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## Trademark Enforcement Issues in the United States: Bullies and Trolls

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# TRADEMARK ENFORCEMENT ISSUES IN THE UNITED STATES: BULLIES AND TROLLS

By Mike Mireles

This article examines the supposed trademark bullies and trademark trolls problem in the United States. There are numerous reports and complaints of trademark bullies and to a lesser extent trademark trolls. First, this article reviews the evidence concerning trademark bullies, provides an explanation for the problem with trademark bullies and discusses attempts to deal with the problem. Second, it explains why a trademark troll problem is unlikely to develop in the United States.

**Mike Mireles** is a Professor of Law at University of the Pacific, McGeorge School of Law. The author is grateful for the research assistance of Kelsey Lim, Paolo Visante, Gina Guitierrez, Melissa Carrier, Danielle Patrock, and Bianca Angulo. This article is based partly on Michael S. Mireles, "Trademark Trolls: A Problem in the United States," 18 *Chapman L. Rev.* 815 (2015). For additional citations and support, please see that article. The author is grateful for the assistance of the editorial staff for the 2015 *Chapman Law Review Symposium "Trolls or Toll-Takers: Do Intellectual Property Non-practicing Entities Add Value to Society?,"* including Rachel Baker, Madiha Shahabuddin, Janelle Wilke, and Andrew Still. The author respectfully requests that citations are also made to the *Chapman Law Review* article. This article also is based partly on two other articles, Michael S. Mireles, "Towards Recognizing and Reconciling the Multiplicity of Values and Interests in Trademark Law," 44 *Ind. L. Rev.* 427 (2011) and Michael S. Mireles, "The Nuclear Option: Aesthetic Functionality to Curb Overreaching Trademark Claims," 13 *Wake Forest J. Bus. & Intell. Prop. L.* 281 (2013).

## TERMS DEFINED

A trademark bully generally is defined as a large and relatively wealthy entity that enforces its trademark with an overreaching claim against smaller, less wealthy entities. The overreaching claim can sometimes chill First Amendment protected speech, such as criticism, or impinge on fair competition. The trademark bully may force a financially "weaker" entity to stop using a mark based on a threat—usually with a cease and desist letter—of expensive litigation. Instead of fighting and testing the claim, the "victim" of the "bully" capitulates. You could imagine a trademark owner gradually strengthening the scope of its mark by influencing others to stop using any similar mark or making any criticism of their mark.

A trademark troll generally is defined as an entity that uses trademark law, without actually using a mark in commerce, to extract licensing fees from others who are using the trademark. The trademark troll essentially attempts to "hold up" those who are using the trademark.

## TRADEMARK BULLIES: DO THEY EXIST?

There is a significant amount of anecdotal evidence of trademark bullying and a few studies that may support its existence. For example, a recent *Wall Street Journal* article discussed the trademark enforcement practices of Travelers. Travelers is an insurance company that uses an umbrella symbol as a trademark. The article notes that Travelers has enforced its trademark against companies attempting to use a logo in numerous industries such as, "a California program to improve children's health, an antivirus software firm, a Polish nutritional-supplement producer, and even the umbrella-making Totes Isotoner Corp."<sup>1</sup> There are numerous other examples of trademark owners enforcing their trademarks against third parties, including the notorious Vermonster case and the entertaining Louis Vuitton cease and desist letter to a University of Pennsylvania intellectual property law student group. In an example of extensive enforcement efforts, in *Salu, Inc. v. Original Skin Store*, the court stated that, "[Plaintiff] has sent out over 300 cease and desist letters to alleged infringers in the last

couple of years alone.”<sup>2</sup> However, it is unclear whether the letters were based on overreaching claims.

There also are several studies that appear to support the idea that there is a trademark bullying problem. Professor Kenneth Port’s study notes that there is a rise in the number of trademark case filings, but fewer reported decisions.<sup>3</sup> He posits that trademark extortion (bullying) is the reason for the difference.<sup>4</sup> He also makes the claim that weak cases are increasing over time based on the number of summary judgment awards to defendants.<sup>5</sup> Professor William Gallagher’s study “supports the thesis that trademarks...can be and often are over-enforced in everyday legal practice.”<sup>6</sup> Professor Gallagher interviewed numerous trademark practitioners who stated that they “sometimes enforce admittedly weak IP claims precisely because it can be an effective strategy with few downsides.”<sup>7</sup>

The well-known US Patent and Trademark Office (USPTO) Trademark Litigation Study attempted to quantify and explain the problem with “trademark bullying.”<sup>8</sup> Unfortunately, it failed to live up to its promise and has been subject to substantial criticism. The Trademark Litigation Study noted that, “Most of the direct respondents claimed at least some degree of first-hand knowledge of instances where unduly aggressive trademark litigation or pre-litigation tactics (e.g., cease-and-desist letters) were targeted at small businesses.”<sup>9</sup> However, the Trademark Litigation Study also noted that:

