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Jeffrey M. Sanchez

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The Irreparably Harmed Presumption? Why the Presumption of Irreparable Harm in Trademark Law Will Survive *eBay* and *Winter*

I. INTRODUCTION

Trademarks are a unique and potentially valuable form of intellectual property. Unlike patents and copyrights, trademarks serve to indicate the source of commercial goods or services. As source indicators, trademarks function to both represent the acquired goodwill that consumers attribute to the owner of the mark and assure consumers of some quality of the associated goods or services. Because of the communicative function of trademarks, businesses often invest significant time, money, and energy to ensure that their trademarks are protected from would-be infringers. In this effort to protect their goodwill and reputation, businesses have traditionally relied on preliminary injunctive relief as “one of the most powerful weapons”¹ against trademark infringement. Indeed, “[g]etting a preliminary injunction means that the trademark owner can force the alleged infringer to *immediately* stop all use of the challenged mark and undergo an expensive change to a significantly different mark.”² Thus, a preliminary injunction serves to “stop the bleeding” early on in litigation and can mitigate potential damage to the trademark owner’s reputation.

Five basic factors guide judges in determining whether a preliminary injunction should issue.³ To obtain a preliminary injunction, a trademark owner must demonstrate

1. that it is likely to succeed upon an ultimate trial on the merits,
2. that it has suffered an irreparable injury,
3. that remedies available at law, such as monetary damages, are inadequate to compensate for the injury,

1. J. Thomas McCarthy, *Are Preliminary Injunctions Against Trademark Infringement Getting Harder to Achieve?*, 14 INTELL. PROP. L. BULL. 1, 1 (2009).

2. *Id.* (emphasis added).

3. See J. THOMAS MCCARTHY, 5 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 30:30–30:32 (4th ed. 2010).

4. that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted, and
5. that the public interest would not be disserved by a preliminary injunction.⁴

Traditionally, trademark owners seeking a preliminary injunction have almost uniformly enjoyed a presumption of irreparable harm upon establishing a likelihood of success on the merits.⁵ The Third Circuit has even gone so far as to say, “once the likelihood of confusion caused by trademark infringement has been established, the inescapable conclusion is that there was also irreparable injury.”⁶ However, two recent Supreme Court cases, *eBay, Inc. v. MercExchange, L.L.C.*⁷ and *Winter v. Natural Resources Defense Council, Inc.*,⁸ have called into question whether the presumption of irreparable harm is still valid in the trademark context.⁹ In *eBay*, the Supreme Court held invalid the Federal Circuit’s “general rule” that plaintiffs in patent disputes are automatically entitled to a permanent injunction once validity and infringement are determined.¹⁰ In doing so, the Court reaffirmed the requirement for courts to “apply the

4. See McCarthy, *supra* note 1, at 2–3; *eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006). These five factors derive from the traditional four-factor permanent injunction test endorsed by the Supreme Court in *eBay* and will be referred to throughout this Note. The additional requirement, that the trademark owner demonstrate a likelihood of success on the merits, exists only in the *preliminary* injunction context.

5. See MCCARTHY, *supra* note 3, § 30:47; see, e.g., *Scotts Co. v. United Indus. Corp.*, 315 F.3d 264, 273 (4th Cir. 2002) (“In Lanham Act cases involving trademark infringement, a presumption of irreparable injury is generally applied once the plaintiff has demonstrated a likelihood of confusion, the key element in an infringement case.”); *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 469 (7th Cir. 2000) (“Irreparable harm is generally presumed in cases of trademark infringement and dilution.”); *Genesee Brewing Co. v. Stroh Brewing Co.*, 124 F.3d 137, 142 (2d Cir. 1997) (“In the context of trademark and unfair competition injunctions, the requirement of irreparable harm carries no independent weight, as we have held that a showing of likelihood of confusion (a requirement of both trademark infringement and unfair competition claims) establishes irreparable harm.”).

6. *Pappan Enters., Inc. v. Hardee's Food Sys., Inc.*, 143 F.3d 800, 805 (3d Cir. 1998).

7. 547 U.S. 388 (2006).

8. 129 S. Ct. 365 (2008).

9. See generally McCarthy, *supra* note 1; Thomas M. Williams, *Winter v. NRDC: A Stricter Standard for Irreparable Harm in Trademark Cases?*, 91 J. PAT. & TRADEMARK OFF. SOC'Y 571 (2009).

10. *eBay*, 547 U.S. at 394.

traditional four factor test for injunctive relief in every case.”¹¹ Similarly, in *Winter*, the Supreme Court overruled the Ninth Circuit’s holding that, once a plaintiff has demonstrated a strong likelihood of success on the merits, “a preliminary injunction may be entered based only on a ‘possibility’ of irreparable harm.”¹² Like in *eBay*, the Court in *Winter* rejected the notion of a lower standard of irreparable harm; however, unlike in *eBay*, it did so in the *preliminary* injunction context.

The Supreme Court’s decisions in *eBay* and *Winter* have prompted courts to question the continuing validity of the presumption of irreparable harm in the trademark context.¹³ Accordingly, some courts have held that Supreme Court precedent has eviscerated the presumption of irreparable harm,¹⁴ while others have held that the presumption is alive and well.¹⁵ This split in authority has prompted some commentators to set forth arguments both for and against the presumption’s survival. However, as of this writing, there has been limited scholarly analysis discussing the presumption’s continuing validity in light of both *eBay* and *Winter*. Further, there has been no legal scholarship discussing, in-depth, *Winter*’s impact on the trademark presumption. This Note summarizes the leading arguments regarding the presumption’s continuing validity and seeks to advance the discussion by (1) using the most recent case law to identify and analyze the differing approaches taken by courts on the subject, (2) expanding on the differences between the trademark presumption of irreparable harm and the categorical rule struck down in *eBay*, and (3) demonstrating that *Winter* may peacefully co-exist with the presumption.

This Note proceeds as follows. Part II analyzes the holdings of *eBay* and *Winter* and illustrates the various approaches courts have

11. David H. Bernstein & Andrew Gilden, *No Trolls Barred: Trademark Injunctions After eBay*, 99 TRADEMARK REP. 1037, 1037 (2009).

12. *Winter*, 129 S. Ct at 375 (citing lower courts’ citations to Faith Ctr. Church Evangelistic Ministries v. Glover, 480 F.3d 891, 906 (9th Cir. 2007); Earth Island Inst. v. U.S. Forest Serv., 442 F.3d 1147, 1159 (9th Cir. 2006)).

13. See N. Am. Med. Corp. v. Axiom Worldwide, Inc., 522 F.3d 1211, 1228 (11th Cir. 2008) (calling into question the post-*eBay* validity of the presumption of irreparable harm in trademark cases but declining to decide the question); Cytosport, Inc. v. Vital Pharm. Inc, 617 F. Supp. 2d 1051, 1065 (E.D. Cal. 2009), *aff’d*, 348 F. App’x 288 (9th Cir. 2009).

14. *Salinger v. Colting*, 607 F.3d 68, 77–78 (2d Cir. 2010).

15. *Nationwide Payment Solutions, LLC v. Plunket*, 697 F. Supp. 2d 165, 168 (D. Me. 2010).

taken in applying these new precedents. Part II also briefly summarizes recent scholarly commentary arguing for the presumption's survival post-*eBay* and *Winter*. Part III seeks to demonstrate that courts should continue to employ the presumption of irreparable harm in trademark cases because damages “[caused] by trademark infringement are by their very nature irreparable”¹⁶ and because the holdings of *eBay* and *Winter* are capable of coexisting with the presumption. This Note ultimately concludes that the presumption of irreparable harm in trademark cases should and will survive *eBay* and *Winter*. This Note further asserts that even if courts formally discard the presumption, the spirit of the presumption will continue to manifest itself because trademark infringement will almost inevitably produce irreparable harm to the trademark owner. Finally, Part IV offers a brief conclusion.

II. LEGAL BACKGROUND

A. Courts Have Traditionally Recognized the Presumption of Irreparable Harm in Trademark Cases

The traditional rule in trademark litigation is that plaintiffs seeking a preliminary injunction enjoy a presumption of irreparable harm upon showing a likelihood of success on the merits.¹⁷ The Seventh Circuit has gone so far as to describe the presumption as “well-established” in trademark cases, “even absent a showing of business loss.”¹⁸ The basis for this presumption has been and continues to be that “trademark infringement monetary relief is, in the language of equity, inherently ‘inadequate’ and injury is ‘irreparable.’”¹⁹ As the Seventh Circuit has observed, “damages occasioned by trademark infringement are by their very nature irreparable and not susceptible of adequate measurement for remedy

16. *Int'l Kennel Club of Chi., Inc. v. Mighty Star, Inc.*, 846 F.2d 1079, 1092 (7th Cir. 1988) (quoting *Processed Plastic Co. v. Warner Commc'n, Inc.*, 675 F.2d 852, 858 (7th Cir. 1982)).

