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July 10, 2013

# Supreme Court Amicus Brief of Law Professors in Support of Petitioner, Abraham v. Alpha Chi Omega

Christine Haight Farley, *American University Washington College of Law*



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In The  
**Supreme Court of the United States**

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THOMAS KENNETH ABRAHAM  
D/B/A PADDLE TRAMPS MANUFACTURING CO.,

*Petitioner,*

v.

ALPHA CHI OMEGA et al.,

*Respondents.*

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**On Petition For A Writ Of Certiorari  
To The United States Court Of Appeals  
For The Fifth Circuit**

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**MOTION AND BRIEF OF LAW PROFESSORS AS  
AMICI CURIAE IN SUPPORT OF THE PETITIONER**

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◆

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July 10, 2013

**MOTION OF LAW PROFESSORS FOR  
LEAVE TO FILE *AMICI CURIAE* BRIEF  
IN SUPPORT OF THE PETITIONER**

*Amici curiae* law professors respectfully move this Court for leave to file the enclosed brief in support of petitioner. Petitioner has consented to the filing of this brief via a blanket consent letter on file with this Court. Counsel for *amici* have twice attempted to contact counsel for respondents without success, so their consent is presumed withheld.

*Amici* are scholars at U.S. law schools whose research and teaching focus is intellectual property law. *Amici* have no direct interest in the outcome of this litigation. *Amici* are concerned that the Court of Appeals' decision below is based on an incorrect understanding of the defenses of laches and acquiescence. *Amici* urge this Court to grant review of this matter to provide much needed guidance on the operation of these two oft-claimed trademark defenses. Such a ruling will increase certainty for trademark holders, businesses, and promote the larger public interest inherent in these claims.

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## INTEREST OF *AMICI CURIAE*

This brief is filed on behalf of the undersigned Law Professors identified in Appendix A.<sup>1</sup>

*Amici* are scholars at U.S. law schools whose research and teaching focus is intellectual property law. *Amici* have no direct interest in the outcome of this litigation. *Amici* are concerned that the Court of Appeals' decision below is based on an incorrect understanding of the defenses of laches and acquiescence. *Amici* urge this Court to grant review of this matter to provide much needed guidance on the operation of these two oft-claimed trademark defenses. Such a ruling will increase certainty for trademark holders, businesses, and promote the larger public interest inherent in these claims.



## SUMMARY OF THE ARGUMENT

The Federal Lanham Act provides that injunctive relief, the primary remedy in trademark cases, is to be granted in accordance with the principles of equity. Expressly included among such equitable principles

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<sup>1</sup> The Parties were timely notified of the intent to file this *amicus* brief pursuant to Rule 37.2. Petitioner has consented to the filing of this brief via a blanket consent letter on file with this Court. This brief was not authored in whole or in part by counsel for any party. No one other than *Amici* and their counsel made a monetary contribution to preparing or submitting this brief. *Amici's* institutional affiliations are provided only for purposes of identification.

are the defenses of acquiescence, laches, and estoppel. Naturally, these defenses have become commonplace in defending against claims of trademark infringement. In the absence of a statute of limitations courts rely on the doctrine of laches, for example, to determine when trademark infringement claims have become stale. Our informal study of the district in which this case arises shows that from 2005 to 2011, nearly two thirds of answers filed in trademark cases involved the laches defense.

The circuit courts, however, are in conflict over the proper application of these defenses. Clear guidance is needed as to how the defenses should each be distinctly applied, when these defenses ought to bar injunctive relief, and the degree to which these defenses ought to be mitigated by the potential for public confusion. Meanwhile, uncertainty regarding these defenses creates obstacles to business, burdens the consuming public and the courts, and encourages forum shopping. The negative impacts of this uncertainty within trademark will only be resolved if the Supreme Court issues an opinion as to the proper legal test for each of these equitable defenses.

This case presents an ideal vehicle to address this conflict and provide clarity in this important area of trademark law.



## ARGUMENT

### **I. This Case Poses a Recurring Question in Trademark Law.**

This case is important because it presents a frequently recurring question in the law of trademark remedies. In trademark cases, claims of laches are ubiquitous and injunctive relief is the primary remedy. Thus the relationship between a laches defense and injunctive relief is an important issue in trademark law that will have an impact on a large number of trademark disputes.