When asked if they currently encounter the problem of other trademark owners using their trademark rights to harass and intimidate another business beyond what the law might be reasonably interpreted to allow (e.g., is “trademark bullying a problem”), few commenters explicitly addressed whether and to what extent this issue is a significant problem. Given the limited number of comments and the varied nature of the commenters own experiences, the comments may be better viewed as anecdotal.<sup>10</sup>

The Trademark Litigation Study further discussed how commenters noted that there is an “obligation to police their marks, and the cease-and-desist letter is a necessary, cost-effective part of the process.”<sup>11</sup> The overarching impression from the Trademark

Litigation Study is that it is very hard to define how big of a problem exists. Commentators were likely disappointed because they may have expected to discover stronger evidence of trademark bullying and a strong condemnation of that practice that would support substantial change to existing trademark law.

## **TRADEMARK BULLIES: WHY DO THEY EXIST?**

The clue to understanding the results of the USPTO Trademark Litigation Study is relatively simple: Most “bully-like” behavior exists because trademark law and theory encourage it. As several scholars have explained, trademark law essentially is reactive and the consumer search costs theory that explains much of trademark law facilitates the laws reactive nature.<sup>12</sup>

The consumer search costs theory mostly revolves around the focus on the reduction of consumer confusion to lessen the costs associated with the repeat purchase of goods and services. The law and the protection the law provides is driven by that theory. That theory is generally moored to consumer perception and understanding, which is constantly evolving and reacting to various influences. Indeed, the strength and arguably the corresponding value of a trademark are linked to what consumers think and a valuable mark may completely lose protection because of a change in consumer understanding. In some ways, the existence and scope of trademark protection (and corresponding value) lies in the hands of the trademark owner. Any rational owner of a valuable asset will do whatever it legally can to protect that asset. This includes vigorous enforcement of a trademark to ensure that not only is the mark not weakened and lost, but also that it increases in strength, and preserves the ability to move into related geographic and product markets. Courts examine the usage of a mark or a similar mark by third parties to determine the strength and validity of a mark in numerous cases. The need to enforce a trademark is truly not a bug, but a major feature of our trademark system.

Thus, there should be no surprise that vigorous enforcement is the rule and not the exception. If trademark attorneys are asked if they enforce their clients’ marks, the answer is, of course, yes. All attorneys must counsel their clients to enforce their

marks. A more difficult question concerns whether there is overreaching enforcement. This question is hard because the scope of trademark protection is anything but clear. Indeed, there is now sponsorship, affiliation, association, and connection confusion. There is initial interest confusion and post-sale confusion. Dilution law provides broad rights. Trademark defenses may vary across jurisdiction. The new theories of trademark harm develop and expand because consumer understanding changes and reacts to the practices of brand owners. Moreover, the facts of each case and the expansion plans of each trademark owner are different. Each trademark owner also has a specific image associated with the brand that a trademark owner may believe is worth protecting. For example, the “Honest” brand is one which relies on a promise that the product may be “natural,” “healthy,” and environmentally safe.<sup>13</sup> One person’s perception of an overreaching claim may differ from another’s based on the values, perspective and goals concerning the brand. This explains, perhaps, the “lukewarm” results of the USPTO’s Trademark Litigation Study. Likely, most trademark attorneys sincerely believe their own enforcement practices are just and not overreaching even if not particularly strong.

Another critical point to remember about trademark owners is that they serve the important function of lessening public deception in the marketplace in a generally cost-effective way for society. Instead of a system that primarily relies on the government to address public deception concerning marks, private actors mostly bear the costs (besides the costs of the court system) of finding and stopping confusingly similar uses of marks. The interests of society and the trademark owner are aligned in halting confusingly similar uses of marks. This alignment of interests is altered by dilution law, and arguably by some broad constructions of types of confusion besides source confusion. This is troubling particularly when First Amendment protected speech may be involved and third parties may be using expressive works.<sup>14</sup> The Trademark Dilution Revision Act does include numerous exclusions that may protect First Amendment protected speech.

The *Rogers v. Grimaldi*<sup>15</sup> test has become the leading test concerning First Amendment speech and the use of trademarks. Notably, the *Rogers* test has been applied at the motion to dismiss stage. For example, in *Rebellion Development Limited v. Stardock*

*Entertainment*, the district court determined that application of the *Rogers* test was appropriate at the motion to dismiss stage.<sup>16</sup> The district court noted:

Courts are cognizant of vindicating First Amendment protections through early dispositive motions to avoid chilling speech. However, Plaintiffs argue that the *Rogers* test is not well-suited to an early dispositive motion. They claim that this is because courts do not regularly decide the applicability of the First Amendment defense by making their own conclusions about the underlying work at the pleading stage, particularly when a court has not even had the opportunity to examine the underlying work.

