ In spite of this, the Third Circuit has since then declared in *Groupe SEB United States, Inc. v. Euro-Pro Operating LLC* that “the logic underlying the presumption . .

¹⁰⁴ *Id.*

¹⁰⁵ *Id.*

¹⁰⁶ *See generally* Audi AG v. D’Amato, 469 F.3d 534 (6th Cir. 2006).

¹⁰⁷ *Id.* at 542-545.

¹⁰⁸ *Id.* at 550.

¹⁰⁹ *Id.*

¹¹⁰ *Id.*

¹¹¹ *See* Abraham v. Alpha Chi Omega, 708 F.3d 614, 627 (5th Cir. 2013); *Ferring Pharms., Inc. v. Watson Pharms., Inc.*, 765 F.3d 205, 216 (3d Cir. 2014).

¹¹² *Abraham*, 708 F.3d at 627 (internal quotations omitted).

¹¹³ *Ferring Pharms., Inc.*, 765 F.3d at 216 (“We agree with the holding and rationale of the *Herb Reed* court”) (citing *Herb Reed Enters., LLC v. Fla Entm’t Mgmt. Inc.*, 736 F.3d 1239 (9th Cir. 2013)).

. inform[s] how [courts] exercise [their] equitable discretion in [each] case.”¹¹⁴ That logic consisted of the notions that trademark infringement:

“necessarily causes . . . product harm by diminishing its value in the mind of consumers . . . [and that such] harm necessarily caused to reputation and goodwill is irreparable because it is virtually impossible to quantify in terms of monetary damages.”¹¹⁵

In *Euro-Pro*, the court applied this same logic in a false-advertising case and granted a preliminary injunction largely by pointing to the plaintiff’s likelihood of success on the merits and the competitive nature of the plaintiff and defendant.¹¹⁶ The court asserted that it was “not connecting these facts using a veiled presumption of irreparable harm,” but instead “drawing [a] fair *inference*[] from the facts in the record.”¹¹⁷

III. *Herb Reed Enters, LLC v. Fla Entm’t Mgmt. Inc.*

The litigation leading up to the Ninth’s Circuit’s *Herb Reed* decision spanned several decades and the entire country.¹¹⁸ Throughout the 1950s, “The Platters” were a “global sensation.”¹¹⁹ During the band’s glory days, each of the band’s five original members assigned their rights to the name “The Platters” to their manager’s company, Five Platters, Inc. (FPI). However, following the band’s breakup in the 1960s, each member of the former band, and various organizations associated with it, continued using some form of The Platters mark.¹²⁰ Not surprisingly, litigation over use of The Platters mark ensued; beginning in 1972, and continuing for many years after that, a complicated series of lawsuits were filed in California,

¹¹⁴ *Groupe SEB United States, Inc. v. Euro-Pro Operating LLC*, 774 F.3d 192, 205 n.8 (3d Cir. 2014).

¹¹⁵ *Id.*

¹¹⁶ *Id.* at 205-207.

¹¹⁷ *Id.* (emphasis added).

¹¹⁸ *Herb Reed Enters., LLC v. Fla Entm’t Mgmt. Inc.*, 736 F.3d 1239, 1243-45 (9th Cir. 2013).

¹¹⁹ *Id.* at 1242-43.

¹²⁰ *Id.*

New York, Florida, and Nevada regarding the rights to The Platters mark.¹²¹ In 2011, Herb Reed Enterprises (HRE), an organization formed to manage the business of The Platters’ founding member, Herb Reed, obtained a default judgment in Nevada that declared FPI never had the rights to The Platters mark and that Herb Reed “has superior rights to the mark [over] all others, including FPI and anyone claiming rights from or through FPI.”¹²²

Subsequently, HRE filed a trademark infringement suit against Larry Marshak and his music organizing and promoting company, Florida Entertainment Management, Inc. for fielding bands under the name The Platters.¹²³ Marshak claimed he had received rights to The Platters mark through a series of transactions beginning with FPI.¹²⁴ The district court concluded that HRE had senior rights to the mark and that Marshak was using a confusingly similar—indeed, the exact same—mark.¹²⁵ In doing so, a likelihood of success on the merits had been established.¹²⁶