The Lanham Act authorizes courts to grant injunctions and to award profits and damages subject to the principles of equity.<sup>2</sup> The defenses of acquiescence and laches are included among these equitable principles.<sup>3</sup> The doctrine of laches was meant to promote the same kinds of concerns as a statute of limitations and to promote the interests of the vigilant while disfavoring those who “slumber on their rights.”<sup>4</sup>

Parties and the courts rely on the equitable doctrine of laches as the primary tool to determine when trademark infringement claims are stale. This is because unlike patent and copyright law, federal

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<sup>2</sup> 15 U.S.C. § 1116(a) (2001).

<sup>3</sup> 15 U.S.C. § 1115(b)(9).

<sup>4</sup> *Kansas v. Colorado*, 514 U.S. 673, 687 (1995) (internal quotation marks and citation omitted).

trademark law contains no statute of limitations.<sup>5</sup> Equitable doctrines are therefore the only available timing defense, and they are particularly salient in trademark cases.

Because the determination of laches involves an evaluation of the relationship between inexcusable delay and prejudice, the possibility of laches is present in almost every trademark dispute.<sup>6</sup> For instance, it is possible for laches to result when a trademark owner delays only a short period of time before asserting a claim if the defendant nonetheless suffers great prejudice from the delay.<sup>7</sup> Therefore, whenever a trademark defendant continues to invest in the use of a mark past the point in time at which its owner could have brought suit, that defendant will feel the effect of that delay and may seek to raise a claim of laches. This is not to suggest that all such claims are meritorious. It is simply a fact that laches claims are commonplace in trademark litigation.

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<sup>5</sup> *Conopco, Inc. v. Campbell Soup Co.*, 95 F.3d 189, 191 (2d Cir. 1996).

<sup>6</sup> *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 965 F.2d 1020, 1034 (Fed. Cir. 1992) (en banc) (stating that a determination of laches is made by weighing the length of delay, the seriousness of prejudice, the reasonableness of excuses, and the defendant's conduct).

<sup>7</sup> *See Pro Football, Inc. v. Harjo*, 565 F.3d 880, 884 (D.C. Cir. 2009) (citing *Gull Airbone Instruments, Inc. v. Weinberger*, 694 F.2d 838, 843 (D.C. Cir. 1982) ("If only a short period of time elapses between accrual of the claim and suit, the magnitude of prejudice required before suit would be barred is great; if the delay is lengthy, a lesser showing of prejudice is required.")).

Cases like this, in which a trademark owner has delayed bringing suit for decades, are unexceptional perhaps because the term of protection, unlike that in patent or copyright law, is indefinite.

Although there are no systematic surveys of trademark cases that quantify the ubiquity of laches, an informal review of the docket in the Northern District of Texas, where this case originated, indicates that laches defenses are ubiquitous. We surveyed cases that Bloomberg Law designated as civil trademark cases from 2005 to 2011 in the Northern District of Texas.<sup>8</sup> Of those 100 cases, an answer was filed in 69 of them. Eight cases were eliminated due to insufficient records or failure to meet the criteria of in fact being a trademark case with a filed answer.<sup>9</sup> That left 61 “bona fide” answers. Of those, 38 pled laches as a defense, while 23 did not. Therefore, our analysis shows that from 2005 to 2011, nearly two thirds (38 of 61) of answers filed in trademark cases in the Northern District of Texas involved a laches defense.

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<sup>8</sup> We chose July 2011 as our end date to ensure that sufficient time had passed for an answer to be filed in the case.

<sup>9</sup> We struck four of those cases from our sample: one because the docket was missing the original answer; one because the answer was stricken by the court for failure to follow court rules; and two because further investigation of the complaint revealed there were no federal trademark claims. Of the remaining 65 answers, four more did not include any legal terminology because they were one-line general denials or because they were filed *pro se*.

Certainly, even that number is under-inclusive because in this case, for example, the laches defense was pled as part of a complaint for declaratory judgment, and not in an answer to a trademark case.<sup>10</sup> So our sample did not include this case. And of course, there may have been cases in which laches was a significant issue, but the case settled or was dismissed before an answer was filed.

Of course, injunctions are the staple remedy in trademark law. “An injunction is the usual and standard remedy once trademark infringement has been found.” 6 J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition*, § 30:1 (4th ed. 2013).<sup>11</sup> There are a variety of reasons why monetary relief may not be adequate in trademark cases. Monetary damages are especially difficult to quantify in trademark infringement.<sup>12</sup> Trademark disputes often involve indirect competition in goods and services (for

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<sup>10</sup> *Abraham v. Alpha Chi Omega*, 781 F. Supp. 2d, 396, 400 (N.D. Tex. 2011).