17. See sources cited *supra* note 5; see also *Fed. Express Corp. v. Fed. Espresso, Inc.*, 201 F.3d 168, 174 (2d Cir. 2000) (“[P]roof of a likelihood of confusion would create a presumption of irreparable harm.”); *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1205 n.4 (9th Cir. 2000) (quoting *Brookfield Commc'ns, Inc. v. West Coast Entm't Corp.*, 174 F.3d 1036, 1066 (9th Cir. 1999) (“[I]rreparable injury may be presumed from a showing of likelihood of success on the merits.”)).

18. *Abbott Labs. v. Mead Johnson & Co.*, 971 F.2d 6, 16 (7th Cir. 1992).

19. MCCARTHY, *supra* note 3, § 30:47.

at law.”²⁰ One of the reasons that trademark infringement is by its nature irreparable is the inability of a trademark owner to “control the nature and quality of the defendant’s goods.”²¹ Accordingly, until the Supreme Court’s decisions in *eBay* and *Winter*, trademark owners almost uniformly enjoyed this presumption and could rely on it as a tool to protect their goodwill.

B. *eBay and Winter*

I. *eBay, Inc. v. MercExchange, L.L.C.*

In *eBay*, the Supreme Court sought to determine the appropriateness of the Federal Circuit’s general rule that in patent disputes, except in “exceptional circumstances” and “rare instances,” “a permanent injunction will issue once infringement and validity have been adjudged.”²² This case came to the Supreme Court after a jury found that eBay had infringed a business method patent owned by MercExchange, L.L.C.²³ Despite its finding of infringement, the district court refused to grant a permanent injunction because MercExchange failed to satisfy the four-factor test for injunctive relief.²⁴ In refusing the injunction, the district court concluded that MercExchange’s “willingness to license its patents’ and ‘its lack of commercial activity in practicing the patents’ would be sufficient to establish that the patent holder would not suffer irreparable harm if an injunction did not issue.”²⁵ On appeal, the Federal Circuit applied its “general rule” and reversed the district court’s refusal to issue a permanent injunction.²⁶

On appeal from the Federal Circuit, the Supreme Court held that both the district court and the Federal Circuit had incorrectly

20. *Int’l Kennel Club*, 846 F.2d at 1092 (quoting *Processed Plastic Co. v. Warner Commc’n, Inc.*, 675 F.2d 852, 858 (7th Cir. 1982)).

21. *Ideal Indust., Inc. v. Gardner Bender, Inc.*, 612 F.2d 1018, 1026 (7th Cir. 1979) (quoting 4 RUDOLF CALLMAN, UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES § 88.3(b), at 205 (3d ed. 1970)).

22. *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391, 393–94 (2006) (quoting *MercExchange, L.L.C. v. eBay, Inc.*, 401 F.3d 1323, 1338–39 (Fed. Cir. 2005)).

23. *Id.* at 390–91.

24. *Id.* at 393.

25. *Id.* (quoting *MercExchange, L.L.C. v. eBay, Inc.*, 275 F. Supp. 2d 695, 712 (E.D. Va. 2003)).

26. *Id.* at 393–94.

applied the test for injunctive relief.²⁷ The Federal Circuit had erred by improperly applying its “general rule” instead of the traditional four-factor test and the district court erred by adopting a categorical rule that injunctions could not issue in favor of “patent trolls”²⁸ or “non-practicing entities.”²⁹ The Supreme Court essentially struck down the district court’s categorical rule because it could not “be squared with the principles of equity adopted by Congress.”³⁰ The Court looked to its past treatment of injunctions under the Copyright Act of 1976 and applied similar reasoning for injunctions in the patent context.³¹ Writing for the majority, Justice Thomas reasoned that “[l]ike a patent owner, a copyright holder possesses ‘the right to exclude others from using his property.’”³² And, “[l]ike the Patent Act, the Copyright Act provides that courts ‘may’ grant injunctive relief ‘on such terms as it may deem reasonable to prevent or restrain infringement of a copyright.’”³³ Justice Thomas further noted that the Court had “consistently rejected invitations to replace traditional equitable considerations with a rule that an injunction automatically follows a determination that a copyright has been infringed.”³⁴ Accordingly, the Court in *eBay* sent a clear message that categorical rules were not allowed in the context of patent injunctions.³⁵ While the Court’s ruling in *eBay* is clear, some commentators have suggested that “the true dispute underlying the case was not about the nature of equitable relief (where the Court

27. *Id.* at 394.

28. The term “patent troll” refers to “somebody who tries to make a lot of money off a patent that they are not practicing and have no intention of practicing and . . . [have] never practiced.” *Overstock.com, Inc. v. Furnace Brook, LLC*, 420 F. Supp. 2d 1217, 1218 (D. Utah 2005) (quoting Elizabeth D. Ferrill, *Patent Investment Trusts: Let’s Build a Pit to Catch the Patent Trolls*, 6 N.C. J.L. & TECH. 367, 367 (2005)).

29. *eBay*, 547 U.S. at 393. Although the *eBay* opinion did not specifically use the term “patent troll,” the Court’s language about a patent owner’s willingness to license its patent and its failure to practice the patents clearly indicates that the Court is referring to patent trolls.

30. *Id.*

31. *Id.* at 392.

32. *Id.* (quoting *Fox Film Corp. v. Doyal*, 286 U.S. 123, 127 (1932)).

33. *Id.* (quoting 17 U.S.C. § 502(a) (2006)).

34. *Id.* at 392–93.

35. *Id.* at 394 (“We hold only that the decision whether to grant or deny injunctive relief rests within the equitable discretion of the district courts, and that such discretion must be exercised consistent with traditional principles of equity, in patent disputes no less than in other cases governed by such standards.”).

was unanimous), but rather about the nature of patent rights in the era of patent trolling.”³⁶

As discussed below, the Court’s analogizing of copyright law to patent law and its underlying concerns about patent trolling are important to note prior to a thoughtful discussion on how *eBay* will and should impact equitable considerations in the context of trademark injunctions.

Following the Supreme Court’s ruling in *eBay*, the district court again declined, on remand, to issue a permanent injunction in favor of MercExchange.³⁷ This time the district court painstakingly applied the four-factor test for injunctive relief and ultimately held that the balance of the equities favored not entering an injunction against eBay.³⁸ In so holding, the district court sought to answer the question of “whether a presumption of irreparable harm upon a finding of validity and infringement survives the Supreme Court’s opinion [in *eBay*].”³⁹ Although the *eBay* opinion did not specifically address the validity of presumptions of irreparable harm in the four-factor injunction analysis, the district court, after reviewing relevant case law and the majority’s language in *eBay*, held that the presumption “no longer exists.”⁴⁰

Most courts have likewise interpreted *eBay* as eliminating the presumption of irreparable harm in the patent context.⁴¹ And although *eBay* does not specify whether its holding applies to forms of intellectual property other than patents and copyrights, some courts have read *eBay* as eliminating the presumption of irreparable harm in the context of preliminary injunctions in trademark law.⁴²

36. Bernstein & Gilden, *supra* note 11, at 1043 (citing Michael W. Carroll, *Patent Injunctions and the Problems of Uniformity Cost*, 13 MICH. TELECOMM. & TECH. L. REV. 421, 426 (2007)).

37. *See* MercExchange, L.L.C. v. eBay, Inc., 500 F. Supp. 2d 556, 591–92 (E.D. Va. 2007).

38. *Id.*

39. *Id.* at 568.

40. *Id.*

41. *See, e.g.*, MDY Indus., LLC v. Blizzard Entm’t, Inc., 616 F. Supp. 2d 958, 974 (D. Ariz. 2009) (“After *eBay* . . . the presumption of irreparable harm no longer inures to the benefit of plaintiffs.”); Voilé Mfg. Corp. v. Dandurand, 551 F. Supp. 2d 1301, 1306 (D. Utah 2008) (“[T]he majority of district courts to directly analyze the issue have held that *eBay* did away with the presumption of irreparable harm in preliminary injunction cases involving patents.”).

42. *See, e.g.*, Skydive Ariz., Inc. v. Quattrocchi, No. CV-05-2656-PHX-MHM, 2010 WL 1743189, at *1 (D. Ariz. Apr. 29, 2010); IMX, Inc. v. Lending Tree, LLC, 469 F. Supp.

Other courts have refused to apply *eBay* when deciding whether to recognize a presumption of irreparable harm against an accused trademark infringer.⁴³ In fact, one district court held that *eBay* was “confined to permanent injunctions issued under the Patent Act” and that plaintiffs are still entitled to a presumption of irreparable harm upon a showing of a likelihood of success on the merits.⁴⁴

Such a split in authority evidences the need for further Supreme Court guidance on the issue. While *eBay* clarified the impropriety of applying categorical rules in place of a thorough analysis of the four-factor injunction test, it left open questions such as whether the decision applied to preliminary injunctions, whether the decision prohibits rebuttable presumptions favoring injunctions, and whether the decision applies in the trademark injunction context.⁴⁵ While the Supreme Court has yet to directly address these questions, the Court’s recent decision in *Winter* sheds some additional light on the inquiry.⁴⁶

2. *Winter v. Natural Resources Defense Council, Inc.*

Winter involved a claim by Natural Resources Defense Council (“NRDC”), an environmental protection organization, against the United States Navy for its use of mid-frequency active (“MFA”) sonar in training exercises.⁴⁷ NRDC claimed that the Navy’s use of MFA was causing serious injury to several species of marine mammals and was thus in violation of the National Environmental Policy Act of 1969 (“NEPA”) and other federal laws.⁴⁸ After filing suit, NRDC sought declaratory judgment and a preliminary injunction against the Navy’s use of MFAs.⁴⁹ The district court entered a preliminary injunction prohibiting the Navy from using MFA sonar during its training exercises because, pursuant to Ninth

2d 203, 224 (D. Del. 2007); *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 518 F. Supp. 2d 1197, 1211 (C.D. Cal. 2007).