While recognizing the historical tradition of presuming irreparable harm in trademark infringement cases, the district court chose not to apply the presumption in light of Supreme Court and Ninth Circuit precedent.¹²⁷ However, the court still concluded that the likelihood of Marshak’s infringement, as well as the likely infringement of countless other bands, would cause irreparable harm to HRE if an injunction were not granted.¹²⁸ The court also found that the hardships likely to result from the damage to HRE’s mark outweighed Marshak’s hardship of

¹²¹ *Id.* at 1243-45.

¹²² *Id.* at 1244. (internal quotes omitted).

¹²³ Herb Reed Enters., LLC v. Fla. Entm’t Mgmt., 2012 U.S. Dist. LEXIS 102566, at *17 (D. Nev. July 24, 2012).

¹²⁴ *Herb Reed*, 736 F.3d at 1245.

¹²⁵ *Herb Reed*, 2012 U.S. Dist. LEXIS 102566, 2012 at *34-35.

¹²⁶ *Id.*

¹²⁷ *Id.* at *43-44. (citing *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 393 (2006); *Flexible Lifeline Systems, Inc. v. Precision Lift, Inc.*, 654 F.3d 989, 1000 (9th Cir.2011)).

¹²⁸ *Id.*

having to identify its “Platters” bands as tribute bands.¹²⁹ Finally, citing to the fact that trademark law is supposed to prevent consumer confusion, the court declared that an injunction against Marshak would accomplish that goal.¹³⁰

On appeal, the Ninth Circuit reversed the decision of the district court.¹³¹ The reason for the reversal centered largely on the presence, or lack thereof, of evidence of irreparable harm.¹³² The Ninth Circuit, like the district court, affirmatively declared that a presumption of irreparable harm could no longer be applied to trademark infringement cases.¹³³ In coming to this conclusion, the Ninth Circuit observed that both the Patent Act and Lanham Act state that “injunctions may be granted in accordance with ‘the principles of equity.’”¹³⁴ The Ninth Circuit reasoned that since *eBay* required all of the permanent injunction factors to be proven in the patent context as a result of this language, the same result should occur in the trademark context since it, too, used the same statutory language.¹³⁵

Going beyond that, however, the court also held that *eBay*’s holding (that all four factors must be established to grant permanent injunctions in patent infringement cases) applies to preliminary injunctions in trademark infringement cases as well.¹³⁶ The court believed this conclusion was consistent with its application of no presumption of irreparable harm in obtaining preliminary injunctions in copyright infringement cases and permanent injunctions in trademark

¹²⁹ *Id.*

¹³⁰ *Id.*

¹³¹ Herb Reed Enters., LLC v. Fla Entm’t Mgmt. Inc., 736 F.3d 1239, 1250 (9th Cir. 2013).

¹³² *Id.*

¹³³ *Id.*

¹³⁴ *Id.* at 1249 (citing 35 USCS § 283; 15 USC § 1116(a)).

¹³⁵ *Id.*

¹³⁶ *Id.* at 1250.

cases.¹³⁷ This decision, the Ninth Circuit declared, put it on the same page with the Eleventh and Sixth Circuits.¹³⁸

The Ninth Circuit criticized the district court for reasoning solely with “platitudes” and asserted that the district court’s conclusion of irreparable harm was, essentially, based “solely on a strong case for infringement.”¹³⁹ All this did, the court declared, was “collapse[] the likelihood of success and irreparable harm factors.”¹⁴⁰ The Ninth Circuit declared that “[e]vidence of loss of control over business reputation and damage to goodwill could constitute irreparable harm.”¹⁴¹ In the end, the Ninth Circuit found no evidence in the record to indicate that irreparable harm was likely without a preliminary injunction and remanded it back to the district court without looking into the other preliminary injunction factors.¹⁴² The Supreme Court denied certiorari of the case in October 2014.¹⁴³