<sup>11</sup> See also *Angel Flight of Ga., Inc. v. Angel Flight Am., Inc.*, 522 F.3d 1200, 1209 (11th Cir. 2008) (“[I]n ordinary trademark infringement actions . . . Complete injunctions against infringing party are the order of the day.”); *Restatement (Third) Unfair Competition*, § 35, comment b (1995) (“In cases of deceptive marketing, trademark infringement, or trademark dilution, the prevailing plaintiff is ordinarily awarded injunctive relief to protect both the plaintiff and the public from the likelihood of future harm.”).

<sup>12</sup> *Pure Foods v. Minute Maid Corp.*, 214 F.2d 792, 797 (5th Cir. 1954); 6 J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition*, § 30:2 (4th ed. 2013).

instance, when a defendant uses a similar mark on dissimilar goods and service), making monetary damages unavailable or inappropriate since loss of sales is not an issue.<sup>13</sup> Finally, the continuation of infringement often warrants injunctive relief.<sup>14</sup>

Given that injunctive relief is traditional in trademark cases, and that laches claims are common, the relationship between the two is of considerable concern to trademark owners, their competitors, and the public.

## **II. The Doctrines of Laches and Acquiescence in Trademark Law Remain Muddled and in Need of This Court's Intervention.**

Section 33(b)(9) of the Lanham Act states: "That equitable principles, including laches, estoppel, and acquiescence, are applicable."<sup>15</sup> In order to give every word in the statute effect, laches, estoppel, and acquiescence must have different elements. Yet some courts have confused the three doctrines, and this confusion has resulted in inconsistent application of the rules. In order for courts to successfully reach fair and consistent decisions in these cases, there must be clear guidance on the doctrines of laches and acquiescence.

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<sup>13</sup> *Omega Importing Corp. v. Petri-Kine Camera Co.*, 451 F.2d 1190, 1195 (2d Cir. 1971).

<sup>14</sup> 6 *McCarthy on Trademarks* § 30:2.

<sup>15</sup> 15 U.S.C. § 1115(b).

As noted in the petition, the circuit courts are squarely in conflict over the application of these doctrines: some favor injunctive relief prohibiting a defendant's further use of a mark despite the presence of valid laches or acquiescence defenses;<sup>16</sup> some rule presumptively, or even conclusively, in favor of the defendant if the plaintiff trademark holder delays overly long before challenging an infringing use;<sup>17</sup> and one circuit, apparently suffering from its own internal conflict, has produced conflicting and irreconcilably contradictory rulings both ways on the matter.<sup>18</sup>

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<sup>16</sup> *Abraham v. Alpha Chi Omega*, 708 F.3d 614 (5th Cir. 2013); *Conan Props., Inc. v. Conans Pizza Inc.*, 752 F.2d 145 (5th Cir. 1985); *Montgomery Ward & Co. v. Clair*, 123 F.2d 878 (8th Cir. 1941); *Reid, Murdoch & Co. v. H.P. Coffee Co.*, 48 F.2d 817 (8th Cir. 1931); *Kellogg Co. v. Exxon Corp.*, 209 F.3d 562 (6th Cir. 2000); *Tandy Corp. v. Malone & Hyde, Inc.*, 769 F.2d 362 (6th Cir. 1985).

<sup>17</sup> *Univ. of Pittsburg v. Champion Prods. Inc.*, 686 F.2d 1040 (3d Cir. 1982); *Anheuser-Busch, Inc. v. Du Bois Brewing Co.*, 175 F.2d 370 (3d Cir. 1949), *cert. denied*, 339 U.S. 934 (1950); *Seven-Up Co. v. O-So-Grape, Co.*, 283 F.2d 103 (7th Cir. 1960); *RBC Nice Bearings, Inc. v. Peer Bearing Co.*, 410 F. App'x 362 (2d Cir. 2010); *Black Diamond Sportswear, Inc. v. Black Diamond Equip., Ltd.*, No. 06-3508-cv, 2007 WL 2914452 (2d Cir. Oct. 5, 2007); *Kason Indus., Inc. v. Component Hardware Grp., Inc.*, 120 F.3d 1199 (11th Cir. 1997); *NAACP v. NAACP Legal Def. & Educ. Fund, Inc.*, 753 F.2d 131 (D.C. Cir. 1985).