The *Rogers* test is an appropriate one to apply in the early stages of litigation. Although the Court has not found a case directly on point, it concludes that the First Amendment should be considered an appropriate affirmative defense based on similar cases in the Sixth Circuit...<sup>17</sup>

The district court went on to dismiss the plaintiff’s infringement claim that defendant’s use of plaintiff’s mark in a title to a videogame based on *Rogers v. Grimaldi*.<sup>18</sup> Hopefully, other courts will continue to adopt and use *Rogers v. Grimaldi* early in litigation to dispose of suits that may impinge on First Amendment protected speech. This provides some protection against overreaching claims which that improperly impinge on protected First Amendment speech.<sup>19</sup>

## ATTEMPTS TO ADDRESS TRADEMARK BULLYING

There have been several attempts to address trademark bullying. For example, shaming is a way to reduce overreaching trademark enforcement,<sup>20</sup> legislation has been proposed to address the problem, and commentators have suggested a number of reforms. Notably, a major change in trademark law to address the issue is unlikely because trademark bullying is intimately tied to enforcement practices that are part and parcel of trademark law and theory itself. A

wholesale change to the way we use and understand trademark law is unlikely. For example, it is doubtful that the government will become responsible for all trademark enforcement. That likely would result in a cost-prohibitive system. A more tailored response to bullying itself is a more probable solution, such as making it easier to obtain attorney fees.

First, shaming is essentially the practice of publicizing—made easier because of social media—the “bad behavior” of the trademark bully. Because trademark owners are concerned about their reputation, a trademark owner may consider the costs of bullying before issuing a cease-and-desist letter if they do not want to be labeled a “bully.” A Web site such as Chilling Effects Clearinghouse attempts to shame bullies by publishing cease-and-desist letters.<sup>21</sup>

The famous Jack Daniels cease-and-desist letter is an example of a thoughtful response to the possibility of shaming.<sup>22</sup> In that case, Jack Daniels sent a carefully worded cease-and-desist letter to an author of an expressive work who used some parts of the Jack Daniels label and design as the cover of his book. Jack Daniels’ counsel carefully made the point that Jack Daniels enforces its mark and why it enforces its mark. Jack Daniels’ counsel also provided a “reasonable” exit strategy for the author. One excellent result of the letter from Jack Daniels perspective—even if the author may have a good claim it can use the label and design—is that another person and in this case lots of people were educated that Jack Daniels protects its marks. Indeed, the letter provided an excellent education about trademark law and the Jack Daniels mark without appearing to be “oppressive.” This was a brilliant way to shape consumer understanding.

There is, at least, one problem with reliance on shaming to address the bullying problem. Sometimes shaming may operate in a way that may not be helpful.<sup>23</sup> For example, the nonprofit sector reportedly has problems with outright fraud.<sup>24</sup> However, many nonprofits are very wary of enforcing their trademarks for fear of being labeled a “bully” or unfairly stifling a competitor attempting to “do good.” Nonprofits are very concerned about their reputations and may not enforce their mark against arguably deceptive conduct because of that fear even in the face of real consumer confusion. Some industries actually may need more trademark enforcement.<sup>25</sup>

Second, legislation has been proposed to specifically address the trademark bullying problem. For

example, the State of Minnesota considered passing legislation designed to curb trademark bullies.<sup>26</sup> However, to date, the legislation has not passed. The Ninth Circuit has applied the California Anti-Slapp statute to conduct related to the ownership and infringement of a trademark.<sup>27</sup> A plaintiff in that case brought a trademark infringement claim, among other claims, against a defendant that filed a trademark application. The Ninth Circuit determined that filing a trademark application was protected conduct under the California Anti-Slapp law. However, the Ninth Circuit ultimately decided that the plaintiff’s causes of action for attorney malpractice, conversion, breach of fiduciary duty, and fraudulent concealment could continue because there was a “reasonable probability of success.”<sup>28</sup> Under California law, a reasonable probability is a “minimal level of legal sufficiency and triability.”<sup>29</sup> State Anti-Slapp laws could be used to stop or discourage some types of trademark bullying, specifically directed at conduct that implicates First Amendment values. However, the claim must truly be overreaching. Notably, Congress currently is considering a federal Anti-Slapp law that may be applied to address some types of trademark bullying.<sup>30</sup>