43. *See* *Nationwide Payment Solutions, LLC v. Plunket*, 697 F. Supp. 2d 165, 168 (D. Me. 2010).

44. *Operation Able of Greater Boston, Inc. v. Nat. Able Network, Inc.* 646 F. Supp. 2d 166, 176–77 (D. Mass. 2009).

45. *See* *Bernstein & Gilden*, *supra* note 11, at 1043.

46. 129 S. Ct. 365 (2008).

47. *Id.* at 371.

48. *Id.* at 372.

49. *Id.*

Circuit precedent, NRDC had established “at least a ‘possibility’ of irreparable harm to the environment.”⁵⁰ On appeal, the Ninth Circuit ultimately upheld the district court’s ruling based, in part, upon NRDC having met its burden of establishing a “possibility” of irreparable injury.⁵¹

The United States Supreme Court granted certiorari, reversed the Ninth Circuit’s decision, and vacated the preliminary injunction.⁵² The Supreme Court took issue with the Ninth Circuit’s standard that “when a plaintiff demonstrates a strong likelihood of prevailing on the merits, a preliminary injunction may be entered based only on a ‘possibility’ of irreparable harm.”⁵³ Citing some of its previous decisions,⁵⁴ the Court held that the Ninth Circuit’s “possibility” standard was “too lenient” and expressly overruled it.⁵⁵ Chief Justice Roberts, writing for the Court, stated that “[i]ssuing a preliminary injunction based only on a possibility of irreparable harm is inconsistent with our characterization of injunctive relief as an extraordinary remedy that may only be awarded upon a clear showing that the plaintiff is entitled to such relief.”⁵⁶ The Court set forth the correct standard for judging irreparable harm: “Our frequently reiterated standard requires plaintiffs seeking preliminary relief to demonstrate that irreparable injury is *likely* in the absence of an injunction.”⁵⁷ The Court went on to note the importance of the NRDC’s “ecological, scientific, and recreational interests in marine mammals,”⁵⁸ but ultimately concluded that these interests were “outweighed by the Navy’s need to conduct realistic training exercises to ensure that it is able to neutralize the threat posed by enemy submarines.”⁵⁹

50. *Id.* at 372–73.

51. *Id.* at 373–74.

52. *Id.* at 374.

53. *Id.* at 375.

54. *Id.* at 375 (citing *City of Los Angeles v. Lyons*, 461 U.S. 95, 103 (1983); *Granny Goose Foods, Inc. v. Brotherhood of Teamsters & Auto Truck Drivers Local No. 70*, 415 U.S. 423, 441 (1974); *O’Shea v. Littleton*, 414 U.S. 488, 502 (1974)).

55. *Id.*

56. *Id.* at 375–76 (citing *Mazurek v. Armstrong*, 520 U.S. 968, 972 (1997) (per curiam)).

57. *Id.* at 375.

58. *Id.* at 382.

59. *Id.*

As with *eBay*, the holding of *Winter* has had reverberations in trademark cases. Although *Winter* did not involve trademark infringement or intellectual property rights, several courts have cited to *Winter* in holding that a presumption of irreparable harm is no longer valid in the trademark injunction context.⁶⁰ For example, a judge in the Eastern District of California recently issued a preliminary injunction against an alleged infringer after finding, on the merits, that the defendant's products were likely to cause confusion with respect to the plaintiff's trademark and trade dress.⁶¹ Noting the pre-*Winter* validity of a presumption of irreparable harm, the court held that after *Winter* a plaintiff is no longer entitled to such a presumption when seeking a preliminary injunction in a trademark case.⁶² In contrast, some courts have taken the opposite approach to their application of *Winter*, holding that the presumption is alive and well.⁶³

Unlike *eBay*, *Winter* did not involve an explicit presumption of irreparable harm. However, like in *eBay*, the *Winter* Court sent a strong message that an injunction test that minimized the importance of demonstrating irreparable harm did not square with notion of injunctive relief as an extraordinary equitable remedy. But, as discussed below, both the *eBay* and *Winter* decisions were heavily influenced by the policy considerations of the underlying factual circumstances. *eBay* was decided in light of the recent increase in patent troll activity and the debate concerning the property nature of patents, while the *Winter* decision had significant implications for national security. Understanding that these policy considerations weighed heavily in the Supreme Court's decisions is key to predicting how the Court might rule in future cases implicating the presumption of irreparable harm in trademark cases. It is also important to note that patent infringement and MFA sonar use do

60. See, e.g., *Cytosport, Inc. v. Vital Pharm., Inc.*, 617 F. Supp. 2d 1051 (E.D. Cal. 2009), *aff'd*, 348 F. App'x 288 (9th Cir. 2009); *Volkswagen AG v. Verdier Microbus & Camper, Inc.*, No. C 09-00231 JSW, 2009 WL 928130, at *6 (N.D. Cal. Apr. 3, 2009); *Maxim Integrated Prods., Inc. v. Quintana*, 654 F. Supp. 2d 1024, 1030 (N.D. Cal. 2009); *Mortgage Elec. Registration Sys., Inc. v. Brosnan*, No. C 09-3600 SBA, 2009 WL 3647125, at *8-9 (N.D. Cal. Sept. 4, 2009).

61. *Cytosport*, 617 F. Supp. 2d at 1051.

62. *Id.* at 1065.

63. See, e.g., *Garcoa, Inc. v. PH Beauty Labs, Inc.*, No. CV 09-4859 AHM, 2009 WL 2489223, at *2 (C.D. Cal. Aug. 10, 2009).

not by their nature cause irreparable harm, as is generally the case with trademark infringement.⁶⁴

C. Recent Court Approaches to the Presumption of Irreparable Harm

As mentioned above, in the wake of the *eBay* and *Winter* decisions, courts have taken different approaches to the traditionally recognized presumption of irreparable harm in trademark cases. The remainder of this Section presents the three main approaches taken by courts in applying *eBay* and *Winter* in cases where a trademark owner sought preliminary injunctive relief. These approaches include (1) holding that the presumption is no longer valid,⁶⁵ (2) holding that the presumption survives in the trademark context,⁶⁶ and (3) side-stepping the issue because of uncertainty regarding whether the presumption is still valid.⁶⁷

1. The presumption is no longer valid

An opinion recently handed down by the United States Court of Appeals for the Second Circuit illustrates the view that the Supreme Court's decisions in *eBay* and *Winter* have done away with the presumption of irreparable harm.⁶⁸ Although *Salinger v. Colting* is a copyright case, the language in the court's opinion implicates injunctions in any context.⁶⁹ In *Salinger*, J.D. Salinger brought a copyright infringement suit against an author for allegedly copying scenes, characters, events, and other elements from Salinger's classic novel *Catcher in the Rye*.⁷⁰ Upon establishing a prima facie case of copyright infringement, Salinger moved the district court to

64. See MCCARTHY, *supra* note 3, § 30:47.

65. See *supra* notes 42 and 60 and accompanying text.

66. See *supra* notes 44 and 63 and accompanying text.

67. See *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1228 (11th Cir. 2008) (declining to decide whether the presumption of irreparable harm in trademark injunction cases survived the Court's holding in *eBay*); *Fiji Water Co. v. Fiji Mineral Water USA, LLC*, No. SACV09-1148 CJC MLGx, 2010 WL 3835673, at *10 (C.D. Cal. Sept. 30, 2010) (holding that *Winter* "casts some doubt as to whether [the] presumption, alone, is sufficient").

68. *Salinger v. Colting*, 607 F.3d 68, 77–78 (2d Cir. 2010).

69. *Id.* at 78 & n.7 ("[A]lthough our holding here is limited to preliminary injunctions in the context of copyright cases, *eBay*'s central lesson is that . . . a court deciding whether to issue an injunction must not adopt 'categorical' or 'general' rules or presume that a party has met an element of the injunction standard.").

