

Nuts and Bolts of Trademark Litigation Practice A User's Guide

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Disclaimer

This user guide is intended to serve as a checklist. The checklist, while detailed, may not include all possible issues for any given topic. It is intended to help the user identify potential issues and the paper provides a citation to authority from the 6th circuit (as well as other circuits) as a starting point for any research. There is no representation of any kind that the information contained herein is an exhaustive treatment for any topic, and is not a substitute for legal research.

I. Identifying the mark(s) to be asserted and the offending mark and the goods for both.

A. Federally Registered.

1. Word mark.
2. Design mark.
3. Trade dress product configuration or packaging.

B. Common Law.

1. Word mark.
2. Design mark.
3. Trade dress product configuration or packaging.
 - Extremely important to properly identify trade dress and describe it correctly.
 - Product configuration can never be inherently distinctive.

After [*Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 210, 120 S.Ct. 1339, 146 L.Ed.2d 182 (2000)], n product configuration can meet the distinctiveness requirement of the Lanham Act by a showing of inherent distinctiveness but must rely instead on acquired distinctiveness, *i.e.*, a showing of secondary meaning.

Abercrombie & Fitch Stores, Inc. v. Am. Eagle Outfitters, Inc., 280 F.3d 619, 637 (6th Cir. 2002).

C. State registered.

II. Is the asserted mark protectable? 15 U.S.C. § 1052 sets forth some exclusions.

A. 15 U.S.C. § 1052(a):

1. immoral, deceptive or scandalous matter; or
2. that which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt or disrepute. (But see, *Matal v. Tam*, 137 S. Ct. 1744, 1765, 198 L. Ed. 2d 366 (2017) (“We hold that the disparagement clause violates the Free Speech Clause of the First Amendment.”))
3. geographic indication which, when used on or in connection with wines or spirits, identifies a place other than the origin of the goods and is first used on or in connection with wines or spirits by the applicant on or after one year after the date on which the WTO Agreement enters into force with respect to the United States.

B. 15 U.S.C. § 1052(b):

Consists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof.

C. 15 U.S.C. § 1052(c):

1. Consists of or comprises a name, portrait, or signature identifying a particular living individual except by his written consent.
2. the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow.

D. 15 U.S.C. § 1052(d):

Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive.

E. 15 U.S.C. § 1052(e):

Consists of a mark which:

1. when used on or in connection with the goods of the applicant is merely descriptive or deceptively misdescriptive of them,
2. when used on or in connection with the goods of the applicant is primarily geographically descriptive of them, except as indications of regional origin may be registrable under section 1054 of this title,
3. when used on or in connection with the goods of the applicant is primarily geographically deceptively misdescriptive of them,
4. is primarily merely a surname, or
5. comprises any matter that, as a whole, is functional.

F. 15 U.S.C. § 1052(f):

-Except as expressly excluded in subsections (a), (b), (c), (d), (e)(3), and (e)(5) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce.

- Nothing in this section shall prevent the registration of a mark which, when used on or in connection with the goods of the applicant, is primarily geographically deceptively misdescriptive of them, and which became distinctive of the applicant's goods in commerce before December 8, 1993.

- A mark which would be likely to cause dilution by blurring or dilution by tarnishment under section 1125(c) of this title, may be refused registration only pursuant to a proceeding brought under section 1063 of this title.

G. A person's image or likeness cannot function as a trademark.

H. Generic terms cannot be trademarks.

A generic term is one that is commonly used as the name of a kind of goods... If a mark's primary significance is to describe a type of product rather than the producer, it is generic and is not a valid trademark.

Nartron Corp. v. STMicroelectronics, Inc., 305 F.3d 397, 404 (6th Cir. 2002).

I. Trademark rights cannot be obtained in connection with products that are not lawfully in commerce.

- *Kiva Health Brands LLC. V. Kiva Brands Inc.*, 439 F.Supp. 3d 1185, 1198 (N.C. Cal. 2020).

- *CreAgri, Inc. v. USANA Health Sciences, Inc.*, 474 F.3d 626, 630,634 (9th Cir. 2007).

- Example:

21 U.S.C. § 331 says: "The following acts and the causing thereof are prohibited: (d) the introduction or delivery for introduction into interstate commerce of any article in violation of section ...355." 21 U.S.C. § 355 states "No person shall introduce or deliver for introduction into interest commerce any new drug, unless **an approval** of an application filed pursuant to subsection (b) or (j) **is effective** with respect to such drug."

What is a new drug:



Drug vs. New Drug

While there is much to consider when bringing an OTC drug to market, it is helpful to start with the concept of a "drug" versus a "new drug."

In general, a drug is considered a "new drug" (which will require a product specific application to be approved by FDA) if it is not generally recognized, among experts qualified by scientific training and experience to evaluate the safety and effectiveness of drugs, as safe and effective for use under the condition prescribed, recommended, or suggested in the labeling. This is irrespective of whether it is an OTC or a prescription drug.

FDA issued a warning letter – which is not necessary but confirms the new drug is not lawfully in interstate commerce. Thus no trademark rights can accrue for names used on such drug.



FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

FTC to companies making questionable diabetes claims: Cease and desist now

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Samuel Levine, Acting Director, FTC Bureau of Consumer Protection
Sep 9, 2021

TAGS: [Bureau of Consumer Protection](#) | [Consumer Protection](#) | [Advertising and Marketing](#) | [Health Claims](#)

According to the CDC, more than 34 million Americans have diabetes. To put a human face on that public health statistic, 1 in 10 people at your company, friends in your neighborhood, and members of your extended family struggle with a disease that could threaten their lives. The uninsured, those with high-deductible health plans, and lower-income consumers face another challenge that makes managing diabetes even more difficult: the high cost of insulin. The prohibitive price has caused many patients to ration their insulin or forgo it altogether, often with catastrophic health consequences.

Sadly, these high prices are driving many to turn to questionable products that imply without solid science that users can reduce their dependence on insulin. Claims like that are a powerful draw to anyone struggling to cover the cost of their prescriptions, but they put people with diabetes at risk for physical or financial injury. [That's why the FTC and the FDA have joined forces to call out 10 companies](#) for selling purported diabetes treatments that don't appear to have scientific support, including 7 companies that posted these claims on social media.

The FTC Cease and Desist Demands and FDA Warning Letters cite a broad range of claims for various concoctions of herbs and plants advertised online and through social media – and sometimes pitched in English and Spanish. For example, companies have claimed that their particular product "works great to lower high blood sugar," "help[s] balance blood sugar levels for people with diabetes," and "help[s] maintain healthy A1c blood sugar levels in diabetics and prediabetics." Another product geared to people who "need to decrease [their] body's need for insulin" described itself as "a clinically-effective formula containing powerful ingredients designed to improve insulin sensitivity and enhance blood glucose (sugar) control."

According to the FDA Warning Letters, the products are "new drugs" that can't be sold without prior FDA approval. The recipients have 15 days to tell the FDA what steps they've taken to address any violations. "Failure to adequately address these matters may result in legal action including, without limitation, seizure and injunction."

21 U.S.C. § 331 also applies to food, device, tobacco product or cosmetic.

III. Priority – Date of first use – subject to geographical restrictions .

- A. Unregistered – Date(s) of use and geographical areas covered by the use. And perhaps natural zones of expansion.
- B. Registered – If the mark of the application registers, the filing of the application is constructive use of the mark and confers a right of priority nationwide.