Finally, some attempts by courts to directly or indirectly address patent trolling also may apply to trademark bullying. For example, the US Supreme Court’s 2006 *eBay v. MercExchange* decision specifically rejected the Federal Circuit’s presumption in favor of issuance of an injunction when a patent is found valid and infringed.<sup>31</sup> At least two Circuits have extended *eBay* to trademark cases, thus rejecting the presumption of irreparable harm when a trademark has been infringed.<sup>32</sup> Arguably, *eBay* may reduce the amount of trademark enforcement by making it more difficult to obtain an injunction. Moreover, the Supreme Court’s 2014 *Octane Fitness v. Icon Health and Fitness* decision makes it easier to obtain attorney fees in patent cases.<sup>33</sup> The Third Circuit already has extended *Octane Fitness* to trademark infringement cases by rejecting its prior more restrictive test for awarding attorney fees.<sup>34</sup> The easier availability of attorney fees may deter some trademark bullying behavior. Indeed, in *Renna v. County of Union*, the magistrate judge recommended an award of \$39,535 in attorney fees following the Third Circuit’s *Fair Wind* decision against an apparent “trademark bully:” the County of Union in New Jersey claiming trademark rights in its seal.<sup>35</sup> The defendant wrongfully

asserted in cease and desist letters, and in litigation, that it had registered trademark rights in a seal.<sup>36</sup> Notably, all of the circuits have not followed *eBay* and *Octane Fitness*, but some circuits may continue to extend those decisions to trademark cases. This may deter some bullies from bringing suit—at least in those circuits.

In another case, a Massachusetts court applying the Lanham Act, awarded over \$500,000 in attorney fees against a supposed “trademark bully” plaintiff who brought an action for the purpose of protecting its reputation instead of a concern about the likelihood of confusion as to sponsorship or source.<sup>37</sup> The court noted that: “[plaintiff] subjected Long Bow to protracted and costly litigation not to protect the good will of its trademark from misappropriation, but to suppress criticism of Jenzabar’s principals and its corporate practices.”<sup>38</sup> The court further explained that:

Jenzabar’s multiple and shifting legal and factual theories, asserted at the various stages of the case, support the same conclusion, as does its objection to *pro hac vice* admission of the lawyer who assumed Long Bow’s defense after it had exhausted its resources. In this regard, the differences in economic power between the parties is one of many circumstances that tends to confirm the conclusion that Jenzabar engaged in extortionate conduct, making this case exceptional.<sup>39</sup>

This case is particularly troublesome because it involved arguably protected speech concerning someone involved in a politically sensitive matter.<sup>40</sup> An Anti-Slapp statute may have been helpful for the defendant. The attorney fees award in this case, of course, is a great victory for the alleged infringer, but it only happens after almost total financial ruin of the defendant and a long period of time expended in litigation.<sup>41</sup>

The answer to the trademark bullying problem or some of its costs—at least from a practical perspective in some cases—may be early enforcement of trademarks. Trademark law is, again, unlikely to substantially change, so enforcement is here to stay. However, from a practical perspective, a trademark owner concerned about the protection its mark receives may help smaller businesses by letting them know as soon as possible that they may have a

trademark problem. If a smaller business is notified early, the business may not have incurred substantial costs in advertising and may not have a very large following. There certainly is an access to justice issue with respect to trademark selection and defense in the face of accusations of infringement.<sup>42</sup>

## TRADEMARK TROLLS

The best known intellectual property enforcement problems involve so-called patent trolls, also sometimes known as non-practicing entities or patent assertion entities. Patent trolls are entities that do not invent, commercialize, or practice patented technologies. Patent trolls merely exist to extract licensing fees from entities that actually invent, commercialize, or practice patented technology. Patent trolls arguably provide little benefit to society and just impose additional costs that often are passed on to consumers. Some do argue that patent trolls, for example, help inventors monetize their inventions. While there is considerable press concerning patent trolls, there is much less discussion concerning so-called trademark trolls in the United States—persons enforcing trademarks who do not actually use the trademark. There are at least eight reasons why this is true.

### 1. USE REQUIREMENT

The requirement of use in US trademark law makes it highly unlikely a non-practicing entity will be able to enforce a trademark. Use is a prerequisite for obtaining trademark rights in the United States.<sup>43</sup> Even an intent-to use application filed at the USPTO must be perfected by actual use of the mark in connection with the goods or services in commerce. Abandonment is the flip-side of the use requirement. If a mark is not used in commerce, there is a possibility that the mark will lose trademark protection.<sup>44</sup> Moreover, the prohibitions against naked licensing and assignments in gross also recognize the importance of the use requirement.<sup>45</sup> For example, marks must be licensed with their goodwill. The continuation and extension of goodwill require use of the mark itself. Marks also must not be assigned in gross. This prohibition recognizes that a mark must be connected to the goodwill which also requires continued use of the mark. Thus,

because of the use requirement, it is highly unlikely a non-practicing entity can bring a suit against another entity to essentially “hold-up” that entity.<sup>46</sup> However, the continued erosion of the use requirement as well as prohibitions against naked licensing and assignments in gross may make it more likely a trademark troll issue could emerge. Indeed, some experts have cautioned that Canada’s move away from requiring use could lead to trademark trolls.<sup>47</sup>

## 2. THE ANTI-CYBERSQUATING ACT, UNIFORM DOMAIN NAME DISPUTE RESOLUTION POLICY, AND TOP-LEVEL DOMAINS

An area that supposed “trademark trolling” could occur involves domain names.<sup>48</sup> Many domain name squatters did not have “legal” trademark rights to a particular domain name, but were warehousing domain names that were well-known trademarks to “hold-up” trademark owners. Essentially, a domain name squatter would purchase a well-known trademark as a domain name and offer to sell it to the trademark owner for a price. While there have been problems with domain name squatting, policy makers have addressed these problems to squelch potential “trademark trolling.”