70. *Id.* at 72.

preliminarily enjoin the author from essentially all future commercial activity surrounding the promotion of the allegedly infringing book.⁷¹ Holding that *eBay* applied only in the patent context, the district court presumed irreparable harm and issued a preliminary injunction.⁷² On appeal, the Second Circuit vacated the injunction and remanded the case.⁷³ In doing so, the court not only held that *eBay* applies in the copyright context but also that it eviscerated the presumption of irreparable harm upon a showing of a likelihood of success on the merits in copyright cases.⁷⁴ While noting that its holding was limited to preliminary injunctions in the copyright context, the court opined in dictum that it saw “no reason that *eBay* would not apply with equal force to an injunction in *any* type of case.”⁷⁵ The court then bolstered its holding by citing to *Winter* for the propositions that *eBay* does not “permit an easier grant of a preliminary injunction than of a permanent injunction”⁷⁶ and that courts must not presume irreparable harm.⁷⁷

Salinger represents the Second Circuit’s post-*eBay* and post-*Winter* rejection of the presumption of irreparable harm in copyright cases.⁷⁸ The First, Eleventh, and Fourth Circuits have also rejected the presumption in the copyright context.⁷⁹ This approach is the majority rule in patent cases as well.⁸⁰ There is, however, less of a consensus in trademark cases. Although two circuit courts have expressed doubt as to the survival of the presumption in trademark cases,⁸¹ no circuit has explicitly concluded that the presumption of irreparable harm is dead in the trademark context. Nonetheless, various district courts have taken this step.⁸² In *Cytosport, Inc. v. Vital Pharmaceuticals*, the District Court for the Eastern District of California held that “the governing law has changed in light of

71. *Id.* at 73.

72. *Id.* at 73–74.

73. *Id.* at 76.

74. *Id.* at 80.

75. *Id.* at 78 n.7.

76. *Id.* at 78.

77. *Id.* at 80.

78. *Id.*

79. *Id.* at 77 n.6.

80. *See supra* note 41 and accompanying text.

81. *See Paulsson Geophysical Serv., Inc. v. Sigmar*, 529 F.3d 303, 313 (5th Cir. 2008); *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1228 (11th Cir. 2008).

82. *See supra* notes 42 and 60 and accompanying text.

*Winter*⁸³ and that a plaintiff is no longer granted the presumption of irreparable harm upon a showing of likelihood of success on the merits.⁸⁴ However, it is important to note that, despite not applying the presumption, the court found sufficient evidence of irreparable harm to merit a preliminary injunction.⁸⁵

The Ninth Circuit, in a non-precedential memorandum opinion, later affirmed this decision, holding that “the district court did not rely on an erroneous legal premise or abuse its discretion in concluding that Cytosport was likely to succeed on the merits and showed a strong likelihood that it would suffer irreparable harm if the preliminary injunction did not issue.”⁸⁶ However, the Ninth Circuit panel made no specific mention of the lower court’s non-application of the presumption of irreparable harm.

Holdings similar to that in *Cytosport* can be found in opinions from the District of Arizona⁸⁷ and the Central District of California.⁸⁸ Additionally, three separate opinions out of the Northern District of California have expressly rejected the trademark presumption of irreparable harm.⁸⁹ In one of those cases, *Volkswagen AG v. Verdier Microbus & Camper, Inc.*,⁹⁰ Volkswagen sought a preliminary injunction against Verdier for allegedly designing and selling automobiles “to appear as if they were manufactured by, sponsored by, or affiliated with [Volkswagen].”⁹¹ In that case, the court noted the traditional application of the presumption of irreparable harm but held that a plaintiff is no longer granted the

83. 617 F. Supp. 2d 1051, 1065 (E.D. Cal. 2009), *aff’d*, 348 F. App’x 288 (9th Cir. 2009).

84. *Id.*

85. *Id.* at 1081.

86. *Cytosport, Inc. v. Vital Pharm., Inc.*, 348 F. App’x 288, 289 (9th Cir. 2009) (not precedential).

87. *See Skydive Ariz., Inc. v. Quattrocchi*, No. CV-05-2656-PHX-MHM, 2010 WL 1743189, at *2 (D. Ariz. April 29, 2010) (“The Court finds this reasoning [of other courts not recognizing the presumption] sound and will likewise decline to apply the presumption of irreparable harm.”).

88. *See Aurora World, Inc. v. Ty Inc.*, 719 F. Supp. 2d 1115, 1167–69 (C.D. Cal. 2009) (holding that *eBay* applies in the trademark context to eliminate the presumption of irreparable harm).

89. *See Mortg. Elec. Registration Sys., Inc. v. Brosnan*, No. C 09-3600 SBA, 2009 WL 3647125, at *8–9 (N.D. Cal. Sept. 4, 2009); *Maxim Integrated Prods., Inc. v. Quintana*, 654 F. Supp. 2d 1024, 1030 (N.D. Cal. 2009); *Volkswagen AG v. Verdier Microbus & Camper, Inc.*, No. C 09-00231 JSW, 2009 WL 928130, at *6 (N.D. Cal. Apr. 3, 2009).

90. No. C 09-00231 JSW, 2009 WL 928130.

91. *Id.* at *1.

presumption of irreparable harm upon a showing of likelihood of success on the merits.⁹² As in *Cytosport*, the *Volkswagen* court held that Volkswagen had met its burden of demonstrating irreparable harm despite concluding that the presumption of irreparable harm is no longer valid.⁹³

Ironically, in so holding, the court “articulated the underpinnings of the presumption it held null-and-void.”⁹⁴ “The reason for the trademark presumption of irreparable injury is that once a probability of proving likelihood of confusion at trial is shown, the trademark owner’s business goodwill and reputation are at risk.”⁹⁵ While the *Volkswagen* court employed this reasoning in finding that irreparable harm was likely, many courts have used this, and other reasoning, as justification for presuming irreparable harm post-*eBay* and post-*Winter*. This approach is illustrated below.

2. *The presumption survives in the trademark context*

Despite the growing consensus that the presumption of irreparable harm is dead in the patent and copyright contexts, many courts continue to recognize the presumption in trademark cases. Shortly after the Supreme Court’s decision in *eBay*, the Sixth Circuit maintained, in *Lorillard Tobacco Co. v. Amouri’s Grand Foods, Inc.*, its traditional practice of presuming irreparable harm “when a likelihood of confusion or possible risk to reputation appears from infringement or unfair competition.”⁹⁶ Because *Lorillard* was decided less than two months after *eBay*, it is possible that the Sixth Circuit was not sufficiently guided by *eBay* in upholding the presumption. However, in *Ignition Athletic Performance Group, LLC v. Hantz Soccer U.S.A.*, the Sixth Circuit again applied the trademark presumption of irreparable harm, this time with ample time to consider *eBay*’s reach in the trademark injunction context.⁹⁷ In a

92. *Id.* at *2.

93. *Id.* at *6.

94. Williams, *supra* note 9, at 574.

95. *Volkswagen*, No. C 09-00231 JSW, 2009 WL 928130, at *6 (quoting 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 30:47 (4th ed. 2010)).

96. *Lorillard Tobacco Co. v. Amouri’s Grand Foods, Inc.*, 453 F.3d 377, 382 (6th Cir. 2006) (quoting *Circuit City Stores, Inc. v. CarMax, Inc.*, 165 F.3d 1047, 1056 (6th Cir. 1999)).

97. *Ignition Athletic Performance Grp., LLC v. Hantz Soccer U.S.A.*, 245 Fed. App’x 456, 460 (6th. Cir. 2007).

more recent case, a district court in the Sixth Circuit also recognized the post-*eBay* validity of the trademark presumption and suggested that *eBay* might be limited to the context of permanent injunctive relief.⁹⁸

While courts in the Sixth Circuit continue to recognize the trademark presumption, the Ninth Circuit's position on the issue is unclear. As discussed above, the Ninth Circuit, in a non-precedential decision, affirmed a decision in which the lower court held that the presumption of irreparable harm was no longer recognized post-*Winter*.⁹⁹ However, in *Marlyn Nutraceuticals, Inc. v. Mucos Pharma GmbH & Co.*, a Ninth Circuit panel affirmed a preliminary injunction in which the lower court presumed irreparable injury following a finding of a likelihood of success on the merits.¹⁰⁰ But unlike in *Cytosport*, the *Marlyn* court expressly addressed the presumption of irreparable harm, holding it valid.¹⁰¹ These two cases are the only instances in which the Ninth Circuit was presented with the issue of whether the trademark presumption survived *eBay*. Unfortunately these cases shed very little light on the current validity of the presumption in the Ninth Circuit.

This lack of guidance has produced mixed results from district courts within the Ninth Circuit. As discussed above, courts in the Eastern and Northern Districts of California have held that *Winter* effectively eliminated the trademark presumption of irreparable harm.¹⁰² However, various other courts within the Ninth Circuit have reached the opposite conclusion. For example, in *Morocanoil, Inc. v. Moroccan Gold, LLC*, the District Court for the Central District of California applied, in a trademark case, the *Winter* standard for preliminary injunctions, which requires a plaintiff to "demonstrate that irreparable injury is *likely* in the absence of an

98. *Innovation Ventures, LLC v. Body Dynamics, Inc.*, No. 08-12711, 2009 WL 877640, at *3 (E.D. Mich. March 30, 2009).

99. *See Cytosport, Inc. v. Vital Pharm., Inc.*, 348 Fed. App'x 288, 289 (9th Cir. 2009).

100. *Marlyn Nutraceuticals, Inc. v. Mucos Pharma GmbH & Co.*, 571 F.3d 873, 877 (9th Cir. 2009).