- Rights are subject to a prior user. 15 U.S.C. § 1115(b)(5); “While Dan Dee had a right to use the mark in the six state area of use prior to the registration by Old Dutch pursuant to the “good faith prior user” defense of 15 U.S.C. § 1115(b)(5).” *Old Dutch Foods, Inc. v. Dan Dee Pretzel & Potato Chip Co.*, 477 F.2d 150, 157 (6th Cir. 1973).

C. Challenging right to register based on prior use.

1. Registered mark (or application to register) that is not incontestable – A prior user can file an Opposition or Cancellation asserting prior use to prevent registration or remove the mark from the registration. A prior user can also seek cancellation of a registered mark in federal district court, but cannot seek to cancel an application that has not yet registered.

- Important note. 15 U.S.C. § 1052(d) does not require that the prior use be “in commerce” so any prior continuous use is sufficient.

2. Registered mark that it incontestable (or any mark that is registered for 5 years)– cannot be cancelled based on prior user. 15 U.S.C. § 1064.

3. Sorting out competing rights is done via concurrent use proceeding or court proceeding. Concurrent use registration can be accomplished in an *inter partes* concurrent use proceeding at the TTAB or by direction of a court. 15 U.S.C. § 1052(d).

D. Use all available tools to determine priority –

- 1. Wayback machine is sometimes helpful. <https://archive.org/web/>.
- 2. Whois inquiry is sometimes helpful <https://lookup.icann.org/>.
- 3. Checking dates of incorporation is sometimes helpful .
- 4. General internet searching for news articles, advertisements, etc.

E. Assess for abandonment. 15 U.S.C. § 1127 Are there any periods of nonuse?

1. abandonment occurs when the use of a mark has been discontinued with the intent not to resume.

a. intent can be presumed from the circumstances.

b. nonuse for three consecutive years is prima facie evidence of abandonment.

2. abandonment can also occur when the owner causes (by acts of either omission or commission) the mark to become the generic name for the goods/services, or otherwise causes the mark to lose its significance as a mark.

IV. Assessment of the strength of the case

A. Reviewing likelihood of confusion factors for your possible forums.

B. Are the marks used in commerce?

1. 15 U.S.C. § 1127 defines “commerce” to mean “all commerce which may lawfully be regulated by congress.”

2. 15 U.S.C. § 1127 defines “use in commerce” as “the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark.

C. Is it a case of counterfeiting? 15 U.S.C. § 1127 defines “counterfeit” as a spurious mark which is identical with, or substantially indistinguishable from, a registered mark.”

1. If so, *ex parte* seizure order may considered.

2. If so, statutory damages are available.

D. Is the mark famous? 15 U.S.C. § 1125(c)(2) defines “famous” as a mark that “is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner.” The following factors are considered:

1. The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.

2. The amount, volume, and geographic extent of sales of goods or services offered under the mark.

3. The extent of actual recognition of the mark.

4. Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905 or on the principal register.

E. Evaluate the necessity for:

1. Trademark search for third-party use and/or registration.

2. Consumer survey.

a. to prove secondary meaning – [W]hile “survey evidence is the most direct and persuasive evidence” of whether a mark has acquired secondary meaning, “consumer surveys ... are not a prerequisite to establishing secondary meaning.” *Maker's Mark Distillery, Inc. v. Diageo N. Am., Inc.*, 679 F.3d 410, 421 (6th Cir. 2012).

b. to show confusion by consuming public.

c. to show fame.

d. to show that mark is generic – consider Teflon Survey. A “Teflon survey” is a well-known survey protocol designed to test consumers' understanding of whether a trade mark is understood to be a generic term or a brand name. The protocol was first used by the DuPont company in 1975 to prove that TEFLON was not generic. *See E.I. DuPont de Nemours & Co. v. Yoshida Int'l, Inc.*, 393 F.Supp. 502 (E.D.N.Y.1975).

3. Potential pitfalls of consumer surveys:

a. improper universe.

b. failure to replicate conditions that consumers would encounter in the marketplace.

c. survey questions suggestive/misleading.

Although the study included adults who had or were likely to purchase a bottle of wine in the \$5 to \$14 price range, there was no attempt to survey only those people who would purchase moderately priced wines produced in the state of Michigan, undoubtedly a distinct group. Nor was the survey limited to wine purchasers who acquire wine through wine tasting rooms, the primary distribution source of B & R. The district court was also correct in concluding that the study failed to replicate actual market conditions. B & R sells its wines almost exclusively through its tasting rooms. Thus, it is unlikely that a purchaser of Chateau de Leelanau would find herself faced with the need to distinguish among various wines or, having walked into a B & R tasting room, erroneously believe that she was in fact at Leelanau Cellars.

Leelanau Wine Cellars, Ltd. v. Black & Red, Inc., 502 F.3d 504, 518 (6th Cir. 2007).

d. Attacks on surveys generally go to weight not admissibility.

[S]ubject to the Court's overriding gatekeeping function under *Daubert*—errors in survey methodology are more properly directed against the weight a jury should give the survey, rather than overall admissibility. *See, e.g., Whirlpool Props., Inc. v. LG Elecs. USA, Inc.*, 2006 WL 62846 *3 (W.D.Mich. Jan. 10,

2006) (“the majority rule is that while technical deficiencies can reduce a survey's weight, they will not prevent the survey from being admitted into evidence”); *Jack Daniel Distillery, Inc. v. Hoffman Distilling Co.*, 190 F.Supp. 841, 845 (W.D.Ky.1960), aff'd 298 F.2d 606 (6th Cir.1962) (market survey admitted, even though held inadequate to prove secondary meaning for Jack Daniel's whiskey bottle label); *Schering Corp. v. Pfizer, Inc.*, 189 F.3d 218, 228 (2d Cir.1999) (“[E]rrors in methodology thus properly go only to the weight of the evidence,” not its admissibility).

Innovation Ventures, LLC v. NVE, Inc., 90 F. Supp. 3d 703, 720–21 (E.D. Mich. 2015).

V. Likelihood of Confusion Factors and Need to Show Them.

A. 6th Circuit - *Frisch's Restaurants, Inc. v. Elby's Big Boy of Steubenville, Inc.*, 670 F.2d 642, 648 (6th Cir. 1982):

1. strength of the plaintiff's mark;
2. relatedness of the goods;
3. similarity of the marks;
4. evidence of actual confusion;
5. marketing channels used;
6. likely degree of purchaser care;
7. defendant's intent in selecting the mark;
8. likelihood of expansion of the product lines.

B. Not all factors are relevant.

These factors imply no mathematical precision, but are simply a guide to help determine whether confusion is likely. They are also interrelated in effect. Each case presents its own complex set of circumstances and not all of these factors may be particularly helpful in any given case. But a thorough and analytical treatment must nevertheless be attempted. The ultimate question remains whether relevant consumers are likely to believe that the products or services offered by the parties are affiliated in some way.