IV. Discussion

The Ninth Circuit’s reasoning in *Herb Reed* is deeply concerning, as well as its conclusion that a presumption of irreparable harm can no longer be applied at the preliminary injunction phase of trademark infringement litigation. Chief among the court’s flawed reasoning is the Ninth Circuit’s failure to recognize that trademarks are simply different from patents, copyrights, and other types of legal and equitable harms—a notion that has been consistently recognized by the Supreme Court. Furthermore, a careful analysis of *eBay* and *Winter*

¹³⁷ *Id.* at 1249 (citing *Flexible Lifeline Sys. v. Precision Lift, Inc.*, 654 F.3d 989, 998 (9th Cir. 2011); *Reno Air Racing Ass’n, Inc. v. McCord*, 452 F.3d 1126, 1137-38 (9th Cir. 2006)).

¹³⁸ *Id.* (citing *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1228-29 (11th Cir. 2008); *Audi AG v. D’Amato*, 469 F.3d 534, 550 (6th Cir. 2006)).

¹³⁹ *Id.* at 1250.

¹⁴⁰ *Id.*

¹⁴¹ *Id.*

¹⁴² *Id.*

¹⁴³ *Herb Reed Enters., LLC v. Fla. Entm’t Mgmt.*, 135 S.Ct. 57 (2014).

demonstrate that, in abandoning the presumption, the Ninth's Circuit's reliance on these decisions is misplaced. In addition, the Ninth Circuit incorrectly concluded the Eleventh and Sixth Circuits agree that the presumption of irreparable harm no longer applies in trademark infringement cases. The Ninth Circuit also failed to realize that even if the express presumption of harm were taken away, its spirit and effect would necessarily continue to influence cases. Finally, the Ninth Circuit's assertion that the presumption of irreparable harm neutralizes the principles of equity is unfounded, because the presumption, by itself, cannot result in the granting of an injunction.

A. Trademarks Are Different Than Other Forms of Intellectual Property

The Supreme Court has unfailingly recognized that, despite their shared moniker of “intellectual property,” trademarks are different from both copyrights and patents and should not be treated the same.¹⁴⁴ In the past, for example, the Court has declared that trademarks have a different constitutional foundation from patents and copyrights,¹⁴⁵ that trademark rights are gained and maintained in different fashions than patents and copyrights,¹⁴⁶ and that trademarks have a different standard for contributory liability than copyrights.¹⁴⁷ Perhaps, most importantly, the Supreme Court has illustrated that the purposes of trademark law, primarily the protection of

¹⁴⁴ *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 439 n.19 (1984) (“We have consistently rejected the proposition that a similar kinship exists between copyright law and trademark law, and in the process of doing so have recognized the basic similarities between copyrights and patents.”).

¹⁴⁵ *Trade-Mark Cases*, 100 U.S. 82, 93-94 (1879) (asserting that the foundation of trademark law cannot be found in the Intellectual Property Clause of the U.S. Constitution).

¹⁴⁶ *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918) (asserting that, unlike patents and copyrights, trademarks confer no “right in gross” and can only be maintained through continued use in commerce regulated by Congress and the States); *see also Trade-Mark Cases*, 100 U.S. at 94 (asserting that trademark recognition often depends solely on use, versus patents and copyrights which depend on criteria including “originality . . . novelty, invention, discovery, or any work of the brain.”).

¹⁴⁷ *Sony*, 464 U.S. at 439 n.19. (“Given the fundamental differences between copyright law and trademark law . . . we do not look to the standard for contributory infringement set forth in *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 854-855 (1982)[.]”).

consumers from infringing goods, is different from that of patent and copyright law, which is to promote the creation of inventions and creative works for public consumption.¹⁴⁸ An understanding of these distinctions also demonstrates why the Supreme Court’s holdings in *eBay* and *Winter* are consistent with the presumption of irreparable harm in trademark infringement cases.¹⁴⁹