101. *Id.*

102. *See Cytosport, Inc. v. Vital Pharm., Inc.*, 617 F. Supp. 2d 1051, 1065 (E.D. Cal. 2009), *aff'd*, 348 F. App'x 288 (9th Cir. 2009); *Volkswagen AG v. Verdier Microbus & Camper, Inc.*, No. C 09-00231 JSW, 2009 WL 928130 (N.D. Cal. Apr. 3, 2009).

injunction.”¹⁰³ However, the court also recognized and applied the presumption of irreparable harm after the plaintiff established a likelihood of confusion.¹⁰⁴

Less than a year after the *Morocanoil* decision, another court in the Central District of California reached a similar conclusion.¹⁰⁵ In that case, the court acknowledged *Winter* as overruling the Ninth Circuit’s lower standard of irreparable harm but nonetheless held that courts may continue to presume irreparable harm “because trademark damages are, by their very nature, irreparable.”¹⁰⁶ In a footnote, the court cited to *Marlyn* for the Ninth Circuit’s post-*eBay* recognition of the survival of the trademark presumption of irreparable harm.¹⁰⁷ The court stated, “although the Supreme Court’s decision in *eBay* has cast some doubt on to the continued viability of the presumption of irreparable harm in trademark cases, this Court will apply current Ninth Circuit law.”¹⁰⁸

Similar holdings can be found in other district court cases within the Ninth Circuit.¹⁰⁹ In a recent trademark and copyright infringement case, the District Court for the Northern District of California specifically recognized trademark infringement claims as the only type of case where irreparable harm may be presumed.¹¹⁰ Thus, because the Ninth Circuit has yet to expressly address the continuing viability of the trademark presumption, courts within that circuit are split on the issue and have cited to Ninth Circuit precedent in reaching opposite conclusions.

The survival of the trademark presumption of irreparable harm has also been recognized by various district courts outside of the

103. *Morocanoil, Inc. v. Moroccan Gold, LLC*, 590 F. Supp. 2d 1271, 1281 (C.D. Cal. 2008) (quoting *Winter v. Natural Resources Defense Council, Inc.*, 129 S. Ct. 365, 375 (2008)).

104. *Id.* at 1281.

105. *Garcoa, Inc. v. PH Beauty Labs., Inc.*, No. CV 09-4859 AHM (Ex), 2009 WL 2489223, at *2 (C.D. Cal. Aug. 10, 2009).

106. *Id.* (citing *Brookfield Commc'ns, Inc. v. West Coast Entm't Corp.*, 174 F.3d 1036, 1066 (9th Cir.1999)).

107. *Id.* at *2 n.3.

108. *Id.*

109. *See Sky Capital Group, LLC v. Rojas*, No. 1:09-CV-00083-EJL, 2009 WL 1370938, at *11–12 (D. Idaho May 14, 2009); *Falcon Stainless, Inc. v. Rino Co.*, No. SA CV 08-926 AHS (MLGx), 2008 WL 5179037, at *4, *9 (C.D. Cal. Dec. 9, 2008).

110. *Apple Inc. v. Psystar Corp.*, 673 F. Supp. 2d 926, 929 (N.D. Cal. 2009) (“Other than for trademark infringement claims, there is no presumption of irreparable harm with respect to a permanent injunction.”).

Sixth and Ninth Circuits.¹¹¹ Recently, the District Court for the Western District of North Carolina suggested that some have overestimated *eBay*'s reach into trademark law.¹¹² In *Irwin Industrial Tool Co. v. Worthington Cylinders Wisconsin, LLC*, the court held that *eBay* merely rejected the notion that an injunction should follow a determination of a patent or copyright infringement, and should not be read to eliminate the presumption of irreparable harm in trademark cases.¹¹³ The court concluded, "*eBay* does not discuss, much less eliminate, the presumption of irreparable harm in this [trademark] context."¹¹⁴

3. Evaluating irreparable harm without relying on the presumption

Although many courts continue to take a definitive stance on the trademark presumption by either flatly rejecting it or fully recognizing it, some courts remain unwilling to make such clear-cut conclusions. Accordingly, those courts have side-stepped the issue by evaluating irreparable harm without employing the presumption. These courts seem reluctant to decide this complicated issue when the nature of trademark damages lends itself to a high likelihood of establishing irreparable harm upon preliminary findings of infringement.¹¹⁵

In 2008, the Eleventh Circuit, in *North American Medical Corp. v. Axiom Worldwide, Inc.*, became the first federal circuit court to question the validity of the trademark presumption following the Supreme Court's decision in *eBay*.¹¹⁶ In that case, the court recognized *eBay*'s applicability to the trademark case at hand but expressly declined to decide "whether the district court was correct in its holding that the nature of trademark infringement gives rise to

111. See, e.g., *Nationwide Payment Solutions, LLC v. Plunkett*, 697 F. Supp. 2d 165 (D. Me. 2010); *New York City Triathlon, LLC v. NYC Triathlon Club, Inc.*, 704 F. Supp. 2d 305 (S.D.N.Y. 2010); *Toytrackerz LLC v. Koehler*, No. 08-2297-GLR, 2009 WL 2591329 (D. Kan. Aug. 21, 2009); *Gold's Gym Licensing, LLC v. K-Pro Mktg. Grp., Inc.*, No. 09-CV-1211 (PJS/RLE), 2009 WL 2253247 (D. Minn. July 28, 2009); *Miyano Mach. USA, Inc. v. MiyanoHitec Mach., Inc.*, 576 F. Supp. 2d 868 (N.D. Ill. 2008).

112. *Irwin Indus. Tool Co., v. Worthington Cylinders Wis., LLC*, Civil No. 3:08cv291, 2010 WL 3895698, at *8 n.4 (W.D.N.C. Oct. 1, 2010).

113. *Id.*

114. *Id.*

115. See *supra* notes 19–21 and accompanying text.

116. 522 F.3d 1211, 1228 (11th Cir. 2008).

a presumption of irreparable injury.”¹¹⁷ More specifically, the court declined to answer “whether such a presumption is the equivalent of the categorical rules rejected by the Court in *eBay*.”¹¹⁸ As a result, the Eleventh Circuit panel vacated the preliminary injunction granted by the lower court and remanded the case for proceedings not inconsistent with the court’s opinion or with *eBay*.¹¹⁹ In doing so, the court expressly acknowledged that the district court, on remand, might decide the issue without employing the presumption, or that it might “decide that the particular circumstances of the instant case bear substantial parallels to previous cases such that a presumption of irreparable injury is an appropriate exercise of its discretion in light of the historical traditions.”¹²⁰

Shortly after *North American Medical*, the Fifth Circuit decided a trademark infringement appeal without answering the “difficult question” of whether *eBay* did away with the presumption of irreparable harm.¹²¹ Instead, the court side-stepped the issue by addressing the irreparable harm inquiry without applying the presumption.¹²² The court found that the plaintiff had demonstrated a substantial threat of irreparable injury to its goodwill and to the value of its mark.¹²³ Accordingly, the Fifth Circuit panel upheld the preliminary injunction.¹²⁴

This “side-stepping” of the presumption of irreparable harm has become quite popular in the wake of *eBay* and *Winter*. Instead of deciding the issue of the presumption’s continued validity, these courts have granted preliminary injunctions based on a finding that probable damage to a plaintiff’s goodwill and reputation is direct evidence of irreparable injury.¹²⁵

117. *Id.*

118. *Id.*

119. *Id.*

120. *Id.*

121. *Paulsson Geophysical Serv., Inc. v. Sigmar*, 529 F.3d 303, 313 (5th Cir. 2008).

122. *Id.*

123. *Id.*

124. *Id.*

125. *See* *Fiji Water Co., LLC v. Fiji Mineral Water USA, LLC*, No. SACV09-1148 CJC MLGx, 2010 WL 3835673, at *10 (C.D. Cal. Sept. 30, 2010) (“Regardless of whether the presumption applies, FIJI has shown that it is likely to suffer irreparable harm if a preliminary injunction is not issued in this case.”); *Sound Surgical Techs., LLC v. Leonard A. Rubinstein, M.D., P.A.*, No. 8:10-CV-970-T-27MAP, 2010 WL 3199893, at *11 (M.D. Fla., Aug. 12, 2010) (“[E]ven if Plaintiff is not entitled to a presumption of irreparable harm, the Court finds that Plaintiff has shown a substantial threat of consumer confusion and resulting irreparable

For example, in *Petro Franchise Systems, LLC v. All American Properties, Inc.*,¹²⁶ a court in the Western District of Texas held that a trademark owner “established irreparable harm whether that harm is presumed or must be established.”¹²⁷ In so holding, the court suggested its doubt as to whether *eBay* eliminated the presumption of irreparable harm and concluded that irreparable harm could “easily be found in this case.”¹²⁸

A similar example can be found in a case out of the Middle District of Alabama. In *Auburn University v. Moody*, the court noted the Eleventh Circuit’s recognition of the presumption but opted to avoid the *eBay* issue by evaluating irreparable harm without relying on the presumption.¹²⁹ Again, in that case, the court found irreparable harm because not enjoining the allegedly infringing activity would have caused the trademark owner to lose control of its reputation and caused dilution and weakening of its associated brand.¹³⁰

This approach of side-stepping allows courts to decide cases amidst the uncertainty resulting from *eBay* and *Winter*. While not expressly deciding whether the presumption is still valid, courts continue to recognize the underpinnings of the presumption in evaluating irreparable harm. This approach also demonstrates the survival of the spirit of the presumption following *eBay* and *Winter*.

harm to its reputation and the goodwill represented by its marks.”) *Nike, Inc. v. Austin*, No. 6:09-cv-796-Orl-28KRS, 2009 WL 3535500, at *6 (M.D. Fla. Oct. 29, 2009) (finding irreparable harm without reliance on the presumption because Nike’s goodwill among the consuming public would be undermined if defendants were not prohibited from selling merchandise bearing Nike’s marks); *Marv-a-Les Air Charters, LLC v. Sea Tow Serv. Int’l, Inc.*, No. CV406-148, 2009 WL 2988903, at *3 n.7 (S.D. Ga. Sept. 17, 2009) (not applying the presumption because it was not necessary to establish irreparable harm in that case); *Chanel, Inc. v. Mesadieu*, No. 6:08-cv-1557-Orl-31KRS, 2009 WL 2496586, at *8 (M.D. Fla., Aug. 12, 2009) (finding irreparable harm without reliance on the presumption because “Chanel has developed goodwill among the consuming public which would be undermined if Mesadieu is not prohibited from selling merchandise bearing Chanel’s marks”); *Grooms v. Legge*, No. 09cv489-IEG-POR, 2009 WL 962067, at *12 (S.D. Cal. Apr. 8, 2009) (“Even without this presumption, plaintiffs have demonstrated the threat of irreparable harm.”).