Homeowners Grp., Inc. v. Home Mktg. Specialists, Inc., 931 F.2d 1100, 1107 (6th Cir. 1991)

C. Best Evidence is actual confusion

Even though evidence of actual confusion is undoubtedly the best evidence of likelihood of confusion it does not follow that any type or quantum of such evidence is entitled to significant weight in the determination. Where the parties

have been doing business in the same area for some time and where they have advertised extensively, isolated instances of actual confusion are not conclusive or entitled to great weight in the determination.

Homeowners Grp., Inc. v. Home Mktg. Specialists, Inc., 931 F.2d 1100, 1110 (6th Cir. 1991).

D. Mixed question of law or fact.

Whether there is a likelihood of confusion a mixed question of fact and law. Factual findings must be made with respect to the likelihood of confusion factors set out above. However, the further determination of whether a given set of foundational facts establishes a likelihood of confusion is a legal conclusion.

Homeowners Grp., Inc. v. Home Mktg. Specialists, Inc., 931 F.2d 1100, 1107 (6th Cir. 1991).

E. Burden of showing likelihood of confusion is on plaintiff.

Leelanau Wine Cellars, Ltd. v. Black & Red, Inc., 502 F.3d 504, 512 (6th Cir. 2007)

F. Likelihood of confusion must be proven by a preponderance of the evidence

6th Cir - *Ferrari S.P.A. v. Roberts*, 944 F.2d 1235, 1239 (6th Cir. 1991)

TTAB - *Double Coin Holdings Ltd. v. Tru Development*, 2019 WL 4877349, at *6 (T.T.A.B. 2019)

“Burden to overcome presumptions accorded registered mark is by a preponderance of the evidence. The district court was charged with weighing the evidence in this case and making a determination by a preponderance of the evidence.” *Fuji Kogyo Co. v. Pac. Bay Int'l, Inc.*, 461 F.3d 675, 684 (6th Cir. 2006).

G. Other forums likelihood of confusion factors:

1. TTAB – USPTO - *Application of E. I. DuPont DeNemours & Co.*, 476 F.2d 1357, 1361 (C.C.P.A. 1973)

- a. The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression.
- b. The similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use.
- c. The similarity or dissimilarity of established, likely-to-continue trade channels.
- d. The conditions under which and buyers to whom sales are made, i. e. “impulse” vs. careful, sophisticated purchasing.

- e. The fame of the prior mark (sales, advertising, length of use).
- f. The number and nature of similar marks in use on similar goods.
- g. The nature and extent of any actual confusion.
- h. The length of time during and conditions under which there has been concurrent use without evidence of actual confusion.
- i. The variety of goods on which a mark is or is not used (house mark, “family” mark, product mark).
- j. The market interface between applicant and the owner of a prior mark:
 - i. a mere “consent” to register or use.
 - ii. agreement provisions designed to preclude confusion, i. e. limitations on continued use of the marks by each party.
 - iii. assignment of mark, application, registration and good will of the related business.
 - iv. assignment of mark, application, registration and good will of the related business.
- k The extent to which applicant has a right to exclude others from use of its mark on its goods.
- l. The extent of potential confusion, i. e., whether *de minimis* or substantial.
- m. Any other established fact probative of the effect of use.

2. 1st Cir. 8 factors - *Pignons S.A. de Mecanique v. Polaroid Corp.*, 657 F.2d 482 (1st Cir.1981).

3. 2nd Cir 8 factors - *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2d Cir.1961).

4. 3rd Cir. 10 factors - *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 463 (3d Cir.1983).

5. 4th Cir. 9 factors - *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1527 (4th Cir.1984).

6. 5th Cir. 8 factors - *Marathon Mfg. Co. v. Enerlite Prods. Corp.*, 767 F.2d 214, 217 (5th Cir.1985).

7. 7th Cir. 7 factors - *Ty, Inc. v. Jones Group, Inc.*, 237 F.3d 891, 897–98 (7th Cir.2001).

8. 8th Cir. 6 factors - *Davis v. Walt Disney Co.*, 430 F.3d 901, 903 (8th Cir. 2005).

9. 9th Cir. 8 factors - *Dr. Seuss Enters. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1404 (9th Cir.1997).

10. 10th Cir. 6 factors - *First Sav. Bank, F.S.B. v. First Bank Sys., Inc.*, 101 F.3d 645, 652 (10th Cir.1996).

11. 11th Cir. 7 factors - *Lone Star Steakhouse & Saloon, Inc. v. Longhorn Steaks, Inc.*, 122 F.3d 1379, 1382 (11th Cir.1997).

VI. Consider Cease and Desist Letter

- A. Is this likely to result in resolution?
- B. Likelihood of a declaratory judgement action – defendant’s home forum.
- C. Giving opportunity to infringer to mitigate damages.
- D. Can this give rise to an equitable estoppel if sending party does not act?

VII. Potential Available Remedies

A. Injunction:

- 1. Is the violation continuing?
- 2. Scope of injunction.
- 3. Specific acts to be enjoined or required by the injunction.
 - a. imitating, copying, or making any unauthorized use of the trademark.
 - b. importing, manufacturing, producing, distributing, circulating, selling, offering for sale, advertising, promoting or displaying any service or product using any simulation, reproduction, counterfeit, copy, or colorable imitation of the trademark.
 - c. using any simulation, reproduction, counterfeit, copy or colorable imitation of the trademark in connection with the promotion, advertisement, display, sale, offer for sale, manufacture, production, circulation or distribution of any product or service.
 - d. using any false designation of origin or false description (including, without limitation, any letters, symbols, or designs constituting the trademark) or performing any act, which can, or is likely to, lead members of the trade or public to believe that any service or product manufactured, distributed or sold by the infringing party is in any manner associated or connected with the trademark holder, the trademark, or is sold, manufactured, licensed, sponsored approved or authorized by trademark holder.

e. accessing, using, linking to, transferring, selling, exercising control over, or otherwise owning any online marketplace account, that is used to offer sell, or distribute any product embodying the trademark or any colorable imitation thereof

f. product recall.

g. product destruction – including tools used to make product- 15 U.S.C. §1118.

h. corrective advertising.

i. transfer or forfeiture of domains.

B. Monetary relief.

1. defendant's profits 15 U.S.C. § 1117(a).

a. plaintiff need only show defendant's sales, then defendant must show offsets.

b. profits can be adjusted in any amount by the court up or down to an amount the court deems just. 15 U.S.C. § 1117(a).

2. actual damages – court can adjust amount up to three times that found. No provision to adjust downwardly 15 U.S.C. § 1117(a).

3. costs of action 15 U.S.C. § 1117(a).

4. treble damages for use of counterfeit 15 U.S.C. § 1117(b) – this is required unless there are extenuating circumstances.

5. statutory damages for use of counterfeit mark. 15 U.S.C. § 1117(c).

a. not willful – not less than \$1,000 nor more than \$200,000 per counterfeit mark per type of goods or services sold, offered for sale or distributed.

b. willful - not more than \$2,000,000 per counterfeit mark per type of goods or services sold, offered for sale or distributed.

6. statutory damage election for violation of 15 U.S.C. § 1125(d).

7. attorneys' fees for exceptional case. 15 U.S.C. § 1117(a).

VIII. Monetary/practical considerations.

A. Cost of investigating claim.

B. Necessity and cost of experts.

- C. Necessity and cost of survey
- D. Cost of accelerating case (up-front cost of *ex parte* seizure order, TRO, preliminary injunction.
- E. Can defendant afford monetary judgment.
- F. Can you identify the defendant – often difficult on third party platforms.
- G. Does foreign defendant have any assets in the U.S.

