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2019

ANNUAL INTELLECTUAL PROPERTY LAW DINNER

# *Trademark Policing and Enforcement*

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SEPTEMBER 5, 2019

RESEARCH TRIANGLE PARK, NC

SALT LAKE CITY, UT

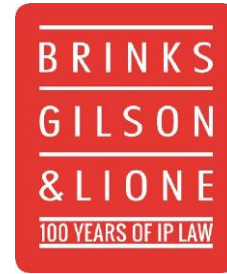
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and



**Welcome you to the**  
**Annual Intellectual Property Law Dinner Program**  
**Thursday, September 5, 2019 | Gibsons Bar & Steakhouse**

Trademark litigation can be expensive and disruptive to your client's business. During this one-hour seminar, you'll hear a federal judge and an experienced litigator share their perspectives on the practical considerations involved in deciding whether to litigate a trademark infringement claim. From pre-litigation enforcement options to effectively and efficiently presenting your case in court, the speakers will provide practical insights into issues that in-house lawyers face when contemplating a trademark infringement lawsuit.

In addition to the CLE-accredited seminar, attendees will be provided with a cocktail reception and dinner at Gibsons Bar & Steakhouse.

### **SPEAKERS**

**Hon. Virginia M. Kendall, Chicago, IL** – Judge Virginia Kendall was appointed to the United States District Court of the Northern District of Illinois in 2006. Judge Kendall holds leadership roles in numerous bar organizations including the Federal Bar Association, the International Bar Association, the American Bar Association and the Federal Circuit Bar Association. Since her appointment to the court, Judge Kendall has served on several committees relating to information technology and the courts. Judge Kendall has been an adjunct professor of law for over twenty years and currently teaches law courses in trial practice and federal litigation at University of Chicago Law School, Northwestern University School of Law and Loyola University Chicago School of Law. Having presided over many IP-related bench and jury trials, Judge Kendall will share insights concerning procedural and substantive issues that are common in trademark infringement lawsuits.

**Howard S. Michael, Shareholder, Brinks Gilson & Lione, Chicago, IL** – Howard Michael has over 20 years of litigation experience, focusing on intellectual property issues for clients in many different industries. Howard speaks frequently on trademark issues, and will provide a litigator's perspective on issues such as pre-litigation enforcement options and litigation strategies.

**Evi Christou, Associate, Brinks Gilson & Lione, Chicago, IL** – Evi Christou focuses her intellectual property law practice on all aspects of domestic and global brand protection, copyright and unfair competition law. Evi will address the trademark owner's obligation to police its trademarks and how to do so efficiently.

### **TIMES**

5:00 pm: Registration and networking  
6:00 pm: Dinner  
6:15 – 7:15 pm: Presentation  
7:15 pm: Q&A

### **MCLE**

ACC Chicago is an Approved Illinois CLE Provider. 1 General MCLE Hour for this program. Participants seeking MCLE credit must sign-in and provide their IL Bar number.

### **LOCATION**

**Gibsons Bar & Steakhouse**  
1028 North Rush Street  
Chicago, IL 60611

Valet Parking available.

### **COST**

Attendance is complimentary but limited to ACC members, in-house prospective ACC members and guests of the sponsor.

# Trademark Policing and Enforcement

*Presentation to*  
**Association of Corporate Counsel  
Chicago Chapter**

September 5, 2019

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**Judge Virginia M. Kendall**  
U. S. District Court, Northern District of Illinois



**Howard Michael**  
**Evi Christou**  
Brinks Gilson & Lione



## Policing Trademarks in the Era of Social Media and Online Sales

**Evi Christou**

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## Duty to Police

- **Duty to be proactive and police relevant market for infringers**
  - Trademark owners have a “duty to police [their] rights against infringers.” *McCarthy on Trademarks* § 11.91
- **No need to object to all unauthorized uses of a mark**
  - “[I]t is entirely reasonable for the [trademark owner] to object to the use of certain marks in use on some goods which it believes would conflict with the use of its marks ... while not objecting to use of a similar mark on other goods which it does not believe would conflict with its own use.” *McDonald's Corp. v. McKinley*, 13 U.S.P.Q.2d 1895 (T.T.A.B. 1989).
- **The “Goldilocks” policy**