In addition to these differences with copyrights and patents, trademark infringement represents a different kind of harm because it is an injury that is often recognized as being inherently irreparable.¹⁵⁰ Owners of a trademark do not want to be compensated for damage done to their trademark; they want to act quickly to prevent the damage from occurring in the first place or limit the amount of damage done, making the preliminary injunction the natural tool to accomplish this.¹⁵¹ Trademark infringement causes of action allow plaintiffs to receive preliminary injunctions even if there is no actual confusion that has resulted in economic harm.¹⁵² If no evidence of actual confusion or economic harm need exist for a court to grant a preliminary injunction, then it is unclear, at best, what evidence is needed to satisfy the *Herb Reed* court that irreparable harm exists in a trademark infringement cases.¹⁵³

The notion that a legal harm can be inherently irreparable is neither novel nor exclusive to trademark law.¹⁵⁴ Indeed, courts have determined that irreparable harm could be presumed in

¹⁴⁸ *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257, 262 (1979); *Mazer v. Stein*, 347 U.S. 201, 219 (1954); *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 855 (1982); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 782, n.15, 112 S. Ct. 2753, 23 U.S.P.Q.2d 1081 (1992) (J. Stevens, concurring).

¹⁴⁹ This idea is discussed more fully below in Part IV, Section B.

¹⁵⁰ MCCARTHY, *supra* note 39, at § 30:46; *see also* WRIGHT AND MILLER, *supra* note 47, at § 2948.1.

¹⁵¹ *See id.* As McCarthy aptly analogizes: “Like trying to un-ring a bell, trying to ‘compensate’ after the fact for damage to business goodwill and reputation cannot constitute just or full compensation [to a trademark owner].” *Id.* Even more than that, money damages do nothing to remedy the confusion that consumers may or may not have already experienced.

¹⁵² *See* AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341, 348, 353 (9th Cir. 1979); 15 USCS § 1125(c)(1).

¹⁵³ *See* MCCARTHY, *supra* note 39, at § 30:47.

¹⁵⁴ *See* Sanchez, *supra* note 61, at 560.

cases where plaintiffs have proven a likelihood of success on the merits that their rights have been violated, including cases involving First Amendment freedoms, broadcasting without a license, and Title VII employment discrimination.¹⁵⁵ As a result of the different constitutional foundations, purposes, and nature of the harms associated with trademark law, it simply does not make sense for the Ninth Circuit to unhesitatingly apply *eBay* and *Winter* to trademark infringement cases.

B. The Presumption in Trademark Cases Is Consistent with *eBay* and *Winter*

A closer look at *eBay* and *Winter* illustrates that the presumption of irreparable harm in trademark cases is consistent with those decisions.¹⁵⁶ There is much evidence to suggest that *eBay* leaves the presumption unaffected.¹⁵⁷ One reason is that the issue in *eBay* was whether or not an injunction should be entered immediately upon a finding of infringement in a patent case, essentially barring analysis of any of the injunction factors.¹⁵⁸ However, at issue in cases such as *Herb Reed* is not whether the injunction factors should be ignored upon a likely finding of trademark infringement, but whether just one factor, irreparable harm, can be presumed.¹⁵⁹

In addition, even if the *eBay* decision stood for the general proposition that each factor, including irreparable harm, must be demonstrated before an injunction can ever be granted, there is evidence suggesting that this should not affect the presumption of irreparable harm in trademark infringement suits.¹⁶⁰ Firstly, trademarks are not mentioned once in *eBay*.¹⁶¹ This

¹⁵⁵ *Id.* at 560-61.

¹⁵⁶ *Id.* at 555.

¹⁵⁷ See generally *eBay Inc. v. MercExchange, LLC*, 547 U.S. 388 (2006).

¹⁵⁸ See *id.* at 391; See also Sanchez, *supra* note 61, at 555.

¹⁵⁹ Brief for the International Trademark Association as Amicus Curiae Supporting Petitioner, *Herb Reed Enterprises, LLC v. Florida Entertainment Management, Inc. and Larry Marshak* 135 S.Ct. 57 (2014) (No. 13-1271), 16-17; See also Sanchez, *supra* note 61, at 555.

¹⁶⁰ See generally *eBay Inc.*, 547 U.S. 388.