IX. Is the case timely?

A. Statute of limitations - The Lanham Act does not contain a statute of limitations. *Ford Motor Co. v. Catalanotte*, 342 F.3d 543, 550 (6th Cir.2003).

B. Laches

1. Laches is “the negligent and unintentional failure to protect one's rights.” *Id.* To successfully assert laches, a party must show (1) lack of diligence by the party against whom the defense is asserted, and (2) prejudice to the party asserting it. *Id.* “[A]ny delay attributable to [a] [party] must be measured from a time at which the [party] knew or should have known that [the] infringement [of his or her rights] ripened into a provable claim.” *AWGI, L.L.C. v. Atlas Trucking Co., L.L.C.*, 381 F. Supp. 3d 832, 844 (E.D. Mich. 2019), *on reconsideration*, No. 17-12131, 2019 WL 2866093 (E.D. Mich. July 3, 2019).

2. In the Sixth Circuit, there is a strong presumption that any delay by the plaintiff is reasonable if the applicable state statute of limitations has not lapsed. Conversely, it is “ ‘presume[d]’ that an action is barred if not brought within the period of the statute of limitations ...”

3. For trademark cases in Michigan, the applicable statute of limitations is the three-year period for injury to personal property. *AWGI, L.L.C. v. Atlas Trucking Co., L.L.C.*, 381 F. Supp. 3d 832, 844 (E.D. Mich. 2019), *on reconsideration*, No. 17-12131, 2019 WL 2866093 (E.D. Mich. July 3, 2019).

4. Laches prohibits only monetary relief, not injunctive relief.

C. Equitable Estoppel

In a trademark infringement suit, a defendant asserting equitable estoppel must prove “(1) misleading conduct that leads the defendant to believe that the plaintiff will not bring an infringement suit; (2) reliance on the misleading conduct by the defendant; and, (3) material prejudice suffered by the defendant as a result of the defendant's reliance.” *Ziebart Int'l Corp. v. Z Techs. Corp.*, No. 15-CV-11745, 2017 WL 282395, at *6 (E.D. Mich. Jan. 23, 2017).

D. Acquiescence

Acquiescence, like laches, requires a “finding of conduct on the plaintiff's part that amounted to an assurance to the defendant, express or implied, that plaintiff would not assert his trademark rights against the defendant.” *Kellogg Co. v. Exxon Corp.*, No. 6360, 2000 WL 674205, at *6 (6th Cir. Apr. 6, 2000).

X. Is there a need for immediate relief?

A. *Ex parte* seizure order U.S.C. § 1116(d).

1. Only available in the case of counterfeit marks.
2. Notice must be given to the US Attorney.
3. Must be based on an affidavit or verified complaint establishing facts sufficient to support the findings of fact and conclusions of law required to be set forth in such an order.
4. Requires security from the asking party.
5. Court findings are required and predominantly deal with the immediate irreparable injury and no other order is adequate to achieve the purposes of 15 U.S.C. § 1114. See, 15 U.S.C. § 1116(d)(4).

As other courts have recognized, proceedings against those who deliberately traffic in counterfeit merchandise are often ineffective if notice is given to the adverse party prior to service. *E.g., Lorillard Tobacco Co. v. Applewood Party Store, Inc.*, No. 05-70913, Dkt. 12 (E.D. Mich., Mar. 11, 2005) (granting an *ex parte* seizure order and temporary restraining order without notice to adverse party because adverse party was likely to destroy, move, or hide counterfeit cigarettes if notice were given.)

N. Atl. Operating Co., Inc. v. Scott, No. 16-12076, 2016 WL 8671223, at *1 (E.D. Mich. July 1, 2016)

6. Trafficking in counterfeit goods is a crime. 18 U.S.C. § 2320. Question: can a defendant invoke its 5th amendment privilege, even in a case that is only civil in nature? Case law states that waiver is proceeding specific, but if waived in a civil matter and invoked in a later criminal matter, the prosecution can use the statement given in the civil matter.

B. Temporary Restraining Order – limited duration to preserve the status quo:

The only type of injunctive relief that a district court may issue under the Federal Rules *ex parte* is a temporary restraining order. Fed. R. Civ. P. 65(b). However,

[a] temporary restraining order may be granted without written or oral notice to the adverse party or that party's attorney only if (1) it clearly appears from specific facts shown by affidavit or by the verified complaint that immediate and irreparable injury, loss, or damage will result to the applicant before the adverse party or that party's attorney can be heard in opposition, and (2) the applicant's attorney certifies to the court in writing the efforts, if any, which have been made to give the notice and the reasons supporting the claim that notice should not be required.

Id.

[T]he Rule 65(b) restrictions ‘on the availability of *ex parte* temporary restraining orders reflect the fact that our entire jurisprudence runs counter to the notion of court action taken before reasonable notice and an opportunity to be heard has been granted both sides of a dispute.’

Reed v. Cleveland Bd. of Educ., 581 F.2d 570, 573 (6th Cir.1978) (quoting *Granny Goose Foods, Inc. v. Brotherhood of Teamsters*, 415 U.S. 423, 439, 94 S.Ct. 1113, 1124, 39 L.Ed.2d 435 (1974)). Furthermore, *ex parte* restraining orders should be limited to preserving the status quo only for so long as is necessary to hold a hearing. *Granny Goose*, 415 U.S. at 439, 94 S.Ct. at 1124.” *First Tech. Safety Sys., Inc. v. Depinet*, 11 F.3d 641, 650 (6th Cir. 1993).

Plaintiffs have filed this motion pursuant to Federal Rule of Civil Procedure 65, requesting that the Court grant a temporary restraining order and other relief without notice. Under Federal Rule of Civil Procedure 65(b), the court may issue a temporary restraining order without notice to the adverse party if:

(A) specific facts in an affidavit or a verified complaint clearly show that immediate and irreparable injury, loss, or damage will result to the movant before the adverse party can be heard in opposition; and

(B) the movant's attorney certifies in writing any efforts made to give notice and the reasons why it should not be required.

Fed. R. Civ. P. 65(b).

The Supreme Court has stated that the Rule 65(b) restrictions ‘on the availability of *Ex parte* temporary restraining orders reflect the fact that our entire jurisprudence runs counter to the notion of court action taken before reasonable notice and an opportunity to be heard has been granted both sides of a dispute.’

Reed v. Cleveland Bd. of Educ., 581 F.2d 570, 573 (6th Cir. 1978) (quoting *Granny Goose Foods, Inc. v. Brotherhood of Teamsters*, 415 U.S. 423, 439, (1974)). As such, an *ex parte* temporary restraining order is “only appropriate where the applicant would face irreparable harm so immediate that it

would be improper to wait until after a preliminary injunction hearing to enjoin the non-movant's conduct.” *Erad v. Johnson*, 905 F.Supp.2d 782, 791 (E.D. Mich. 2012).