<sup>18</sup> Compare *Lyons P'ship, L.P. v. Morris Costumes, Inc.*, 243 F.3d 789, 799 (4th Cir. 2001) (holding that laches does not apply in claims for injunctive relief) with *Ray Commc'ns, Inc. v. Clear Channel Commc'ns, Inc.*, 673 F.3d 294, 307 (4th Cir. 2012) (holding that "laches may act as a bar to both monetary and injunctive relief under certain circumstances.").



A broad review of trademark opinions dealing with these equitable doctrines reveals that clear guidance is presently unavailable, and that as a result of this Court's prolonged silence on these issues, the law of laches and acquiescence has become muddled.

One source of confusion is that courts assign different meanings to the same words. The terms "laches," "estoppel" and "acquiescence" are sometimes treated as synonyms for the same doctrine.<sup>19</sup> In contrast, some courts use these terms with precision to indicate three distinct equitable doctrines with distinctly different implications for remedies.<sup>20</sup> These courts use "laches" to mean an unreasonable delay on the part of the plaintiff.<sup>21</sup> Sometimes they describe laches as the result of "mere delay" without more. Laches ordinarily bars claims for damages, but not injunctive relief. By contrast, "estoppel by laches," means not only that the plaintiff has delayed, but the delay has induced reliance or resulted in other prejudice that estops the plaintiff from obtaining any relief on its trademark claim.<sup>22</sup> And "acquiescence" refers to the plaintiff's consent – sometimes explicit and other

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<sup>19</sup> Some courts have also incorrectly included the term "abandonment" in discussions of these equitable doctrines. *See, e.g., Anheuser-Busch, Inc.*, 175 F.2d at 375.

<sup>20</sup> *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes, Inc.*, 971 F.2d 732, 734 (Fed. Cir. 1992) (stating that laches and estoppel are entirely separate defenses).

<sup>21</sup> 6 *McCarthy on Trademarks* § 31:2.

<sup>22</sup> *Kason Indus., Inc.*, 120 F.3d at 1203; 6 *McCarthy on Trademarks* § 31:2.

times implicit – to the defendant’s use of a trademark. Like estoppel by laches, acquiescence typically bars all relief.

The confusion is not, however, only a matter of semantics. Courts are also applying different rules to similar facts. Thus, some courts have adopted a liberal understanding of estoppel by laches in trademark cases. Under this approach, estoppel by laches can be proven even in the absence of evidence that the defendant relied on the plaintiff’s inaction in asserting a claim.<sup>23</sup> That is, a case in which the defendant did not know about the existence of the plaintiff will be treated the same as a case in which the defendant relied on the plaintiff’s failure to assert a claim after declaring its rights. Other courts draw a distinction between estoppel, which requires specific reliance evidence, and laches, which does not.

The Fifth Circuit blurs the lines between these doctrines. In this case, for example, the court approved the jury’s instruction on laches that specifically required the defendant to establish reliance – an element of “estoppel by laches.”<sup>24</sup> So the Fifth Circuit’s

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<sup>23</sup> 6 *McCarthy on Trademarks* § 31:13; *Procter & Gamble Co. v. J.L. Prescott Co.*, 102 F.2d 773 (C.C.A. 3d Cir. 1939); *Chandon Champagne Corp. v. San Marino Wine Corp.*, 335 F.2d 531 (2d Cir. 1964); *E-Systems, Inc. v. Monitek, Inc.*, 720 F.2d 604 (9th Cir. 1983); *Hot Wax, Inc. v. Turtle Wax, Inc.*, 191 F.3d 813 (7th Cir. 1999); *Chattanooga Mfg., Inc. v. Nike, Inc.*, 301 F.3d 789, 795 (7th Cir. 2002).

<sup>24</sup> *Abraham*, 708 F.3d at 624 (“‘An unlicensed user is unduly prejudiced when, in reliance on the trademark owner’s  
(Continued on following page)

definition of “laches” actually encompasses what this Court would have called “estoppel by laches” But defining laches to require a showing of detrimental reliance fails to give meaning to every word in section 33(b)(8), and will render Congress’s identification of laches and estoppel as separate doctrines ineffective.<sup>25</sup>

Courts have similarly muddled the doctrines of acquiescence and laches together. Some courts use the word acquiescence in a context in which it is not clear that this term has any legal distinction from laches.<sup>26</sup> Other courts use the term acquiescence to denote those cases in which the trademark owner actively conveys its consent to the defendant.<sup>27</sup>

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unexcused delay in filing suit, he or she makes major business investments or expansions that depend on the use of the marks. . . .’”) (quoting the district court).