¹⁶¹ *Id.* at 394.

fact is especially noteworthy in light of the fact that the majority decision outlined similarities between the patent and copyright holders, including “the right to exclude others from using” the patents or copyrights at issue, as well as the fact that the Patent and Copyright Acts contain similar language regarding when courts may grant injunctions.¹⁶² The Ninth Circuit leaned heavily on the fact that the Patent Act and Lanham Act both assert that injunctions are supposed to be granted “in accordance with the principles of equity,” but failed to reconcile this assertion with the fact that the Supreme Court in *eBay* left out trademarks in its discussion of how the Patent and Copyright Act are also similarly worded.¹⁶³

Secondly, both Justices Roberts’ and Kennedy’s concurring decisions suggest that the application of *eBay* outside of the patent context should be practiced cautiously.¹⁶⁴ Justice Roberts clearly indicated in his decision that the court’s conclusion in *eBay* was directed at longstanding practices in patent litigation and further suggested that the manner in which the injunction factors have been applied historically in other contexts should not be cast aside in light of *eBay*.¹⁶⁵ Justice Kennedy echoed these concerns and also asserted that the primary goal of patent law, creating inventions beneficial to the public by incentivizing inventors, can still be realized even when products contain infringing components by potentially allowing the product to go to market and simply giving legal damages to the plaintiff.¹⁶⁶ This would not be the case with products containing infringing trademarks; an infringing trademark, unlike a small patented

¹⁶² *Id.* at 392-93; *see also* Sanchez, *supra* note 61, at 555.

¹⁶³ Herb Reed Enters., LLC v. Fla Entm’t Mgmt. Inc., 736 F.3d 1239, 1249 (9th Cir. 2013) (citing 35 USCS § 283; 15 USCS § 1116(a)).

¹⁶⁴ *See eBay*, 547 U.S. at 394-97 (JJ. Roberts and Kennedy, concurring).

¹⁶⁵ *Id.* at 395.

¹⁶⁶ *See id.* at 395-97.

component of a product, is reason enough to prevent the product from reaching the public, because a main purpose of trademark law is to protect consumers from misidentified goods.¹⁶⁷

Similarly, there is substantial evidence to suggest that *Winter*, likewise, does not affect the presumption of harm in trademark infringement cases.¹⁶⁸ For example, *Winter*, like *eBay*, never mentioned a presumption of irreparable harm, much less ruled that such a presumption was inconsistent with the rules of equity.¹⁶⁹ *Winter* simply held that a mere “possibility” of irreparable harm is incapable of satisfying the second preliminary injunction factor.¹⁷⁰ However, given the irreparable nature of trademark infringement, as discussed above, once a finding supporting a likelihood of trademark infringement has been found, it is presumed that “irreparable harm is at least likely and not merely possible.”¹⁷¹ The issue of whether or not trademark infringement will result in irreparable harm to the trademark owner is often much clearer than it is in cases such as *Winter*.¹⁷² For trademark infringement cases where irreparable harm is more debatable, however, the presumption is rebuttable.¹⁷³

C. The Ninth Circuit Does Not Have the Support It Says It Does

In spite of the Ninth Circuit’s assertions, it does not have the support of the Eleventh or Sixth Circuits on this issue.¹⁷⁴ The Ninth Circuit cited to *Audi* and *Axiom Worldwide* and asserted that each case also declared the presumption was no longer valid in a preliminary

¹⁶⁷ See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 US 763 782, n.15 (1992) (J. Stevens, Concurring).

¹⁶⁸ See generally *Winter v. Natural Res. Def. Council, Inc.*, 555 U.S. 7, 22 (2008); see also Sanchez, *supra* note 61, at 561.

¹⁶⁹ See *id.*; see also Sanchez, *supra* note 61, at 561.

¹⁷⁰ *Id.*

¹⁷¹ Sanchez, *supra* note 61, at 555 (internal quotations omitted); see also McCarthy, *supra* note 37, at § 23:3 (“Likelihood of confusion is synonymous with “probable” confusion—it is not sufficient if confusion is merely “possible.”).