As described in Federal Rule of Civil Procedure 65(b), there are two circumstances which would justify the Court proceeding ex parte: (1) where notice to the adverse party is impossible, and (2) in more limited circumstances, where “notice to the defendant would render fruitless further prosecution of the action.” *First Tech. Safety Sys., Inc. v. Depinet*, 11 F.3d 641, 650 (6th Cir. 1993). “In order to justify proceeding ex parte because notice would render further action fruitless, the applicant must do more than assert that the adverse party would dispose of evidence if given notice.” *Id.* Instead, a party trying to proceed ex parte “must support such assertions by showing that the adverse party has a history of disposing of evidence or violating court orders or that persons similar to the adverse party have such a history.” *First Technology*, 11 F.3d at 651.

Versah, LLC v. Ul Amin Indus., No. 220CV12657TGBRSW, 2020 WL 6198472, at *1–2 (E.D. Mich. Oct. 22, 2020).

Duration of TRO is the time set by the Court not to exceed 14 days. Fed. R. Civ. P. 65(b)(2).

C. Preliminary Injunction.

In the Sixth Circuit, when determining whether to issue a preliminary injunction, the Court must consider four factors:

(1) the likelihood that the party seeking the preliminary injunction will succeed on the merits of the claim; (2) whether the party seeking the injunction will suffer irreparable harm without the grant of the extraordinary relief; (3) the probability that granting the injunction will cause substantial harm to others; and (4) whether the public interest is advanced by the issuance of the injunction.

Washington v. Reno, 35 F.3d 1093, 1099 (6th Cir.1994).

With respect to the first factor, some opinions have expressed a need for the court to find a “strong” likelihood of success on the merits. *See United Food & Commercial Workers Union, Local 1099 v. Southwest Ohio Regional Transit Authority*, 163 F.3d 341, 347 (6th Cir.1998). Other opinions have stated that it is enough for the movant to show “serious questions going to the merits and irreparable harm *869 which decidedly outweighs any potential harm to the defendant if an injunction is issued.” *See Friendship Materials, Inc. v. Michigan Brick, Inc.*, 679 F.2d 100, 105 (6th Cir.1982). Still others emphasize that the four considerations are factors to be balanced rather than prerequisites that must be met. *See Mascio v. Public Employees Retirement System of Ohio*, 160 F.3d 310,

313 (6th Cir.1998). “A district court is required to make specific findings concerning each of the four factors, unless fewer factors are dispositive of the issue.” [citation omitted].

Big Boy Restaurants v. Cadillac Coffee Co., 238 F. Supp. 2d 866, 868–69 (E.D. Mich. 2002)

“A preliminary injunction is an extraordinary measure that has been characterized as ‘one of the most drastic tools in the arsenal of judicial remedies.’ ” *Bonnell v. Lorenzo*, 241 F.3d 800, 808 (6th Cir. 2001) (citation omitted).

“In gauging requests for a preliminary injunction,” district courts look at four factors: 1) the plaintiff's likelihood of success on the merits; 2) the risk of irreparable harm to plaintiff absent injunctive relief; 3) the risk of harm to others resulting from an injunction; and 4) the broader public interest. *AI Diabetes & Medical Supply v. Azar*, 937 F.3d 613, 618 (6th Cir. 2019) (citing *Mich. State AFL-CIO v. Schuette*, 847 F.3d 800, 803 (6th Cir. 2017)).

These four considerations are factors to be balanced, not prerequisites that must be met.” *Certified Restoration Dry Cleaning Network, L.L.C. v. Tenke Corp.*, 511 F.3d 535, 542 (6th Cir. 2007). A district court is not required to make findings concerning each of the four factors used in determining a motion for preliminary injunction if fewer factors are dispositive. *Id.*

The movant bears the burden of demonstrating its entitlement to the preliminary injunction sought, and its burden is a heavy one. A preliminary injunction is an extraordinary remedy which should be granted only if the movant carries his or her burden of proving that the circumstances clearly demand it. *Leary v. Daeschner*, 228 F.3d 729, 739 (6th Cir. 2000).

Ontel Prod. Corp. v. Doe 1-10, No. 20-13118, 2021 WL 1084971, at *2 (E.D. Mich. Feb. 8, 2021)

1. Irreparable harm

[A] number of lower courts have held that in the context of an infringement action, “[a] finding of irreparable injury ordinarily follows when a likelihood of confusion or possible risk to reputation appears.” *Koppers Co., Inc. v. Krupp–Koppers GmbH*, 517 F.Supp. 836, 849 (W.D.Pa.1981); *Jordan K. Rand, Ltd. v. Lazoff Bros., Inc.*, 537 F.Supp. 587, 597 (D.Puerto Rico 1982); see also *Black Hills Jewelry Mfg. v. Gold Rush, Inc.*, 633 F.2d 746, 753 (8th Cir.1980) (“A finding of tendency to deceive satisfies the requisite of irreparable harm.”); *Design & Mfg. v. Sharp Corp.*, 656 F.Supp. 178, 180 (S.D.Ohio 1987) (in patent infringement action irreparable harm is shown from continuing infringement of valid patent) (citing *Smith International, Inc. v. Hughes Tool Co.*, 718 F.2d 1573 (Fed.Cir.), cert. denied, 464 U.S. 996, 104 S.Ct. 493, 78 L.Ed.2d 687 (1983)). The irreparable injury flows “both from the potential difficulty of proof of plaintiff's damages, and also from the impairment

of intangible values....” *Koppers*, 517 F.Supp. at 850; *see Rand*, 537 F.Supp. at 597; *Sharp Corp.*, 656 F.Supp. at 180.

The above approach is consistent with this court's approach in *Wynn I* wherein the court, upon determining that the defendant was guilty of infringement, remanded to the district court with the directions to grant injunctive relief. *See* 839 F.2d at 1191; *see also Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 524–25 (10th Cir.1987). In *Wynn I*, this court made no specific finding with regard to irreparable injury. Accordingly, defendants' argument with regard to irreparable injury is without merit.

Wynn Oil Co. v. Am. Way Serv. Corp., 943 F.2d 595, 608 (6th Cir. 1991)

2. Delay

Defendant argues that Plaintiff's delay in seeking an injunction weighs against a finding of irreparable harm. “Significant delay in applying for injunctive relief in a trademark case tends to neutralize any presumption that infringement alone will cause irreparable harm pending trial, and such delay alone may justify denial of a preliminary injunction for trademark infringement.” *Blockbuster*, 869 F.Supp. at 516.

R.L. Polk & Co. v. INFOUSA, Inc., 230 F. Supp. 2d 780, 796 (E.D. Mich. 2002), *aff'd sub nom. R.L. Polk & Co v. INFOUSA, Inc.*, 94 F. App'x 305 (6th Cir. 2004).

3. Harm to others – public

Plaintiff's interest in preserving its rights in its mark outweighs this potential for harm.

Moreover, the Court notes that Defendant's rights in the mark “Polk City Directory” will be unaffected by the issuance of an injunction. Thus, an injunction will not prevent Defendant from operating the city directories portion of its business. Rather, the injunction will merely prevent Defendant from marketing this aspect of its business in a way that infringes the “Polk” mark.

R.L. Polk & Co. v. INFOUSA, Inc., 230 F. Supp. 2d 780, 796 (E.D. Mich. 2002), *aff'd sub nom. R.L. Polk & Co v. INFOUSA, Inc.*, 94 F. App'x 305 (6th Cir. 2004)

4. Public interest

The public interest is served by protecting a trademark holder's interest in its mark and by preventing consumer confusion. *R.L. Polk & Co. v. INFOUSA, Inc.*, 230 F. Supp. 2d 780, 796–97 (E.D. Mich. 2002), *aff'd sub nom. R.L. Polk & Co v. INFOUSA, Inc.*, 94 F. App'x 305 (6th Cir. 2004).