126. 607 F. Supp. 2d 781 (W.D. Tex. 2009).

127. *Id.* at 793–94.

128. *Id.* at 794.

129. No. 3:08cv796-CSC, 2008 WL 4877542 (M.D. Ala. Nov. 4, 2008).

130. *Id.* at *8–9.

D. Recent Commentary Regarding the Presumption of Irreparable Harm

As is the case with the courts, scholars are likewise divided as to the trademark presumption's continuing validity.¹³¹ Among the most notable scholars advocating the presumption's survival is Professor J. Thomas McCarthy. Both in his treatise on trademark law¹³² and in a recent article,¹³³ Professor McCarthy offers a brief analysis of why he thinks *eBay* should not be read to eliminate the presumption. He argues that, because the presumption is rebuttable, it is not inconsistent with the underlying policy of the *eBay* decision.¹³⁴ He also argues that the inherently irreparable nature of trademark infringement distinguishes trademark cases from the patent and copyright situations mentioned in *eBay*.¹³⁵ Professor McCarthy has yet to offer an in-depth discussion on these points. However, in a recently published article, *No Trolls Barred: Trademark Injunctions After eBay*, trademark attorneys David H. Bernstein and Andrew Gilden attempt to flesh out McCarthy's argument.¹³⁶ They do so by expanding on the differences in the rationales underlying the various forms of intellectual property and explaining how such differences implicate differing policy concerns.¹³⁷ Accordingly, Bernstein and Gilden conclude that "*eBay* should not extend *ipso facto* to trademark infringements from the mere fact that trademarks are broadly categorized as being 'intellectual property.'"¹³⁸

The following Part attempts to advance the scholarly discussion by (1) expanding on the differences between the trademark presumption of irreparable harm and the categorical rule struck down by the Court in *eBay* and (2) demonstrating that *Winter* may peacefully co-exist with the presumption's survival.

131. Compare MCCARTHY, *supra* note 3, § 30:47 (arguing for the presumption's survival), with Sandra Rierson, *IP Remedies After eBay: Assessing the Impact on Trademark Law*, 2 AKRON INTELL. PROP. J. 163, 166 (2008) (arguing against the presumption's survival).

132. See MCCARTHY, *supra* note 3.

133. McCarthy, *supra* note 1, at 1.

134. *Id.*

135. *Id.*

136. Bernstein & Gilden, *supra* note 11, at 1037.

137. *Id.* at 1038-39.

138. *Id.* at 1060.

III. THE PRESUMPTION OF IRREPARABLE HARM IN TRADEMARK CASES SHOULD AND WILL SURVIVE *EBAY* AND *WINTER*

As described above, following the Supreme Court's decisions in *eBay* and *Winter*, courts have either rejected, recognized, or side-stepped the presumption of irreparable harm in trademark cases. It remains to be seen whether the Supreme Court will grant certiorari to clarify the law in this area. Accordingly, courts and commentators are left to debate which position will ultimately win out. This Part argues that the presumption will survive because the holdings of *eBay* and *Winter* are capable of coexisting with the presumption, and because damages caused by trademark infringement are by their very nature irreparable. The following three subsections further illustrate this position.

A. *eBay Did Not Kill the Presumption of Irreparable Harm in Trademark Cases*

As described in Part I, the Supreme Court in *eBay* struck down the Federal Circuit's general rule that a permanent injunction will automatically issue following a finding of patent validity and infringement. This holding should not be read to eliminate the presumption of irreparable harm in trademark cases. This position is supported by several arguments.

First, presuming irreparable harm upon a showing of a likelihood of trademark infringement does not equate with the "categorical"¹³⁹ rule struck down by the Court in *eBay*. The central holding of *eBay* was to invalidate a test that departed from the equitable considerations traditionally weighed by courts in determining whether an injunction should issue.¹⁴⁰ The *eBay* opinion certainly suggests the Supreme Court's intolerance for circumventing a thorough application of the traditional four-factor injunction analysis.

However, the presumption of irreparable harm in trademark infringement cases does not undermine this test. Presuming irreparable harm in trademark cases does not preclude a thorough analysis of the traditional four-factor test for injunctive relief. Nor does it constitute "a major departure from the long tradition of

139. See *eBay v. MercExchange, LLC*, 547 U.S. 388, 394 (2005).

140. *Id.*

equity practice” that the Court sought to protect in *eBay*.¹⁴¹ A presumption is not a categorical rule. It is “a legal inference or assumption that a fact exists, based on the known or proven existence of some other fact or group of facts.”¹⁴² The basis for the presumption of irreparable harm in trademark law is the known or proven fact that monetary relief from trademark infringement is “inherently ‘inadequate’ and injury is ‘irreparable.’”¹⁴³ Accordingly, the trademark presumption is merely an efficient, commonsense approach of recognizing the inherently irreparable nature of trademark infringement; it is not the type of categorical rule forbidden by *eBay*. Moreover, it is not the common practice of courts to automatically issue trademark injunctions based solely on a finding of irreparable harm after a plaintiff has demonstrated a likelihood of success on the merits.¹⁴⁴ Instead, when employing the presumption of irreparable harm, courts must still weigh the other factors of the test. Thus, the presumption neither categorically prescribes irreparable harm nor is used to depart from traditional equitable practices.¹⁴⁵

At least one district court has made this distinction post-*eBay*. In *Petro Franchise Systems, LLC v. All American Properties, Inc.*, a trademark infringement case, the court stated, “A conclusive determination that three equitable factors automatically follow when success on the merits is established is quite far from a mere presumption that a single factor—irreparable harm—should usually follow when likelihood of confusion is established.”¹⁴⁶ In other words, the trademark presumption of irreparable harm is not the type of categorical rule that *eBay* forbids. Thus, as noted by Professor McCarthy, “The presumption is just that: it is not an iron-clad rule which inevitably leads to a preliminary injunction in all trademark infringement cases. The traditional equities must always be weighed and balanced.”¹⁴⁷ Indeed, as one court noted, after distinguishing

141. *Id.* at 391 (quoting *Weinberger v. Romero-Barcelo*, 456 U.S. 305, 320 (1982)).

142. BLACK’S LAW DICTIONARY 1304 (9th ed. 2009).

143. *See* MCCARTHY, *supra* note 3.

144. *See id.*

145. *See Solar Cosmetics Labs, Inc. v. Sun-Fun Prods. Inc.*, 941 F. Supp. 1185, 1189 (M.D. Fla. 1996) (“[I]t is clear that irreparable harm does not automatically follow from a substantial showing of likelihood of confusion.”).

146. 607 F. Supp. 2d 781, 794 (W.D. Tex. 2009).

147. *See* MCCARTHY, *supra* note 3.

the Federal Circuit's categorical rule from the trademark presumption, "*eBay* does not discuss, much less eliminate the presumption of irreparable harm in this [trademark] context."¹⁴⁸

Second, as argued by Professor McCarthy, even if irreparable harm is presumed based upon a likelihood of success on the merits, that presumption may still be rebutted.¹⁴⁹ As the Second Circuit remarked, the presumption of irreparable injury "leaves the door slightly ajar perhaps for those few cases in other trademark contexts where irreparable harm does not follow."¹⁵⁰ As an illustration of this point, in *SMJ Group, Inc. v. 417 Lafayette Restaurant LLC*, restaurant owners sued a group of ex-employees for trademark infringement after they began handing out leaflets questioning restaurant patrons' decision to eat at the restaurant.¹⁵¹ These leaflets bore the trademarked logo of one of the owners' restaurants as well as the text: "Do you really want to eat here?"¹⁵² At the time, the restaurant and some of its ex-employees were engaged in a lawsuit over the alleged misappropriation of tips and unpaid overtime hours worked.¹⁵³ In this case involving initial interest confusion, the court held that although the trademark owners were likely to succeed in showing a likelihood of confusion, irreparable harm could not be established because any harm to the owners as a result of the logo-bearing flyers came from the ex-employees' message, not their use of the owners' mark.¹⁵⁴ Accordingly, because potential restaurant patrons were not diverted by the logo to a substitute restaurant, the ex-employees' use of the mark did not frustrate individuals' attempts to eat at the restaurant. Thus, the restaurant owners were not irreparably harmed by the infringing use, and the court denied their motion for a preliminary injunction.¹⁵⁵

Furthermore, courts may deny injunctive relief even if the presumption of irreparable harm is applied and not rebutted. As McCarthy has noted, "Because the grant of a preliminary injunction

148. *Irwin Indus. Tool Co., v. Worthington Cylinders Wis., LLC*, Civil No. 3:08cv291, 2010 WL 3895698, at *27 n.4 (W.D.N.C. Oct. 1, 2010).