¹⁷² See *Winter*, 555 U.S. at 22-23.

¹⁷³ MCCARTHY, *supra* note 39, at § 30:47:30.

¹⁷⁴ *Id.* at § 30:47.

injunction context.¹⁷⁵ This could not be further from the truth.¹⁷⁶ At issue in *Audi*, like *eBay*, was a permanent injunction.¹⁷⁷ While the Sixth Circuit cited *eBay*, the court made no affirmative declaration that the presumption of irreparable harm no longer existed in a permanent injunction context, much less a preliminary injunction context.¹⁷⁸ In addition, the Sixth Circuit’s analysis of irreparable harm appeared largely based on its finding that Audi was likely to succeed on its trademark infringement claim, demonstrating the presumptively irreparable nature of trademark infringement.¹⁷⁹

Similar to *Audi*, the Eleventh Circuit in *Axiom Worldwide* did not do away with the presumption of irreparable harm.¹⁸⁰ The Eleventh Circuit’s recognition that the presumption has been under fire cannot be construed as a declaration that the presumption no longer exists, especially in light of the court explicitly refusing to decide the issue.¹⁸¹ The court also left it within the power of the district court, upon remand, to continue to apply the presumption.¹⁸² Such a result, the court hinted, would still be in line with the “historical traditions” of the concurring opinions by Justices Roberts and Kennedy in *eBay*.¹⁸³ Upon closer scrutiny of both *Audi* and *Axiom Worldwide* than the Ninth Circuit afforded those cases, it becomes clear that the Ninth Circuit does not have the support it says it does when asserting that the presumption no longer applies in trademark infringement cases.¹⁸⁴

¹⁷⁵ *Herb Reed Enters., LLC v. Fla Entm’t Mgmt. Inc.*, 736 F.3d 1239, 1249 (9th Cir. 2013).

¹⁷⁶ MCCARTHY, *supra* note 39, at § 30:47:30.

¹⁷⁷ *Audi AG v. D’Amato*, 469 F.3d 534, 550 (6th Cir. 2006).

¹⁷⁸ MCCARTHY, *supra* note 39, at § 30:47:30 n.7.

¹⁷⁹ *See Audi AG v. D’Amato*, 469 F.3d 534, 542-545 (6th Cir. 2006).

¹⁸⁰ MCCARTHY, *supra* note 39, at § 30:47:30.

¹⁸¹ *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1228 (11th Cir. 2008).

¹⁸² *Id.*

¹⁸³ *Id.*

¹⁸⁴ MCCARTHY, *supra* note 39, at § 30:47:30 n.7. It must be admitted, however, that in spite of the incorrect assertion that the *Herb Reed* court had the support of the Sixth and Eleventh Circuits, it has, since its decision, clearly gained the support of the Third Circuit. *Ferring Pharms., Inc. v. Watson Pharms., Inc.*, 765 F.3d 205, 216

D. Taking Away the Presumption in Name Will Not Take Away from the Presumption in Effect

Even if the express presumption of irreparable harm in trademark infringement cases were to be done away with, it would still exist in effect. Without the express presumption of harm, plaintiffs would have no recourse to demonstrate irreparable harm but to “point[] to the fact that [a] trademark owner’s business goodwill and reputation are in peril” as a result of the infringement, and plaintiffs would do this by pointing to the likelihood of success on the merits for trademark infringement.¹⁸⁵ This is already being demonstrated at the appellate level.¹⁸⁶ *Audi AG* is an example of this.¹⁸⁷ The Sixth Circuit relied exclusively on its finding that D’Amato’s selling of infringing items to consumers would cause irreparable harm to Audi.¹⁸⁸ The court made no mention of the presumption, but just as the presumption would have courts do, the court inferred irreparable harm from a finding of infringement.¹⁸⁹ The same result occurred in *Paulsson*.¹⁹⁰ While stating that it would not expressly endorse the presumption in light of *eBay*, the court ultimately granted a preliminary injunction by citing to the defendant’s infringement, inferring that the defendant’s action would harm the plaintiff’s goodwill and reputation in current and future markets, and asserting that such harm was not quantifiable and, thus, irreparable.¹⁹¹

(3d Cir. 2014) (“We agree with the holding and rationale of the *Herb Reed* court”) (citing *Herb Reed Enters., LLC v. Fla Entm’t Mgmt. Inc.*, 736 F.3d 1239 (9th Cir. 2013)).