XI. Forum Selection.

A. Federal District Court.

1. Subject matter jurisdiction – cannot be waived even by agreement.
 - a. 15 U.S.C. § 1071 (b) - review of Trademark Office decisions.
 - b. 15 U.S.C. § 1121 – original and exclusive jurisdiction over federal trademark cases.
 - c. 28 U.S.C. § 1338 – original and exclusive jurisdiction of any civil action arising under an Act of Congress relating to trademarks.
 - d. District court has no jurisdiction to hear a matter before there is a decision rendered regarding the registration of a trademark application by the Director or the TTAB.

Turning to the claims at issue here, under the clear language of the Lanham Act, no claim arises under either §§ 1119 or 1120 until the relevant party has acquired a trademark, not merely when a trademark application is filed. Section 1119 states that a court may determine the right to registration or order the cancellation of a registration “[i]n any action involving a *registered* mark.” *Zany Toys, LLC v. Pearl Enterprises, LLC*, No. No. 13-5262, 2015 WL 404644, at *5 (D.N.J. Jan. 28, 2015)

2. Personal jurisdiction –

a. General –

“When a State exercises personal jurisdiction over a defendant in a suit not arising out of or related to the defendant's contacts with the forum, the State has been said to be exercising ‘general jurisdiction’ over the defendant.” *Helicopteros Nacionales de Colombia, S.A. v. Hall*, 466 U.S. 408, 415, 104 S. Ct. 1868, 1872, 80 L. Ed. 2d 404 (1984).

b. Specific –

Where a forum seeks to assert specific jurisdiction over an out-of-state defendant who has not consented to suit there, this ‘fair warning’ requirement is satisfied if the defendant has ‘purposefully directed’ his activities at residents of the forum, *Keeton v. Hustler Magazine, Inc.*, 465 U.S. 770, 774, 104 S.Ct. 1473, 1478, 79 L.Ed.2d 790 (1984), and the litigation results from alleged injuries that ‘arise out of or relate to’ those activities...

Burger King Corp. v. Rudzewicz, 471 U.S. 462, 472, 105 S. Ct. 2174, 2182, 85 L. Ed. 2d 528 (1985)

The Sixth Circuit has held that “[t]he ‘transaction of any business’ necessary for limited personal jurisdiction under § 600.715(1) is established by ‘the slightest act of business in Michigan.’” *Neogen Corp. v. Neo Gen Screening, Inc.*, 282 F.3d 883, 888 (6th Cir.2002). Additionally, “[u]nder Michigan’s long-arm statute, the state’s jurisdiction extends to the limits imposed by federal constitutional due process requirements and thus, the two questions become one.” *Mich. Coalition of Radioactive Material Users, Inc. v. Greipentrog*, 954 F.2d 1174, 1176 (6th Cir.1992); *Audi AG*, 341 F.Supp.2d at 741 (“The Michigan Supreme Court has construed Michigan’s Long–Arm Statute to bestow the broadest possible grant of personal jurisdiction consistent with due process.”). The test for personal jurisdiction is whether “the defendant’s conduct and connection with the forum state are such that he should reasonably anticipate being haled into court [in that state].” *World–Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 297 (1980).

Visage Spa, LLC v. Salon Visage, Inc., No. 06-10756, 2006 WL 2130512, at *5 (E.D. Mich. July 28, 2006)

c. Personal Jurisdiction can be waived.

“Personal jurisdiction may be waived under Rule 12(h) of the Rules of Civil Procedure if not raised by a motion prior to pleading or included in a responsive pleading. Fed. R. Civ. P. Rules 12(h)(1)(B) and 12(b)(2).” *State Auto Ins. Co. v. Thomas Landscaping & Const., Inc.*, 494 F. App’x 550, 553 (6th Cir. 2012).

d. Personal Jurisdiction related to defendant’s internet activity.

In the internet context, the interactivity of the website determines whether personal jurisdiction is appropriate for an out of state defendant. *Cybersell, Inc. v. Cybersell, Inc.*, 130 F.3d 414, 418–19 (9th Cir.1997). Courts have stated that there are three categories of interactivity for website. The first category is highly interactive which is the ability to download and enter into contracts. *CompuServe, *743 Inc. v. Patterson*, 89 F.3d 1257, 1264 (6th Cir.1996). This category is sufficient for a Court to exercise personal jurisdiction. *Id.* The second category is “a middle ground in which defendant maintains an interactive website which permits the exchange of information between users in another state and the defendant, which depending on the level and nature of the exchange may be a basis for jurisdiction.” *Citigroup Inc. v. City Holding Co.*, 97 F.Supp.2d 549, 564–65 (S.D.N.Y.2000). The last category is where the defendant makes information available on an otherwise passive website. *Id.* A “passive website is insufficient to establish purposeful availment for the purpose of due process.” *McGill v. Gourmet Technologies, Inc.*, 300 F.Supp.2d 501 (E.D.Mich.2004).”

Audi AG & Volkswagon of Am., Inc. v. D’Amato, 341 F. Supp. 2d 734, 742–43 (E.D. Mich. 2004).

e. Personal jurisdiction-Amazon seller

GNC argues that Laurel Season's decision to participate in Amazon's "Fulfillment by Amazon" program, by definition, provides sufficient minimum contacts with the forum state. Amazon stores and ships products all around the United States, including Pennsylvania, so that the products are close to potential consumers and can arrive quickly (ECF No. 18 at 3) (citing Description of Fulfillment by Amazon program, <https://selleressentials.com/amazon/amazon-fulfillment-center-locations/>). Amazon maintains 17 fulfillment centers and other fulfillment-related facilities in Pennsylvania. *Id.* GNC also argues that the sheer volume of Laurel Season's sales (22,000 units) supports the inference that regular and systematic sales were made in Pennsylvania.

Gen. Nutrition Inv. Co. v. Laurel Season, Inc., No. CV 20-691, 2020 WL 5077465, at *2 (W.D. Pa. Aug. 26, 2020).

KDealz offers two arguments to the contrary. First, it tries to distance itself from these actions, arguing that Amazon, not KDealz, maintains the website and ships the products to consumers. But the bottom line is that KDealz is in the business of selling Standard Process products online to customers nationwide. The fact that it conducts that business through Amazon doesn't shield it from personal jurisdiction any more than shipping products via FedEx would.

Standard Process, Inc. v. KDealz Co., No. 17-CV-909-JDP, 2018 WL 3059673, at *3 (W.D. Wis. June 20, 2018).

3. Venue – General venue statute applies 28 U.S.C. § 1391.

Venue can be waived:

Statutory venue requirements are not jurisdictional and can be waived or forfeited by a defendant. *See* 28 U.S.C. § 1406(b) (stating that venue statute shall not "impair the jurisdiction of a district court of any matter involving a party who does not interpose timely and sufficient objection to the venue")

HOODZ Int'l, LLC v. Toschiaddi, No. 11-15106, 2012 WL 883912, at *3 (E.D. Mich. Mar. 14, 2012).