<sup>25</sup> *Bridgestone/Firestone Research, Inc. v. Automobile Club De L’Quest De La France*, 245 F.3d 1359, 1363 (Fed. Cir. 2001) (citing *A.C. Aukerman Co.*, 960 F.2d at 1042 “reliance is not a requirement of laches but is essential to equitable estoppel”).

<sup>26</sup> *Conan Props., Inc.*, 752 F.2d (referencing both laches and acquiescence throughout the opinion without explicitly stating which doctrine is being applied though providing separate definitions for each).

<sup>27</sup> *Kellogg Co.*, 209 F.3d at 569 (“Although both laches and acquiescence require proof that the party seeking to enforce its trademark rights has unreasonably delayed pursuing litigation and, as a result, materially prejudiced the alleged infringer, acquiescence requires more”); *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 462 (4th Cir. 1996) (“Although the doctrines of acquiescence and laches, in the context of trademark law, both connote consent by the owner to an infringing use of his mark, acquiescence implies active consent, while laches implies a merely passive consent”).

Not surprisingly, many of those courts that consider acquiescence to be a distinct doctrine also view acquiescence as stopping the trademark owner from obtaining a remedy for infringement.<sup>28</sup>

Some courts use the statute of limitations for an analogous state law to measure the period of damages in a trademark case, while others courts do not.<sup>29</sup> Even in cases in which an analogous statute of limitations is imposed, trademark infringement is a continuing tort.<sup>30</sup>

Separating the doctrines of acquiescence and laches is important, lest we neglect the significance of a trademark owner's cooperation with infringement that foreseeably leads to public confusion. Surprisingly, some courts that use acquiescence and laches interchangeably, such as the Fifth Circuit, have held that the possibility of public confusion justifies injunctive relief even in cases where the trademark owner is found to have consented, either implicitly or explicitly, to an infringing use. The trademark owner, however, presumably has an interest in preventing any use of its mark that could

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<sup>28</sup> *What-A-Burger of Virginia v. Whataburger, Inc. of Corpus Christi, Texas*, 357 F.3d 441, 452 (4th Cir. 2004) (citing *Sara Lee*, 81 F.3d at 462 “[a]n infringement action may be barred . . . where the owner of the trademark, by conveying to the defendant through affirmative word or deed, expressly or impliedly consents to the infringement.”).

<sup>29</sup> 6 *McCarthy on Trademarks* § 31:23.

<sup>30</sup> *Id.* § 31:1.

weaken its identity or create public confusion. Why then should the defense of acquiescence ever be qualified by dubious policy concerns about public confusion? Whether the trademark owner undervalued the mark or simply miscalculated the likelihood that confusion would result from its consent to an infringing use, the defense of acquiescence clearly places the burden of that mistake on the imprudent trademark owner complicit in the weakening of its own mark.<sup>31</sup>

In the case of a trademark owner's inaction, on the other hand, determining with whom such burden ought to reside is less straightforward. Any laches assessment would naturally look to the length of the trademark owner's delay in policing its rights, its awareness of the infringing use, the extent of the investment made by the infringer, and what public confusion might be avoided by granting injunctive relief.<sup>32</sup> This last is perhaps the principal legal difference between how the doctrines of acquiescence and laches ought to play out practically: in a laches case concerning a trademark owner's inaction and harmful delay in the enforcement of its rights, the trademark owner's own behavior does not necessarily,

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<sup>31</sup> On the other hand, if an initial use to which the trademark owner acquiesced later developed into other unforeseen uses that would create confusion the trademark owner would have recourse to the protections of the doctrine of progressive encroachment.

<sup>32</sup> 6 *McCarthy on Trademarks* §§ 31:1, 31:10.

as it would in a case of acquiescence, constitute a waiver of the possibility that the infringing use might lead to public confusion.<sup>33</sup> It is not credible that trademark owners complicit in the potential creation of public confusion surrounding their marks should be saved by that same confusion. Surely complicity in the potential weakening of one's trademark must bar injunctive relief.