149. *See* MCCARTHY, *supra* note 3.

150. *Church of Scientology Int'l v. Elmira Mission of the Church of Scientology*, 794 F.2d 38, 42 (2d Cir. 1986).

151. 439 F. Supp. 2d 281, 285–86 (S.D.N.Y. 2006).

152. *Id.* at 285.

153. *Id.*

154. *Id.* at 295.

155. *Id.*

is in the exercise of a traditional equitable remedy, even if the trademark owner proves a likelihood of success in proving a likelihood of confusion, there may be other equities which dictate denial of a preliminary injunction.”¹⁵⁶ For example, in *Citibank, N.A. v. Citytrust*, the Second Circuit vacated a preliminary injunction after it found that differences in the marks, and a significant delay in seeking an injunction, offset the balance of the equities in the injunction inquiry.¹⁵⁷ This neutralization¹⁵⁸ of the presumption has been recognized by other courts and is another example of the non-categorical nature of the trademark presumption.¹⁵⁹ Thus, as noted by one court, “[I]t is clear that irreparable harm does not automatically follow from a substantial showing of likelihood of confusion.”¹⁶⁰

These cases demonstrate that categorically granting patent injunctions upon findings of validity and infringement is very different from presuming the existence of one factor in the injunction test. One approach leaves no place for equitable considerations and the other does. Indeed, to borrow from the Second Circuit’s analogy, while the presumption of irreparable harm “leaves the door slightly ajar,”¹⁶¹ the Federal Circuit’s categorical rule closes and double bolts the door.

Third, *eBay* was largely “about the nature of patent rights in the era of patent trolling.”¹⁶² This is evidenced by the dueling concurrences written by Chief Justice Roberts, who favored the tradition of issuing injunctions upon a finding of infringement,¹⁶³ and Justice Kennedy, who argued that the recent increase in patent troll activity demonstrates the need to reemphasize the requirement

156. See MCCARTHY, *supra* note 3, § 30:47.

157. 756 F.2d 273, 277 (2d Cir. 1985).

158. See *id.* at 276.

159. See *GTE Corp. v. Williams*, 731 F.2d 676, 678 (10th Cir. 1984); *Desknet Sys., Inc. v. Desknet, Inc.*, 96 CIV. 9548(JSM), 1997 WL 253246 (S.D.N.Y. May 14, 1997); *Del-Rain Corp. v. Pelonis USA Ltd.*, 94-CV-587S, 1995 WL 116043 (W.D.N.Y. Feb. 28, 1995); *Chase Manhattan Corp. v. Northwestern Mutual Life*, 92 Civ. 4978(CBM), 1993 WL 60602 (S.D.N.Y. Mar. 1, 1993).

160. *Solar Cosmetics Labs, Inc. v. Sun-Fun Prods., Inc.*, 941 F. Supp. 1185, 1189 (M.D. Fla. 1996).

161. See *Church of Scientology Int'l v. Elmira Mission of the Church of Scientology*, 794 F.2d 38, 42 (2d Cir. 1986).

162. See *Bernstein & Gilden*, *supra* note 11, at 1043.

163. *eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 394–95 (2006) (Roberts, C.J., concurring).

to balance the property rights of patent owners with the public interest served by the patent system.¹⁶⁴ Prior to *eBay*, courts had been automatically issuing permanent injunctions upon a finding of a validity and infringement. This practice was problematic because these non-practicing entities, or patent trolls, never intended to practice their patents. In fact, the business model of patent trolls is largely based on procuring patents merely to sue for their infringement. Accordingly, enjoining another party from practicing those patents does not comport with the policy justification for the U.S. patent system, which is to incentivize innovation in exchange for a temporary monopoly on a technology. The *eBay* case was decided amidst the growing concern over patent trolling, and this concern seems to be the true dispute underlying the case.¹⁶⁵ The fact that *eBay* was as much about the nature of patent rights as the nature of equitable relief should inform courts in their application of the case to trademark law, where concerns over patent trolling are not present. Such an informed application favors not over-reading *eBay* to the extent of eliminating the trademark presumption of irreparable harm.

Finally, principles of patent and copyright law cannot be applied wholesale in the trademark context. As discussed above, the Court in *eBay* looked to principles of copyright law in deciding a case about patent injunctions.¹⁶⁶ In fact, the Court explicitly compared the exclusionary rights of patent and copyright owners and cited to copyright cases in setting forth requirements for patent injunctions.¹⁶⁷ Although patents, copyrights, and trademarks are all forms of intellectual property, the nature of trademark protection differs significantly from that of patents and copyrights.¹⁶⁸ Patent and copyright law offers constitutionally based protections, affording owners an exclusionary right for a finite period of time. Trademark law, on the other hand, is a statutory invention that allows for a potentially indefinite duration of protection. Therefore, the decision of whether to issue a patent injunction implicates a more limited duration of rights than does a decision regarding trademark injunctions and should be treated differently. Also, as stated in the

164. *Id.* at 396–97 (Kennedy, J., concurring).

165. Bernstein & Gilden, *supra* note 11, at 1043.

166. *eBay*, 547 U.S. at 392–93 (majority opinion).

167. *Id.*

168. *See* MCCARTHY, *supra* note 3, § 6:8.

Constitution, patents and copyrights are protected by the government, “[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.”¹⁶⁹ In other words, patents and copyrights are issued to incentivize innovation and creativity. Trademark law does not primarily seek such incentives. Instead, trademark law seeks both to protect a trademark owner’s acquired goodwill and to guard against consumer confusion.¹⁷⁰ An understanding of these differences should inform courts in cases involving intellectual property. As one court has stated, “Copyright, patent and trademark laws stem from different concepts and offer different kinds of protection.”¹⁷¹ Accordingly, issuing a patent or copyright injunction implicates an entirely different set of rights and policy underpinnings than does issuing a trademark injunction.¹⁷² Thus, courts should avoid a wholesale application of *eBay*’s holding to trademark injunction cases and should continue to presume irreparable injury upon a showing of a likelihood of success on the merits.

Furthermore, the trademark presumption’s survival is supported by the continuing application of presumptions of irreparable harm in other contexts. For example, it is well settled that a plaintiff seeking an injunction for “‘the loss of First Amendment freedoms for even minimal periods of time,’ is presumed to constitute irreparable harm.”¹⁷³ Likewise, presumptions of irreparable harm have been employed in claims made for violations of the Equal Access Act,¹⁷⁴ Communications Act (broadcasting without a license),¹⁷⁵ Competition in Contracting Act,¹⁷⁶ and Civil Rights Act (Title VII employ-

169. U.S. CONST. art. I, § 8, cl. 8.

170. See MCCARTHY, *supra* note 3, § 2:2.

171. Application of Penthouse Int’l Ltd., 565 F.2d 679, 683 n.3, 195 U.S.P.Q. 698 (C.C.P.A. 1977).

172. See Bernstein & Gilden, *supra* note 11, at 1058.

173. Brogdon v. Lafion, 217 F. App’x 518, 522 (6th Cir. 2007) (quoting Elrod v. Burns, 427 U.S. 347, 373 (1976)); see also Warsoldier v. Woodford, 418 F.3d 989, 1002 (9th Cir. 2005); Pacific Frontier v. Pleasant Grove City, 414 F.3d 1221, 1235 (10th Cir. 2005); Bronx Household of Faith v. Bd. of Educ. of N.Y., 331 F.3d 342, 349 (2d Cir. 2003).

174. See Straights and Gays for Equality v. Osseo Area Sch.-Dist. No. 279, 471 F.3d 908, 913 (8th Cir. 2006); Colin v. Orange Unified Sch. Dist., 83 F. Supp. 2d 1135, 1149 (C.D. Cal. 2000).

175. See Free Speech *ex rel.* Ruggiero v. Reno, 200 F.3d 63, 65 (2d Cir. 1999).

176. CW Gov’t Travel, Inc. v. United States, 163 F. App’x 853, 860 (Fed. Cir. 2005).

ment discrimination).¹⁷⁷ This is because these types of violations are, like trademark infringement, inherently irreparable. Certainly the *eBay* Court did not intend to do away with presumptions of irreparable harm in each of these contexts. Nor should the *eBay* decision be read in this way. Employing presumptions of irreparable harm in the injunction inquiry is a common and well-engrained practice for U.S. courts. This practice should not be abandoned without clear direction from Congress or the Supreme Court.