B. TTAB.

The Trademark Trial and Appeal Board is an administrative tribunal of the United States Patent and Trademark Office. The Board is empowered to determine only the right to register. TBMP § 102.01, citing 15 U.S.C. §§ 1067, 1068, 1070, 1092.

C. International Trade Commission (ITC)

1. Personal jurisdiction – not necessary. ITC's jurisdiction is *in rem*.

2. Subject matter – 19 U.S.C § 1337(a)(1)(C).

D. UDRP proceeding if only a domain name is at issue.

<https://www.icann.org/resources/pages/help/dndr/udrp-en>

E. Is dispute subject to a forum selection clause.

XII. Potential Causes of Action.

A. Federal.

1. Infringement of a federally registered trademark. 15 U.S.C. § 1114.

2. Counterfeiting of a federally registered mark. 15 U.S.C. § 1114

3. Infringement of an unregistered trademark. 15 U.S.C. § 1125(a)(1)(A). *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992).

4. False Advertising. 15 U.S.C. § 1125(a)(1)(B).

5. False Designation of Origin. 15 U.S.C. § 1125(a).

a) Passing off – defendant’s goods are those of plaintiff.

b) Reverse passing off – plaintiff’s goods are those of defendant - “reverse passing off,” where the alleged wrongdoer sells or distributes another's product under its own name.

Dahlen v. Michigan Licensed Beverage Ass'n, 132 F. Supp. 2d 574, 588 (E.D. Mich. 2001).

c) Geographic origin of the goods.

6. False Endorsement. 15 U.S.C. § 1125(a)(1)(B).

7. Each of the actions under 15 U.S.C. § 1125(a) can be generally referred to as “Unfair Competition.” Progressive alleges a claim of trademark infringement and unfair competition under 15 U.S.C. §§ 1114 and 1125 of the Lanham Act. *Progressive Distribution Servs., Inc. v. United Parcel Serv., Inc.*, 856 F.3d 416, 424 (6th Cir. 2017).

8. Dilution by Blurring – 15 U.S.C. § 1125(c). “Dilution by blurring is the association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.” 15 U.S.C. § 1125(c)(2)(B).

’Dilution law, unlike traditional trademark infringement law ... is not based on a likelihood of confusion standard, but only exists to protect the quasi-property rights a holder has in maintaining the integrity and distinctiveness of his mark.’

‘Dilution by blurring, the injury at issue here, occurs when consumers see the plaintiff’s mark used on a plethora of different goods and services ... raising the possibility that the mark will lose its ability to serve as a unique identifier of the plaintiff’s product.’

AutoZone, Inc. v. Tandy Corp., 373 F.3d 786, 801 (6th Cir. 2004)

9. Dilution by Tarnishment – “Dilution by tarnishment is the association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.” 15 U.S.C. § 1125(c)(2)(C). “Dilution by tarnishing is the type of dilution which would lead a consumer to associate [the right holder’s] design with a negative quality or condition.” *Volkswagen AG v. Dorling Kindersley Pub., Inc.*, 614 F. Supp. 2d 793, 808 (E.D. Mich. 2009).

10. Cyberpiracy 15 U.S.C. § 1125(d)

11. Secondary liability for infringement claims –

Parties may also be vicariously liable under the Lanham Act even if they do not directly “use” the trademark to sell or advertise a product. “This Circuit allows plaintiffs to hold defendants vicariously liable for trademark infringement under the Lanham Act when the defendant and the infringer have an actual or apparent partnership, have authority to bind one another in transactions, or exercise joint ownership or control over the infringing product.

Ohio State Univ. v. Redbubble, Inc., 989 F.3d 435, 442 (6th Cir. 2021).

B. State – There are likely statutes of limitations associated with these.

1. State Trademark Infringement M.C.L. §429.42.

2. Violation of the Michigan Consumer protection Act. -M.C.L. 445.901, et seq.

Some applicable sections. Below is not intended to be a comprehensive list.

445.903(1)(a) – Causing a probability of confusion or misunderstanding as to the source, sponsorship, approval or cortication of goods or services.

445.903(1)(b) sing deceptive representations or deceptive designations of geographic origin in connection with goods or services.

445.903(1) (c) Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have or that a person has sponsorship, approval, status, affiliation, or connection that he or she does not have.

3. Common law trademark infringement.

Michigan courts follow the general law of unfair competition. See *Tas-T-Nut Co. v. Variety Nut & Date Co.*, 245 F.2d 3, 8 (6th Cir. 1957); *314 *Marion Laboratories, Inc. v. Michigan Pharmacal Corp.*, 338 F.Supp. 762, 767 (E.D.Mich.1972), *aff'd mem.*, 473 F.2d 910 (6th Cir. 1973). As a court sitting in an action based upon diversity of citizenship, the district court was required to determine whether the Supreme Court of Michigan would find MVC's conduct actionable on the basis of common law unfair competition.

A & M Recs., Inc. v. M.V.C. Distrib. Corp., 574 F.2d 312, 313–14 (6th Cir. 1978)

4. Unjust Enrichment –

Under Michigan law, to establish unjust enrichment PCA must show 1) the receipt of a benefit by Merit from PCA, and 2) an inequity resulting to PCA because of the retention of the benefit by Merit. *Karaus v. Bank of N.Y. Mellon*, 300 Mich.App. 9, 831 N.W.2d 897, 905 (2012).

PCA Mins., LLC v. Merit Energy Co., LLC, 725 F. App'x 342, 345 (6th Cir. 2018).

XIII. Affirmative Defenses Applicable to Trademark Cases (Please also see Fed. R. Civ. P. 8.).

A. Federal Causes of Action under Lanham Act.

An affirmative defense raises matters extraneous to the plaintiff's *prima facie* case; as such, they are derived from the common law plea of “confession and avoidance.” 5 C. Wright & A. Miller, *Federal Practice & Procedure* § 1270, at 289 (1969). On the other hand, some defenses negate an element of the plaintiff's *prima facie* case, these defenses are excluded from the definition of affirmative defense in Fed. R. Civ. P. 8(c). 2 AJ. Moore & J. Lucas, *Moore's Federal Practice* paragraphs 8.27[1], 8.27[4] (2d ed. 1985). Although sometimes difficult to discern, the distinction between the two categories of defenses is crucial since affirmative defenses are generally waived if not plead. 8(c); see *TCP Industries, Inc. v. Uniroyal, Inc.*, 661 F.2d 542, 547 (6th Cir.1981).

Dana Corp. v. Blue Cross & Blue Shield Mut. of N. Ohio, No. C87-7734, 1990 WL 264716, at *1 (N.D. Ohio Dec. 14, 1990)

1. Fraud – Remember Fed. R. Civ. P. 9 requiring specificity of pleading

2. Abandonment

3. Fair Use –

a. Descriptive the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, ... or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin.