¹⁸⁵ MCCARTHY, *supra* note 39, at § 30:47:30. (citing *Juice Couture, Inc. v. Bella Intern. Ltd.*, 930 F. Supp. 2d 489, 503 (S.D.N.Y. 2013); *Paulsson Geophysical Services, Inc. v. Sigmar*, 529 F.3d 303, 312 (5th Cir. 2008)).

¹⁸⁶ *See, e.g.* *Audi AG v. D’Amato*, 469 F.3d 534 (6th Cir. 2006); *Paulsson Geophysical Servs. v. Sigmar*, 529 F.3d 303 (5th Cir. 2008); *Groupe SEB United States, Inc. v. Euro-Pro Operating LLC*, 774 F.3d 192 (3d Cir. 2014).

¹⁸⁷ *See generally*, *Audi AG*, 469 F.3d 534.

¹⁸⁸ *Id.* at 542-545.

¹⁸⁹ *Id.*

¹⁹⁰ *Paulsson Geophysical Servs. v. Sigmar*, 529 F.3d 303, 305 (5th Cir. 2008).

¹⁹¹ *Id.* at 313.

Even the Third Circuit, which declared in *Ferring* that it no longer applied a presumption of harm in Lanham Act cases, demonstrated in *Euro-Pro* that it is difficult to truly separate the likelihood of success on the merits and irreparable harm.¹⁹² The Third Circuit’s distinction between the presumption of irreparable harm and an “inference” of irreparable harm based on the facts of a case is simply laughable because, by its very definition, a presumption is nothing more than an inference based on facts already before a court.¹⁹³ Just like the courts in *Audi* and *Paulson*, the *Euro-Pro* Court’s conclusion that irreparable harm would occur in this false-advertising context rested largely on the likelihood of success on the merits of proving false-advertising.¹⁹⁴

The *Herb Reed* court criticized the district court for talking in “platitudes” with its irreparable harm analysis and for not demanding any real evidence of such harm.¹⁹⁵ However, missing from the Fifth Circuit decision is any clear standard as to what evidence could be presented to demonstrate irreparable harm.¹⁹⁶ The court appeared to set a very high standard for demonstrating such harm when it said that actual “[e]vidence of loss of control over business reputation and damage to goodwill could constitute irreparable harm.”¹⁹⁷ As demonstrated above, circuit courts have shown a tendency and need to rely more on the inference that trademark infringement will result in irreparable harm rather than force a whole new evidentiary inquiry where the harm at issue might not yet exist and be difficult to quantify.

E. Procedural Safety Measures Ensure the Presumption is Not Too Powerful

¹⁹² *Groupe SEB United States, Inc. v. Euro-Pro Operating LLC*, 774 F.3d 192 (3d Cir. 2014).

¹⁹³ *Black’s Law Dictionary* 1376 (10th ed. 2014).

¹⁹⁴ *Euro-Pro*, 774 F.3d at 205.

¹⁹⁵ *Herb Reed Enters., LLC v. Fla Entm’t Mgmt. Inc.*, 736 F.3d 1239, 1250 (9th Cir. 2013).

¹⁹⁶ *MCCARTHY*, *supra* note 39, at § 30:47. *See also Herb Reed*, 736 F.3d at 1250.

¹⁹⁷ *Id.* (citing *Herb Reed*, 736 F.3d at 1250).