Congress reacted to the specific problem of domain name squatting by passing the Anticybersquatting Consumer Protection Act (ACPA).<sup>49</sup> The ACPA created a federal cause of action for the bad faith registration, trafficking and usage of another’s trademark or a confusingly similar version of the trademark. The statute does not require an analysis of the similarity of the goods and services and also applies to dilutive use of famous marks. The ACPA’s remedies include cancellation and forfeiture of the domain name. Some commentators have noted that the ACPA has been relatively successful in stopping domain name squatting—or at least providing an effective way to address it.

The Internet Corporation for Assigned Names and Numbers (ICANN) also provides the Uniform Domain Name Dispute Resolution Policy (UDRP).<sup>50</sup> The UDRP provides an arbitration system to resolve domain name disputes that may be faster than proceeding in court. The UDRP provides standards that attempt to discern whether the domain name owner has registered or used the mark in bad faith

and without a legitimate reason to use the mark. Specific facts are analyzed to determine if a party has a legitimate right to use the mark and there is an understanding that multiple parties may have legitimate reasons to use the mark. The UDRP’s remedy is cancellation and transfer of the domain name. The UDRP generally is considered a success in curbing domain name squatting. The federal Lanham Act also specifically protects trademark owners from abusive use of the dispute resolution policy under 15 U.S.C. § 1114(2)(D)(iv). This section allows for a trademark owner to receive damages, costs and attorney fees for “abuse of process” or “malicious prosecution” under the domain name dispute resolution system.

Based on its experiences with domain name squatting, ICANN provided a thoughtful roll-out of the new top level domain names which considered trademark issues relatively carefully. To prevent the abusive registration of top level domain names, ICANN instituted several policies including Legal Rights Objections, the Uniform Rapid Suspension System, Trademark Post-Delegation Dispute Resolution Procedures, and the Trademark Clearinghouse.<sup>51</sup> Legal Rights Objections allowed trademark owners to file objections to applications for new top-level domain names. Legal Rights Objections fees were set at a relatively low level to allow for greater use. ICANN also created the Uniform Rapid Suspension System (URSS) which complements the UDRP. The URSS was designed to resolve disputes involving trademark infringement quickly and efficiently. ICANN developed the Trademark Post-Delegation Dispute Resolution Procedures. This system addresses the Registry Operator’s conduct in trademark infringement of a domain name. ICANN created a Trademark Clearinghouse which is a list of owned trademarks. If a mark similar to one registered on the Trademark Clearinghouse is applied for, then the trademark owner receives notice and can determine whether there is infringement. ICANN’s foresight—based on experience—has arguably led to a relatively smooth transition to the offering of new top-level domains.

## 3. OPPOSITION AND CANCELLATION PRACTICE

One proposal to address patent trolls has been the creation of meaningful third party opposition

proceedings at the USPTO to challenge pending and granted patents.<sup>52</sup> Notably, trademark law already provides for meaningful and frequently used opposition and cancellation proceedings to challenge marks. Opposition proceedings are brought against a pending trademark. The standing requirements for bringing an opposition proceeding are very broad, which enables anyone who believes they would be damaged by a filed mark to bring the opposition. One of the grounds for challenging a mark by opposition is based on a likelihood of confusion. This allows a trademark owner to ensure that a potential troll does not obtain trademark rights in a confusingly similar mark to the first user. This lowers the chance that a troll can hold-up a first user, perhaps in a market in which the first user may later expand.

Importantly, the trademark system publishes marks in the Official Gazette before the mark is registered. This allows trademark owners the opportunity to determine whether a mark is confusingly similar or dilutive and an opposition is warranted. Trademark owners also can bring cancellation proceedings against registered marks. Notably, there is a possibility of abuse of the cancellation and opposition proceedings system. Indeed, the trademark Web site Trademarkia has labeled some trademark owners who bring many cancellation and opposition proceedings against companies that file for marks as “trolls.”<sup>53</sup> However, this may be misleading. As a commentator noted, many of those labeled trolls brought legitimate claims against potential infringers.<sup>54</sup> Moreover, a defendant in an opposition or cancellation proceeding can bring a counterclaim against the first user’s mark. This puts the first user’s mark at issue and could result in the first user losing its trademark protection. This arguably creates an incentive to bring claims that have merit and are not merely frivolous. However, the cost of litigation always is a concern.