“the holder of a trademark *cannot* prevent others from using the word that forms the trademark in its *primary* or *descriptive* sense.” *Kassa v. Detroit Metro Convention & Visitors Bureau*, 150 F. Supp. 3d 831, 839 (E.D. Mich. 2015), *aff'd*, 672 F. App'x 575 (6th Cir. 2017).

b. Nominative - The Sixth Circuit has explicitly declined to adopt the nominative fair use defense, finding that its traditional likelihood of confusion test sufficiently captures the potential for trademark misuse. *PACCAR, Inc. v. TeleScan Techs., L.L.C.*, 319 F.3d 243, 256 (6th Cir. 2003). At the very least, therefore, “the status of the nominative fair use defense is unclear within this circuit.” *State Farm Mut. Auto. Ins. Co. v. Sharon Woods Collision Center, Inc.*, 2007 WL 4207158, at *8 (S.D. Ohio Nov. 26, 2007) (internal quotations omitted). *Volkswagen AG v. Dorling Kindersley Pub., Inc.*, 614 F. Supp. 2d 793, 811. (E.D. Mich. 2009)

4. Generic.

5. Functional.

6. Implied License.

7. Equitable Defenses – Laches, Acquiescence, Estoppel, Unclean Hands.

8. Trademark Misuse – “‘Trademark misuse’” is merely another name for a defense of unclean hands when asserted in the context of a trademark infringement case.”

4 McCarthy on Trademarks and Unfair Competition § 25:69 (5th ed.).

First, the court has been unable to locate a case in this circuit that recognizes trademark misuse (Count VIII) as an independent cause of action. In fact, in *Microsoft Corp. v. Compusource Distributors, Inc.*, 115 F.Supp.2d 800, 810 (E.D. Mich. 2000), the court explained that there was no published case law in the Sixth Circuit discussing the viability of such a theory as a *defense* to trademark infringement, let alone its viability as an independent cause of action. The court noted that other courts had questioned the existence of the defense of trademark misuse. *Id.* (citing *Northwestern Corp. v. Gabriel Mfg. Co. Inc.*, 2004 1998 WL 525431, *8 (N.D. Ill. Aug. 19, 1998) (“if the defense of ‘trademark misuse’ even exists, it is probably limited to misrepresentations ...”)); *see also Dunn Computer Corp. v. Loudcloud, Inc.*, 133 F.Supp.2d 823, 831 n. 23 (E.D. Va. 2001) (“authority is uniform in allowing trademark misuse only as an affirmative defense to a trademark infringement action”). Plaintiff cites no case law to support its theory that trademark misuse can be an independent basis for relief. The court

declines to announce or create an independent cause of action for trademark misuse and finds that Defendant's claim is more appropriately cast as a potential affirmative defense. *See Juno Online Serv. v. Juno Lighting, Inc.*, 979 F.Supp. 684, 687–691 (N.D.Ill.1997) (setting forth a detailed history of the trademark misuse defense and declining to allow the defense to be brought as an affirmative claim) (“Since the affirmative claim for *patent* misuse has a suspect history to begin with, and since plaintiff has failed to point the court to a single case in which an American court has used *trademark* misuse affirmatively, the court is quite skeptical to allow an affirmative claim for trademark misuse.”) (emphasis added).

Ford Motor Co. v. Obsolete Ford Parts, Inc., 318 F. Supp. 2d 516, 521 (E.D. Mich. 2004).

9. Standing.

10. Theoretically Plausible Antitrust Counterclaim.

11. Plaintiff’s use of mark to misrepresent the source of the goods/services.

12. First sale doctrine.

13. Statute of limitations (state law claims).

14. Res judicata.

15. Collateral estoppel.

B. At the TTAB.

TBMP 311.02(b) Affirmative defenses may include:

1. Equitable Defenses unclean hands, laches, estoppel, acquiescence, fraud, mistake,

2. Prior registration defense (*Morehouse* - no injury where defendant owns a substantially similar registered mark for substantially similar goods or services.), prior judgment, or any other matter constituting an avoidance or affirmative defense.

3. Such defenses may also include a pleading that defendant is at least entitled to a registration with a particular restriction (described in the pleading in sufficient detail to give plaintiff fair notice of the basis for the defense), except that geographic restrictions will be considered and determined by the Board only in the context of a concurrent use registration proceeding. A request by defendant to restrict its identification of goods or services under Trademark Act § 18, 15 U.S.C § 1068, must be made by way of motion under 37 C.F.R § 2.133 although the

ground may also be raised as an affirmative defense in the answer (as originally filed, as amended or as deemed amended), by way of an allegation that sets forth the proposed restriction in detail and alleges that the restriction will avoid a likelihood of confusion and that plaintiff is not using the mark on the products or services being excluded from the registration.

C. Other Defenses That Must Be asserted in the Answer or Pre Answer Motion Fed. R. Civ. P. 12(b)

1. Lack of Personal Jurisdiction – Waived if not pleaded Fed. R. Civ. P. 12(h).
2. Improper Venue– Waived if not pleaded Fed. R. Civ. P. 12(h).
3. Insufficient Process – Waived if not pleaded Fed. R. Civ. P. 12(h).
4. Insufficient Service Of Process – Waived if not pleaded Fed. R. Civ. P. 12(h).
- 5 Failure to state a claim upon which relief can be granted – Fed. R. Civ. P. 12(h)(2) governs when defense may be raised.
6. Failure to join a party – Fed. R. Civ. P. 12(h)(2) governs when defense may be raised.

7. Lack of subject matter jurisdiction -

“The existence of subject matter jurisdiction may be raised at any time, by any party, or even *sua sponte* by the court itself.” *In re Lewis*, 398 F.3d 735, 739 (6th Cir.2005). Moreover, the parties cannot confer subject-matter jurisdiction where it does not otherwise exist.” *Sweeton v. Brown*, 27 F.3d 1162, 1168–69 (6th Cir.1994) (citing *Bauxites*, 456 U.S. at 702, 102 S.Ct. 2099).

Days Inns Worldwide, Inc. v. Patel, 445 F.3d 899, 904 (6th Cir. 2006)

D. Other Defenses.

1. Innocent Infringement – 15 U.S.C. § 1114(2)(A) –

To take advantage of this provision, however, Defendant must satisfy two separate requirements. [Defendant] must first establish that it is “engaged solely in the business of printing the mark or violating matter for others” and, moreover, that it is an ‘innocent infringer or innocent violator.’

Timber Prod. Inspection, Inc. v. Coastal Container Corp., 827 F. Supp. 2d 819, 825–26 (W.D. Mich. 2011).

Innocent infringement limits remedy to injunctive relief. *Id.*

2. Duress.

3. Reservation of rights to add defense adds nothing to the pleading as Fed. R. Civ. P. 15 standard for amending the pleadings.

“[A] reservation of right seeking to preserve unknown affirmative defenses subverts Federal Rule of Procedure 15. *Paducah River Painting, Inc. v. McNational Inc.*, No. 5:11-CV-00135-R, 2011 WL 5525938, at *5 (W.D. Ky. Nov. 14, 2011). To the extent that Affirmative Defense No. 29 [the reservation of rights defense] reiterates Rule 15, it is impertinent or redundant. Therefore, Affirmative Defense No. 29 will be stricken.

Pitt v. Twp. of Lee, No. 20-CV-13021, 2021 WL 352000, at *4 (E.D. Mich. Feb. 2, 2021).

XIV. Consider Denying Certain Assertions of the Complaint, if factually accurate.

- A. Validity of the asserted Trademark(s).
- B. Incontestability of the asserted Trademark(s).
- C. Likelihood of confusion with the asserted Trademark(s), including each factor plead.
- D. Unfair competition.
- E. Dilution – including each factor plead.