The presumption of irreparable harm is not nearly as powerful as the Ninth Circuit believes it to be, because there are several other procedural hurdles that must be overcome before an injunction is actually put in place by the courts. The first of these is that the presumption is rebuttable; the defendant still has the opportunity to demonstrate that their activities will not result in irreparable harm to the plaintiff.¹⁹⁸ In addition, the presumption of irreparable harm only satisfies one of the four factors needed to get a preliminary injunction.¹⁹⁹ Plaintiffs must still prove that they are likely to succeed on the trademark infringement claim, that the overall balance of equity favors them, and that an injunction is in the public's best interest.²⁰⁰ Furthermore, courts have consistently asserted that the presumption is most powerful in cases where the finding of a likelihood of confusion is very strong.²⁰¹ In cases where the finding of confusion is not as strong, courts are sometimes more hesitant to presume irreparable harm.²⁰²

Yet another procedural safeguard that protects the defendant from the presumption of irreparable harm is that a bond must be posted before a plaintiff can receive an injunction.²⁰³ This bond must cover the "costs and damages sustained by any party found to have been wrongfully enjoined or restrained."²⁰⁴ As a result, the bond amount can fluctuate wildly, from tens of thousands of dollars, to hundreds of thousands and even millions.²⁰⁵ The requirement of

¹⁹⁸ MCCARTHY, *supra* note 39, at § 30:47.

¹⁹⁹ See *Winter v. Natural Res. Def. Council, Inc.*, 555 U.S. 7, 20 (2008).

²⁰⁰ *Id.* Admittedly, for the reasons discussed in Part IV, Section A, the fourth factor will likely always be in the favor of a plaintiff if there is a finding of trademark infringement since the purpose of trademark law is to protect consumers.

²⁰¹ See *e.g.* *Kraft Foods Grp. Brands LLC v. Cracker Barrel Old Country Store, Inc.*, 735 F.3d 735, 740 (7th Cir. 2013); see also McCarthy, *supra* note 39, at § 30:45.

²⁰² *Id.*

²⁰³ Fed. R. Civ. P. 65(c).

²⁰⁴ *Id.*

²⁰⁵ MCCARTHY, *supra* note 39, at § 30:55, n.1.

the plaintiff to post bond is not often waived.²⁰⁶ Contrary to the critics of the presumption, it has never “function[ed] as an automatic or general grant of an injunction[.]”²⁰⁷

IV. Conclusion

In spite of the *Herb Reed* decision, plaintiffs such as Herb Reed should not have the presumption of irreparable harm taken away from them when they have a likelihood of success on the merits in proving trademark infringement. There are many reasons to come to this conclusion. First, despite their shared moniker of “intellectual property,” trademarks have consistently been treated differently under the law than patents and copyrights because each has a different constitutional foundation and serves a different purpose in society. In addition, the harms associated with the infringement of trademarks are inherently irreparable, and this notion of inherent irreparableness is accepted in other causes of action.

Secondly, a more thorough textual analysis of the majority and concurring opinions in the Supreme Court’s *eBay Inc., v. MercExchange, LLC* and *Winter v. Natural Res. Def. Council, Inc.* decisions reveal, contrary to the Ninth Circuit’s cursory analysis, that the presumption of irreparable harm is consistent with those decisions. Thirdly, the *Herb Reed* court has much less support from the other circuit courts than it asserted it does. Upon a closer reading of the Sixth Circuit’s decision in *Audi AG* and the Eleventh Circuit’s decision in *Axiom Worldwide*, neither Circuit, as the *Herb Reed* court asserted, declared that the presumption could no longer be applied in trademark infringement cases.

Fourth, the Ninth Circuit failed to realize that even if the express presumption of irreparable harm is taken away, it is still going to exist behind the scenes and influence the

²⁰⁶ *Id.* at § 30:55.

²⁰⁷ *Ferring Pharms., Inc. v. Watson Pharms., Inc.*, 765 F.3d 205, 217 (3d Cir. 2014).

outcome of trademark infringement cases. This is already being demonstrated at the circuit level. Finally, the Ninth Circuit gave no recognition to the fact that the presumption of irreparable harm is not the only inquiry in granting a preliminary injunction in a trademark infringement suit. There are several other factors and procedural hurdles that must be met in order for a preliminary injunction to be implemented. Together, these factors demonstrate that the Ninth Circuit's conclusion is not the correct one and could potentially cause great harm to the consuming public and to trademark owners trying to police their rights.