Of course, blatant inaction, extreme delay, or flagrant disregard for the enforcement of trademark protections by a trademark owner would tend to suggest that the infringing use in question was unlikely to create public confusion. Again, it is presumed that no trademark owner would long allow an infringing use that clearly confused or weakened the identity of its mark.

In sharp contrast to the situation in trademark law, in patent law a very precise laches doctrine has been adopted. For instance, in patent law laches is presumed from a six year period of delay.<sup>34</sup> A finding of laches will bar monetary damages, but not injunctive relief in patent law.<sup>35</sup> Estoppel by laches exists in

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<sup>33</sup> *Id.* § 31:10 (“If it is inevitable that a significant amount of confusion will probably be created by the junior user’s actions, then the right of the public not to be confused and deceived may outweigh the inequity to the junior user of the trademark owner’s delay in suing.”)

<sup>34</sup> *A.C. Aukerman Co.*, 960 F.2d at 1032.

<sup>35</sup> Jean F. Rydstrom, Annotation, *Laches as defense in patent infringement suit*, 35 A.L.R. Fed. 551 (Supp. 2013).

patent law only when the patent owner threatens vigorous enforcement and then unreasonably delays in filing suit.<sup>36</sup> Because public policy rationales differ in patent, copyright, and trademark law the relationship between laches and injunctions should not necessarily be the same in each of these areas of law, however, a brief examination of patent law seems to suggest that precise equitable doctrines are an achievable goal in other areas of intellectual property law.

Unfortunately applying these equitable defenses imprecisely in the context of trademark law creates problems that are highly particular to that area of law and which cannot be resolved by a review of these equitable doctrines in other areas of law. Nowhere so much as in trademark law does public confusion go to the heart of the matter and yet it is discussed in exactly with the potential result that these simple and articulable defenses based on time, prejudice, and reliance fail to have effect.

Of course, there are other doctrines in trademark law that countenance the likelihood of public confusion in favor of equitable relations among competitors; for example, under the doctrine of genericism none may federally register a generic mark, like “lite beer,”<sup>37</sup> despite the likelihood of public confusion that

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<sup>36</sup> *A.C. Aukerman Co.*, 960 F.2d at 1042.

<sup>37</sup> *Miller Brewing Co. v. G. Heilman Brewing Co.*, 561 F.2d 75, 81 (7th Cir. 1977).

would ensue might others adopt that same mark. This rule is meant to prevent the negative market consequences that would ensue should a single entity come to monopolize the generic name for a good. Public confusion does not supersede such consequences.<sup>38</sup>

However, the uncertain impact of laches and acquiescence defenses leaves trademark holders, or more specifically business people, uncertain as to how to safely proceed with their affairs.<sup>39</sup> These uncertainties multiply to impede business decisions. Further, litigants uncertain of the impact of these defenses in trademark cases are likely to include these defenses “just to be safe,” which extra legal costs ultimately get passed on to the consumer through inflated product costs, not to mention wasted judicial resources.<sup>40</sup> Lastly, the fractured state of the law on these matters encourages forum shopping.<sup>41</sup> These issues certainly concern negative consequences to the market and to trademark holders.

We believe that if the courts were more precise in their discussions and determinations of laches and

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<sup>38</sup> *McCarthy on Trademarks* § 12:2.

<sup>39</sup> Meredith M. Wilkes & Anne E. Raimer, *Preliminary Injunctions in U.S. Trademark Infringement Cases and the Presumption of Irreparable Harm*, 68 INTA Bull., 7 (2013); Ryan McLeod, Note, *Injunction Junction: Remembering the Proper Function and Form of Equitable Relief in Trademark Law*, 13 Duke L. & Tech. R. 0013 (2006).

<sup>40</sup> McLeod, *supra* note 39.

<sup>41</sup> Wilkes & Raimer, *supra* note 39.



acquiescence, trademark litigants would likely be more restrained in their application of these doctrines, and we might see less of these defenses asserted. More clarity in this area would serve the litigants, the courts, and the public.

### **III. This Case Is a Good Vehicle to Address When Laches and Acquiescence Should Bar Relief.**

This case is a good vehicle to clarify the distinctions between the equitable doctrines of laches, acquiescence and estoppel and to address when laches and acquiescence should bar relief. First, the Fifth Circuit’s application of the doctrine of estoppel by laches unreasonably muddles these doctrines together. Second, the presence of both laches and acquiescence defenses in this case provide a useful opportunity to consider the two doctrines and to delineate their differences. Third, there is no merit in delaying resolution of this issue further, and that in fact further delay will only deepen the existing division and confusion among the courts of appeals.