#### 4. DECISIONS DIRECTED TO PATENT TROLLS

As addressed in the prior section on trademark bullies, the US Supreme Court has issued decisions directed to patent trolls that are now applied in the trademark context. The *eBay v. MercExchange*<sup>55</sup> decision concerning injunctions and the *Octane Fitness v. Icon Health and Fitness* case about attorney fees both

may deter the development of a trademark troll problem. For example, *eBay v. MercExchange* has been applied in the trademark context and makes it more difficult to prove irreparable harm. This reduces the bargaining power of any potential trademark troll. Also, *Octane Fitness v. Icon Health and Fitness*<sup>56</sup> has been applied in the trademark context and makes it easier to obtain attorney fees in some jurisdictions. This may deter some trademark trolls from bringing an overreaching claim for fear of having to pay the trademark owner’s attorney fees.

#### 5. STRATEGIC LITIGATION ADVANTAGES AVAILABLE TO PATENT TROLLS

The strategic advantages that make patent trolling a relatively successful enterprise may not exist in trademark practice. Some strategic advantages include unavailability of infringement counterclaims, asymmetrical discovery, availability of forum shopping, and the opportunity to engage in holdups.<sup>57</sup> For example, the use requirement may open up a supposed trademark troll to a counterclaim based on infringement because of a dispute as to who was the actual first user. The use requirement also may mean that there will be some discovery not only on the defendant’s side, but also on the plaintiff’s side. There also is a lesser likelihood of forum shopping because it does not appear there are specific forums that would be favorable to trademark owners. Finally, there is less of an opportunity for hold-up because trademark law actually considers the intent of the alleged infringer or diluter, which the patent law does not do.

#### 6. CONSUMER PROTECTION STATUTES

The use of consumer protection statutes against patent trolls may deter a trademark troll problem from developing.<sup>58</sup> For example, some state attorney generals have brought actions against patent trolls for sending abusive cease and desist letters.<sup>59</sup> The FTC has settled one case concerning abusive cease and desist letters in the patent context. State attorneys general and the FTC may act similarly against trademark trolls and, indeed, the possible threat of suit may deter the problem from developing in the first instance.

## 7. US COURT OF APPEALS FOR THE FEDERAL CIRCUIT

One commentator has argued that a reason for the development of a patent troll problem is the US Court of Appeals for the Federal Circuit (Federal Circuit).<sup>60</sup> His argument is that the Federal Circuit is captured by the patent bar and issues pro-patent decisions that have led to the patent troll problem. Unlike patent law, trademark law federal appellate jurisdiction is based on where the suit is filed not based on subject matter. Thus, it is more difficult for the trademark bar to capture each of the courts of appeal throughout the United States making it less likely a pro-trademark law will develop.

## 8. SEVENTH CIRCUIT DECISION

A Seventh Circuit case dealt relatively harshly with a trademark troll by canceling the troll's mark, and awarding attorney fees and costs against it.<sup>61</sup> This case may have provided a disincentive for entities to engage in trademark trolling behavior.

## CONCLUSION

Trademark law and theory are unlikely to change and thus, vigorous enforcement of marks also is likely to continue. While trademark bullying does appear to be a problem, methods such as shaming and the availability of attorney fees may deter some bullying practice. Trademark trolling has not yet emerged in the United States as a significant problem. However, changes to the law concerning the use requirement and other areas of trademark law may lead to the development of an issue in the future.

## NOTES

1. Leslie Scism, "Travelers Doesn't Want to Share Its Umbrella Logo," *Wall Street Journal* (May 25, 2015).
2. *Salu, Inc. v. Original Skin Store*, 2010 WL 1444617, at \*2 (E.D. Cal. April 12, 2010).
3. Kenneth L. Port, "Trademark Extortion: The End of Trademark Law," 65 *Wash. & Lee L. Rev.* 585, 631 (2008).
4. For an updated survey, see Kenneth L. Port, "Trademark Extortion Revisited: A Response to Vogel and Schachter," 14 *Chi.-Kent J. Intell. Prop.* 217 (2014).
5. *Id.* at 225–227.

