



## Trademark Law Alert: Trademark Modernization Act of 2020 Reimposes a Countrywide Presumption of Irreparable Harm to Aid Parties Enforcing Their Trademark Rights

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In [our January 11 alert](#), we reported that the newly enacted second COVID -19 relief and government funding package included trademark act amendments, known as the Trademark Modernization Act of 2020 (“TMA”), which were signed into law on December 27, 2020.

We now dive a little deeper into one of the TMA’s most important changes from prior law, namely its provision that all trademark holders seeking court injunctions against infringers are now entitled to a rebuttable presumption of irreparable harm.

This provision resolves a split in the law between different federal court circuits and makes it easier for trademark plaintiffs to obtain injunctions in US federal courts, regardless of where they sue to enforce their rights.

Until 2006, trademark plaintiffs were entitled to a presumption of irreparable harm when moving for preliminary injunctive relief in federal trademark infringement cases, provided that they could show a likelihood of success on the merits of the case.

This presumption meant that plaintiffs did not have to make expensive arguments and submit reams of evidence in support of an argument that the specific trademark infringement in question would have a serious, longstanding and deleterious effect on the plaintiff’s business. Instead, unless and until the defendant submitted evidence that there wouldn’t be “irreparable harm,” courts would simply presume that irreparable harm was a consequence of the infringement and be in position to order immediate injunctive relief. This meant that trademark owners who were likely to prevail in trademark infringement suits were able to quickly shut down infringers, minimizing the damage to their brands and their companies’ public images.



This situation, at least for trademark law, became muddy in 2006 in the aftermath of the US Supreme Court's decision in *eBay, Inc. v. MercExchange, LLC*, 547 U.S. 388 (2006), holding that there were no such presumptions in patent cases. Whether eBay's logic applied to trademark cases was an open question—some federal court circuits agreed; others did not. Unfortunately, the Supreme Court was unwilling to weigh in on the issue.

In 2014, the court denied certiorari in *Herb Reed Enterprises, LLC v. Florida Entertainment Mgmt., Inc.*, 736 F.3d 1239 (2013), turning down an opportunity to address this very issue. As time passed, different federal court circuits developed different presumptions or tests to determine what evidence would be sufficient to show irreparable harm or entitle trademark plaintiffs to preliminary injunctive relief. As almost always occurs, substantive differences in the law led to jockeying, gamesmanship, and forum disputes between trademark owners and infringers that, generally speaking, weakened trademark owners' ability to predictably defend their rights against infringers.

Given the importance of this issue to trademark owners in particular and to the US economy in general, it is perhaps unsurprising that Congress stepped up once it became clear that the Supreme Court would not. The text of the TMA makes it quite clear that Congress now has turned back the clock to the days before eBay:

Section 34(a) of the Trademark Act of 1946 (15 U.S.C. 1116(a)) is amended by inserting after the first sentence the following: "A plaintiff seeking any such injunction shall be entitled to a rebuttable presumption of irreparable harm upon a finding of a violation identified in this subsection in the case of a motion for a permanent injunction or upon a finding of likelihood of success on the merits for a violation identified in this subsection in the case of a motion for a preliminary injunction or temporary restraining order."

Consolidated Appropriations Act, 2021, H.R. 133, 116th Cong., Div. Q, Title II, Subtitle B, Section 226 (2020), [available here](#).

Practically speaking, all trademark holders seeking court injunctions against infringers are now entitled to a rebuttable presumption of irreparable harm, regardless of the federal court circuit where the infringement suit is brought. This provision should reduce forum disputes, increase predictability and consistency, and generally strengthen the hand of trademark owners seeking to enforce their rights against infringers.



We will continue to provide updates on important developments in US trademark law as they occur. In the meantime, please feel free to contact us if you have questions about how the passage of the Trademark Modernization Act of 2020 affects your trademark rights.

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