Congress identified laches, estoppel, and acquiescence as “equitable principles” in the Lanham Act.<sup>42</sup> By so labeling them, Congress presumably intended that they apply to equitable remedies, as distinct

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<sup>42</sup> 15 U.S.C. § 33(b)(9).

from monetary awards or damages.<sup>43</sup> That is their historical origin. They were the equitable analogs to the statute of limitations that define how long one can wait before bringing a cause for damages. By including them in section 33(b), Congress made clear that they, like the other doctrines listed in sections 33(b)(1)-(8), bar relief, perhaps against only this defendant, but still they bar remedies. Equitable defenses intuitively apply to equitable remedies, but the Fifth Circuit’s decision here did the opposite, which is at least counterintuitive, and deserves a second look.

Similar to the special regime for injunctive relief at issue in *eBay Inc. v. Merc-Exchange*,<sup>44</sup> courts have crafted a trademark-specific laches doctrine that is not consistent with laches as an equitable defense in other areas of law. They have done so ostensibly to ensure that consumers are protected. Courts do not want the trademark owner’s delay to force consumers to endure confusion that only the trademark owner

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<sup>43</sup> Congress specifically provided in section 33(a) that any award of damages under the Lanham Trademark Act is “subject to the principles of equity.” 15 U.S.C. § 1117(a).

<sup>44</sup> 547 U.S. 388 (2006). While citing *eBay*, the Fifth Circuit rejected its holding. It relied on McCarthy’s pre-*eBay* statement that irreparable injury is presumed in trademark cases once infringement has been shown. *Abraham*, 708 F.3d at 626. A district court in the Fifth Circuit is already relying on the decision in this case to push back on *eBay* and hold that irreparable harm can sometimes be presumed in trademark cases. See *Clearline Techs., Ltd. v. Cooper B-Line, Inc.*, \_\_\_ F. Supp.2d \_\_\_, 2013 WL 2422581 (S.D. Tex. June 3, 2013).

has the legal right to stop. But where there is a real consumer interest at stake, trademark owners act swiftly.

Certainly an injunction should not issue as a matter of course unless the mark holder proves that the public interest requires an injunction once laches or acquiescence have been proved. In a case such as this in which the theory of confusion is based on unauthorized merchandizing, there is no heightened concern for the public's interest to be free from confusion.

This case is a good candidate for review because it will allow the Court to explain how much confusion might justify an injunction in the face of a successful laches or acquiescence defense. In this case, the court found a "likelihood of confusion" when it found infringement. But if a "likelihood of confusion" would be sufficient to justify an injunction in every case, then an injunction would *always* issue, whether laches or acquiescence were found or not. Thus, in order to preserve this statutory defense, courts must in some way quantify the level of confusion, something the Fifth Circuit did not do in this case. Other courts have taken divergent positions on the level of confusion. This case provides a good vehicle to determine the necessary level of public confusion because the level of confusion in this case is low.

In analyzing the fourth factor under *eBay*, asking whether an injunction would disserve the public interest, the district court noted the public interest in

avoiding confusion.<sup>45</sup> However, this rote recital of possible confusion is plainly insufficient under *eBay*.<sup>46</sup> There was simply no evidence in the case that the confusion at issue – whether the Plaintiffs had or had not authorized the Defendants’ paddles – played any material role in consumer purchasing decisions. Moreover, by focusing exclusively on the possibility of confusion, the district court and the Fifth Circuit failed to recognize the public interest in competition and the loss consumers would suffer as a result of the monopoly that the injunction created.

In sum, we urge the Court to review this case in order to provide much needed correction to the application of the equitable doctrines of laches, acquiescence, and estoppel in trademark law.



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<sup>45</sup> *Abraham*, 708 F.3d at 627.

<sup>46</sup> *eBay*, 547 U.S. at 393 (stating that traditional equitable principles such as the application of injunctive relief do not permit broad classifications and the application of the four factors must be analyzed on a case-by-case basis).

## CONCLUSION

For the foregoing reasons, this Court should grant the petition to clarify that the doctrine of laches and acquiescence are distinct and that they bar all relief in this case.

Respectfully submitted,

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