6. William T. Gallagher, "Trademark and Copyright Enforcement in the Shadow of IP Law," 28 *Santa Clara Computer & High Tech. L. J.* 453, 496 (2012).
7. *Id.*
8. Department of Commerce, Report to Congress: Trademark Litigation Tactics and Federal Government Services to Protect Trademarks and Prevent Counterfeiting (2001) available at <http://www.uspto.gov/trademarks/notices/TrademarkLitigationStudy.pdf> (last visited October 1, 2015) [Trademark Litigation Study].
9. *Id.* at 18.
10. *Id.*
11. *Id.* at 18–19.
12. See Graeme B. Dinwoodie, "Trademarks and Territory: Detaching Trademark Law from the Nation-State," 41 *Houston L. Rev.* 885, 961–962 (2004); Mark P. McKenna, "The Normative Foundations of Trademark Law," 82 *Notre Dame L. Rev.* 1839, 1916 (2007); James Gibson, "Risk Aversion and Rights Accretion in Intellectual Property Law," 116 *Yale L. J.* 882, 907–908 (2007); Michael S. Mireles, "Towards Recognizing and Reconciling the Multiplicity of Values and Interests in Trademark Law," 44 *Ind. L. Rev.* 427 (2011).
13. Miri Frankel, "Battle of the Honest Folks: Celebrity Versus Toddler," IPK at Blog (August 4, 2013) available at <http://ipkitten.blogspot.com/2013/08/battle-of-honest-folks-celebrity-v.html>.
14. For a discussion concerning the inconsistency of treatment of trademark law, parody and the First Amendment, see Deborah J. Kemp, Lynn M. Forsythe, Ida M. Jones, "Parody in Trademark Law: Dumb Starbucks Makes Trademark Law Look Dumb," 14 *J. Marshall Rev. Intell. Prop. L.* 143 (2015) (reviewing cases).
15. *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989). The Second Circuit explained the Rogers test:  
We believe that in general the Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression. In the context of allegedly misleading titles using a celebrity's name, that balance will normally not support application of the Act unless the title has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work. *Id.* at 999.
16. *Rebellion Dev. Ltd v. Stardock Entertainment*, 2013 WL 1944888 (E.D. Mich. 2013).
17. *Id.* at \*4.
18. *Id.* at \*6.
19. Trademark bullying may occur on hosted platforms such as YouTube. However, the values (and business interests) of some platform hosts that attempt to operate a system similar to a Digital Millennium Copyright Act "notice and take-down" scheme for trademarks may result in substantial protection of First Amendment values. For example, a platform owner may refuse to take-down content that is protected First Amendment speech. Thus, individuals and small entities may receive some protection by their host. The attorneys for the hosted platform essentially defend the interests of the content provider and the host, which are aligned.
20. For an extensive discussion of shaming trademark bullies, see Leah Chan Grinvald, "Shaming Trademark Bullies," 2011 *Wis. L. Rev.* 625 (2011). Linden Labs provides another example of humor in a "cease and desist letter." See Mike Masnick, "Forget the Cease-and-Desist; Use the Proceed-and-Permit," *TechDirt* (January 24, 2007) available at <https://www.techdirt.com/articles/20070123/122112.shtml>.
21. See Chilling Effects Clearinghouse, <http://www.chillingeffects.org/>.
22. Debra Cassens Weiss, "Jack Daniels Cease and Desist Letters Goes Viral for Being Exceedingly Polite," *ABA Journal* (July 26, 2012) available at [http://www.abajournal.com/news/article/jack\\_daniels\\_cease-and-desist\\_letter\\_goes\\_viral\\_for\\_being\\_exceedingly\\_polite/](http://www.abajournal.com/news/article/jack_daniels_cease-and-desist_letter_goes_viral_for_being_exceedingly_polite/).