## Policing Trademarks in Social Media & Online Sales: A Paradigm Shift

- **Then v. Now**
  - Art of policing trademarks is more nuanced
- **Common problems:**
  - Anonymity
  - Isolated instances
  - Time
  - Resources



## Examples



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### Example 1: #TheHashtag



- Twitter, Instagram, Facebook, OH MY!

- The first hashtag:



- When is use of a hashtag actionable?

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## #TheHashtag (continued)

- **The scenario:**

- Trademark owner: Community Reach, LLC
  - COMMUNITY REACH
  - Educational consulting services
- Infringer: Texas Consulting Group, Inc.



The Texas Consulting Group  
@4CommunityReach

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The best motivation for students is to master tasks in a supportive community setting. [#communityreach](#) [#alwaysteaching](#) [#learningissucceeding](#)

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## #TheHashtag (continued)

- **Considerations:**

- Source-identifier
- Promotes, rather than hurts, brand
- Costs
- Monitor

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## Example 2: The “Internet Troublemaker”

### ■ The scenario:

- Trademark owner: POWER CRYPT, LLC
  - POWER CRYPT
  - Consulting services for the design and manufacture of custom energy storage devices for power grids and power plants
  - Animated video describing new energy efficiency technology on website
- Infringer: LightningH00f (i.e. John Doe)
  - Overlays Power Crypt’s animated video with disparaging commentary on YouTube channel



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## The “Internet Troublemaker” (continued)

- **Considerations:**
  - Single actor
  - 300k views
  - Disparaging commentary
  - Anticipated costs may outweigh benefits

## Example 3: The Gray-Market Seller

- **The scenario:**
  - Trademark owner: BTech, LLC
    - BTech
    - Landline phones
  - Infringer: Sales.By.Sam
    - Amazon seller
    - Selling BTech products





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**Available from these sellers.**

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## The Gray-Market Seller (continued)

- **Considerations:**

- Direct competitor
- Lower price
- No warranty protection
- No loyalty program materials
- Different packaging

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## Next Steps

- Outside counsel
- Due diligence & infringement analysis
- Takedown request
- Amazon Brand Registry
- Cease and desist letter
- Filing district court action



## Trademark Litigation in the Northern District

**Judge Virginia Kendall  
Howard Michael**





## Issues Common to Trademark Infringement Cases in the Northern District

- (1) Survey Evidence
- (2) Preliminary Relief
- (3) Lanham Act Mediation Program
- (4) Summary Judgment
- (5) Remedies



## Likelihood of Confusion Factors

- (1) Similarity between the marks in appearance and suggestion
- (2) Similarity of the products
- (3) Area and manner of concurrent use
- (4) Degree of care likely to be exercised by consumers
- (5) Strength of the plaintiff's mark
- (6) Any actual confusion
- (7) Intent of the defendant to "pass off"

*Johnny Blastoff, Inc. v. Los Angeles Rams Football Co.*, 188 F.3d 427 (7th Cir. 1999)



## Consumer Surveys

### ■ Why Use a Survey?

- A properly conducted survey directly tests actual consumer perception
- Several cases observe that survey evidence can be the most persuasive evidence in a trademark infringement case

### ■ Typical Survey Subject Matter

- Likelihood of confusion
- Dilution
- Secondary meaning
- Genericness

## Consumer Surveys

### ■ Discoverability

- Governed by expert discovery provisions of the Federal Rules of Civil Procedure (FRCP 26)
  - Consulting expert's work product is generally privileged
  - Testifying expert's work product is often discoverable, although the rules now protect drafts and expert-attorney communications

### ■ The "Battle of the Experts"

- A common occurrence is for one of the parties to the litigation to hire a survey taker to run an appropriate survey. The survey expert for the opponent may then attack the substance and form of the other side's survey and/or counter it with a different survey producing different results. Then ensues the "battle of the experts."