In sum, unlike the Federal Circuit rule struck down by the Court in *eBay*, the presumption of irreparable harm is not a categorical rule that circumvents the weighing of traditional equitable principles. It is merely a tool that courts may employ in weighing equitable considerations and that may be rebutted upon sufficient evidence. Accordingly, courts should not transplant patent law into a trademark inquiry by reading the policy-driven *eBay* decision as eliminating the presumption of irreparable harm in trademark law.

B. Winter Did Not Kill the Presumption of Irreparable Harm in Trademark Cases

As is the case with *eBay*, *Winter* should not be read to eliminate the presumption of irreparable harm in trademark cases. As detailed above, the Supreme Court in *Winter* rejected the Ninth Circuit's practice of issuing a preliminary injunction based on the mere *possibility* of irreparable harm in favor of a stricter standard. This subsection argues that *Winter*'s requirement that plaintiffs seeking preliminary relief must demonstrate that irreparable injury is *likely* in the absence of an injunction can coexist with the trademark presumption of irreparable harm.

First, the rejected "possibility" standard is not equivalent to the presumption of irreparable harm as applied in trademark cases. Granted, the two concepts are related. Both reduce a plaintiff's

177. See *United States v. Hayes Int'l Corp.*, 415 F.2d 1038, 1045 (5th Cir. 1969) ("Where . . . the statutory rights of employees are involved and an injunction is authorized by statute and the statutory conditions are satisfied . . . the usual prerequisite of irreparable injury need not be established and the agency to whom the enforcement of the right has been entrusted is not required to show irreparable injury before obtaining an injunction. We take the position that in such a case, irreparable injury should be presumed from the very fact that the statute has been violated. Whenever a qualified . . . employee is discriminatorily denied a chance to fill a position for which he is qualified and has the seniority to obtain, he suffers irreparable injury and so does the labor force of the country as a whole.") (citations omitted); see also *Middleton-Keirn v. Stone*, 655 F.2d 609, 611 (5th Cir. 1981).

burden in seeking an injunction. However, the concepts are fundamentally different. The “possibility” standard requires a relatively low probability of irreparable harm. Such a standard practically assures a successful showing by a plaintiff and trivializes a key equitable consideration in the injunction inquiry. This idea is inconsistent with the Court’s “characterization of injunctive relief as an extraordinary remedy that may only be awarded upon a clear showing that the plaintiff is entitled to such relief.”¹⁷⁸

In contrast, a presumption of irreparable harm does not assure a successful showing of irreparable harm because the presumption can be rebutted. Nor does a presumption of irreparable harm require a lesser probability that such harm will occur absent an injunction. The *Winter* Court’s qualms were not with presumptions of irreparable harm. Indeed, the Court did not address presumptions at all. The Court was concerned with the idea that preliminary injunctions were issuing “simply to prevent the possibility of some remote future injury.”¹⁷⁹ Such speculative injury is not a concern with trademark infringement. The very reason for the existence of the trademark presumption of irreparable harm is that irreparable harm is *inherently likely* following trademark infringement.¹⁸⁰ Accordingly, when a court presumes irreparable harm in a trademark case, it is presuming that irreparable harm is *at least* “likely” and not merely “possible.” Thus, the trademark presumption of irreparable harm is permissible under *Winter*’s stricter “likely” standard. Such a conclusion might explain why so many courts continue to employ the presumption post-*Winter*.¹⁸¹ As noted above, various courts have cited to *Winter*’s preliminary injunction standard before going on to presume irreparable harm.¹⁸² One such court explicitly held that courts may continue to presume irreparable injury “because trademark damages are by their very nature irreparable.”¹⁸³

Second, *Winter* involved the potential harm caused by the Navy’s use of MFA sonar on marine mammals. It in no way dealt

178. *Winter v. Natural Resources Defense Council, Inc.*, 129 S. Ct. 365, 375–76 (2008).

179. *Id.* at 375 (quoting 11A CHARLES ALAN WRIGHT ET AL., FEDERAL PRACTICE AND PROCEDURE § 2948.1 (2d ed. 1995)).

180. *See* MCCARTHY, *supra* note 3.

181. *See supra* notes 103–14 and accompanying text.

182. *Id.*

183. *See* Garcoa, Inc. v. PH Beauty Labs., Inc., No. CV 09-4859 AHM (Ex), 2009 WL 2489223, at *2 (C.D. Cal. Aug. 10, 2009).

with trademark issues or even intellectual property generally. Neither did *Winter* address the validity of presumptions of irreparable harm. Because *Winter* does not address these issues, either explicitly or implicitly, courts should hesitate to extend its holding to eliminate the trademark presumption.

Third, as one commentator has recently suggested, *Winter* may be distinguishable from trademark cases in the context of the public interest factor of the preliminary injunction test.¹⁸⁴ The Navy's use of MFA sonar in *Winter* was, as determined by the President, "essential to national security," and enjoining its use would "undermine the Navy's ability to conduct realistic training exercises that are necessary to ensure the combat effectiveness of . . . strike groups."¹⁸⁵ Thus, the public interest inquiry weighed heavily against enjoining the Navy's use of MFA sonar. No such public interest disfavors preliminarily enjoining the use of another's valid trademark. Indeed, the public interest in avoiding consumer confusion and protecting acquired goodwill favors preliminary trademark injunctions and presuming irreparable harm upon a likelihood of success on the merits.

C. The Harm Caused by Trademark Infringement Is Inherently Irreparable

Finally, as argued by Professor McCarthy, the nature of trademark infringement further distinguishes trademark cases from cases like *eBay* and *Winter*.¹⁸⁶ While patent infringement and MFA sonar use do not by their nature cause irreparable harm, "once the likelihood of confusion caused by trademark infringement has been established, the inescapable conclusion is that there was also irreparable injury."¹⁸⁷ Such damage to business "reputation and goodwill is difficult, if not impossible, to quantify in terms of dollars."¹⁸⁸ As the Second Circuit has stated:

Where there is, then, such high probability of confusion, injury irreparable in the sense that it may not be fully compensable in damages almost inevitably follows. While an injured plaintiff would

184. Williams, *supra* note 9, at 575.

185. *Winter v. Natural Resources Defense Council, Inc.*, 129 S. Ct. 365, 373 (2008) (citation omitted).

186. See MCCARTHY, *supra* note 3.

187. *Pappan Enters. v. Hardee's Food Sys.*, 143 F.3d 800, 805 (3d Cir. 1998).

188. *Medicine Shoppe Int'l, Inc. v. S.B.S. Pill Dr., Inc.*, 336 F.3d 801, 805 (8th Cir. 2003).

be entitled to recover the profits on the infringing items, this is often difficult to determine; moreover, a defendant may have failed to earn profits because of the poor quality of its product or its own inefficiency. Indeed, confusion may cause purchasers to refrain from buying either product and to turn to those of other competitors. Yet to prove the loss of sales due to infringement is also notoriously difficult. Furthermore, if an infringer's product is of poor quality, or simply not worth the price, a more lasting but not readily measurable injury may be inflicted on the plaintiff's reputation in the market.¹⁸⁹

Thus, attempting to use after-the-fact monetary awards to compensate for damage to business goodwill and reputation is “[l]ike trying to un-ring a bell” and cannot constitute fair or full compensation.¹⁹⁰ “Such harm, coupled with the difficulty of monetizing lost goodwill and reputation, creates irreparable injury sufficient for a preliminary injunction.”¹⁹¹

This inherently irreparable nature of trademark infringement is the primary reason that courts created the trademark presumption of irreparable harm in the first place.¹⁹² This unique aspect of trademark infringement has not changed and should be strongly considered when determining the reach of *eBay* and *Winter* into trademark law. This Note references several cases involving the trademark presumption of irreparable harm. Importantly, regardless of whether those courts rejected, recognized, or side-stepped the presumption, irreparable harm has almost invariably been found following a finding of a likelihood of infringement. This evidences the practicality of the presumption and demonstrates that even if the presumption were to be formally discarded, the essence of the presumption would continue to manifest itself in trademark infringement cases.

IV. CONCLUSION

Although the Supreme Court's decisions in *eBay* and *Winter* have caused some courts to question the continuing validity of the

189. *Omega Importing Corp. v. Petri-Kine Camera Co.*, 451 F.2d 1190, 1195 (2d Cir. 1971) (citations omitted).

190. McCarthy, *supra* note 1, at 4–5.

191. *Id.* at 5 n.14.

192. See MCCARTHY, *supra* note 3.

trademark presumption of irreparable harm, these cases should not be read to have eliminated the presumption. Both *eBay* and *Winter* are capable of coexisting with the presumption as these cases addressed neither trademarks nor presumptions. The presumption does not conflict with *eBay*'s requirement that the traditional four equitable factors be weighed in the decision of whether to issue an injunction; nor does it equate with the "categorical" rule rejected by the Court in that case. Likewise, the presumption does not violate *Winter*'s requirement that irreparable harm be likely absent injunctive relief. Finally, the inherently irreparable nature of trademark infringement distinguishes *eBay* and *Winter* from trademark infringement cases and continues to justify the presumption's validity.

*Jeffrey M. Sanchez**

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