23. See, e.g., Lauren Behr, "Trademarks for the Cure: Why Nonprofits Need Their Own Set of Trademark Rules," 54 *B.C. L. Rev.* 243 (2013).
24. Kris Hundley and Kendall Taggart, "America's 50 Worst Charities Rake in Nearly \$1 billion for Corporate Fundraisers," *Tampa Bay Tribune* (June 6, 2013) available at <http://www.tampabay.com/topics/specials/worst-charities1.page>.
25. Michael S. Mireles, "A Need for Trademark Bullies (or at least more enforcement)," *IP Finance Blog* (August 3, 2013) available at <http://ipfinance.blogspot.com/2013/08/a-need-for-trademark-bullies-or-at.html>.
26. See Steve Baird, "Minnesota to Own 'Trademark Bullies,' *DuetsBlog* (Mar. 18, 2013), <http://www.duetsblog.com/2013/03/articles/trademarks/minnesotas-latest-answer-to-the-trademark-bullying-problem>.
27. *Mindy's Cosmetics, Inc. v. Dakar*, 611 F.3d 590 (9th Cir. 2010).
28. *Id.* at 598–600.
29. *Id.*
30. See "Public Participation Project: Fighting for Free Speech," available at <http://www.anti-slap.org/>.
31. *eBay v. MercExchange*, 547 U.S. 388 (2006).
32. See *Ferring Pharm., Inc. v. Watson Pharm., Inc.*, 765 F.3d 205 (3d Cir. 2014) and *Herb Reed Enters., LLC v. Fla. Entm't Mgmt., Inc.*, 736 F.3d 1239 (9th Cir. 2013).
33. *Octane Fitness v. Icon Health and Fitness*, 134 S. Ct. 1749 (2014).
34. See *Fair Wind Sailing v. Dempster*, 764 F.3d 303, 314–315 (3d Cir. 2014).
35. *Renna v. County of Union*, 2015 U.S. Dist. LEXIS 1370, \*5-\*7 (Dist. N.J. 2015) (unpublished). For additional commentary, see Eugene Volokh, "The Government as Trademark Troll: Union County (N.J.) Hit with \$40K Bill in First Amendment Case," *Washington Post* (January 9, 2015) available at <https://www.washingtonpost.com/news/volokh-conspiracy/wp/2015/01/09/the-government-as-trademark-troll-union-county-n-j-hit-with-40k-bill-in-first-amendment-case/>.
36. *Renna*, \*5-\*7.
37. *Jenzabar v. Long Bow Group*, 2013 WL 5937327 (Mass. Super. Oct. 16, 2013).
38. *Id.* at \*6.
39. *Id.*
40. *Id.*
41. For additional discussion concerning the case, see "Software Company Hit With Attorney Fees for Trademark 'Bullying,'" 27 *No. 3 Westlaw J. Software Law* 7 (January 10, 2014).
42. For additional discussion concerning other avenues available to stop trademark bullies, see Jason Vogel & Jeremy A. Schachter, "How Ethics Rules Can Be Used to Address Trademark Bullying," 103 *Trademark Rep.* 503 (2013).
43. See Graeme B. Dinwoodie & Mark D. Janis, *Trademarks and Unfair Competition: Law and Policy* 250 (4th ed. 2014).
44. See Restatement (Third) of Unfair Competition § 30 (1995).
45. See *id.* §§ 33–34.
46. See Anna B. Folgers, "Note, The Seventh Circuit's Approach to Detering the Trademark Troll: Say Goodbye to Your Registration and Pay the Costs of Litigation," 3 *Seventh Circuit Rev.* 452 (2007), available at <http://www.kentlaw.edu/7cr/v3-1/folgers.pdf> (analyzing use requirement and cancellation power of district court to deter trademark trolls).
47. Carolyn Burkeholder James, "Beware of Trolls: Experts Raise Concerns about Canada's New Trademark Law," *CBA ABA National* (March 5, 2015), available at <http://www.nationalmagazine.ca/Articles/March-2015-Web/Beware-of-trolls.aspx>.
48. See, e.g., Cameron Auberon, "Trademark Trolls Claiming Automotive Brands for Profit, The Truth About Cars" (May 5, 2015), available at <http://www.thetruthaboutcars.com/2015/05/trademark-trolls-claiming-automotive-brands-profit/> (noting that Trademark King registered numerous domain names consisting of trademarks of car companies and sought trademark protection for purpose of reselling domain names and trademarks).
49. Anticybersquatting Consumer Protection Act, Pub. L. No. 106-113, 113 Stat. 1501 (1999) (codified as amended in scattered sections of 15 U.S.C.).
50. Uniform Domain Name Dispute Resolution Policy, ICANN, <https://www.icann.org/resources/pages/policy-2012-02-25-en> (last visited Oct. 17, 2014).
51. See generally, Michael S. Mireles, "Trademark Trolls: A Problem in the United States," 18 *Chapman L. Rev.* 815, 842–849 (2015).
52. See, e.g., David G. Barker, "Troll or No Troll? Policing Patent Usage with an Open Post-Grant Review," 2005 *Duke L. & Tech. Rev.* 9 (2005).
53. See "Find a Trademark Bully," *LegalForce Trademarkia*, <http://www.trademarkia.com/opposition/opposition-brand.aspx> (last visited June 7, 2013).
54. Trevor Little, "Monster Energy Company Heads Trademark Bullies Top 10, But List is Not All It Seems," *World Trademark Review* (May 27, 2015) available at <http://www.worldtrademarkreview.com/Blog/detail.aspx?g=7a58f3aa-6f8a-4f54-a544-c04b76539d57>.
55. *eBay v. MercExchange*, 547 U.S. 388 (2006).
56. *Octane Fitness v. Icon Health and Fitness*, 134 S. Ct. 1749 (2014).
57. See Mireles, *supra* n.51 at 859–862.
58. For additional discussion of patent trolls and consumer protection efforts, see Leah Chan Grinvald, "Policing the Cease-and-Desist Letter," 49 *U.S.F. L. Rev.* 33-53 (forthcoming 2015), available at [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2515455](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2515455).
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61. *Cent. Mfg., Inc. v. Brett*, 492 F.3d 876, 844 (7th Cir. 2007). For a detailed discussion of the case, see Folgers, *supra* n.46.

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