## Surveys - Discussion Topics

- How much does the absence of survey evidence hinder the plaintiff's case?
- How likely is it that the lack of a survey will have an impact on the case outcome?
  - What if only one side has a survey?
- The Battle of the Experts

## **Preliminary Relief**

- The Court has the power to grant injunctive relief, "according to the principles of equity." 15 U.S.C. § 1116(a)
- **Preliminary injunction factors**
  - Plaintiff has suffered an irreparable injury
  - Remedies at law (e.g., money damages) are inadequate
  - The balance of harms weighs in favor of an injunction
  - The public interest would not be disserved by a permanent injunction
- **Presumption of irreparable injury**
  - Traditionally, a showing of likelihood of confusion is enough to support a finding of irreparable injury
  - Several circuits have questioned the presumption of irreparable harm in trademark cases (e.g., First, Third, Ninth)





## Preliminary Relief - Discussion Topics

- Temporary restraining orders
- Preliminary injunction hearings
- Scope of discovery
- Irreparable injury

## **Lanham Act Mediation Program**

- **Voluntary Mediation in the Northern District**
  - At the earliest of the first scheduling conference or 90 days after an eligible case is filed, the parties are required to file a joint statement indicating whether they wish to participate in the voluntary mediation program.
  - If the parties do not wish to participate, they are required to provide a statement summarizing the reason or reasons for that decision.



## **Lanham Act Mediation Program**

- **Voluntary Mediation in the Northern District**
  - If the parties wish to pursue mediation, they may select a qualified neutral mediator from a list of individuals and organizations maintained by the clerk. The mediation sessions are confidential, and should be completed within 30 days, ending with a report to the court on the outcome. The costs of mediation are typically shared equally by the parties.

## **Mediation - Discussion Topics**

- Do you think that the Northern District's Lanham Act's Mediation Program has had a positive effect on trademark litigation in the Northern District?
- To what extent does the Court involve itself in the mediation?
- What, if any, are acceptable reasons for foregoing mediation?



## Summary Judgment

- **Fed. R. Civ. P. 56(a)**
  - Movant must show there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.
- **Principles applicable to SJ determinations**
  - A genuine dispute as to any material fact exists if the evidence is such that a reasonable jury could return a verdict for the nonmoving party.
  - Justifiable inferences are drawn in the nonmovant's favor.
  - The party seeking summary judgment has the burden of establishing that no genuine dispute as to any material fact exists.
  - See *Vacation Rental Partners, LLC v. Vacaystay Connect, LLC*, No. 15 CV 10656 (N.D. Ill. Mar. 28, 2017) .
- **Appropriate for trademark cases?**
  - Often involve fact issues (e.g., likelihood of confusion factors)

## Summary Judgment - Discussion Topics

- In what circumstances is 'likelihood of confusion' amenable to summary judgment?
- Hearings
- Is witness testimony helpful, or is attorney argument generally sufficient?



## Remedies

- Injunctive relief is available for violations under the Lanham Act and state law claims.
- The Lanham Act also allows that, subject to the principles of equity, a successful plaintiff may recover defendant's profits, any damages sustained by the plaintiff, and the costs of the action.
  - An award of defendant's profits is subject to the court's equitable discretion and may be increased or decreased based on the circumstances
  - The court also has discretion in assessing actual damages to treble the award
  - Attorneys' fees are typically disfavored

## Damages and Remedies – Discussion Topics

- Injunctive relief - the “golden goose”
- Is it possible for a plaintiff to establish monetary damages without relying on an expert?
- Attorney's fees







# Questions?

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# Thank You

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