

Copyright & Trademark Policy To Watch In 2022

By Britain Eakin

Law360 (January 3, 2022, 12:03 PM EST) -- Copyright and trademark attorneys will have plenty to monitor in 2022, including changes to the standard for injunctive relief in trademark infringement cases, new procedures to challenge trademark registrations at the U.S. Patent and Trademark Office and the implementation of the newly created Copyright Claims Board.

Here, Law360 looks at policy issues to watch closely in the new year.

Injunctive Relief

The sweeping Trademark Modernization Act, which took effect Dec. 27, is ushering in key changes that attorneys will be tracking this year, including an aspect of the law that could make it easier for brand owners to get injunctions in trademark infringement cases.

The provision aims to resolve a circuit split that developed after the Supreme Court issued its 2006 decision in *eBay Inc. v. MercExchange LLC*, which made injunctive relief more elusive by holding that plaintiffs in patent infringement cases must first prove irreparable harm, an injury that can't be adequately compensated with damages.

Prior to *eBay*, plaintiffs in trademark infringement suits were entitled to a presumption of irreparable harm, but post-*eBay*, courts have split on whether that presumption still applies in trademark cases. The TMA aims to fix the split by adding a rebuttable presumption of irreparable harm in Lanham Act cases if infringement is found or if plaintiffs can show they are likely to succeed in proving infringement.

Tamar Duvdevani, a partner at DLA Piper, said she'll be watching to see if the new standard leads to an uptick in plaintiffs filing preliminary injunction motions, a prospect she said concerns her as someone who works primarily as defense counsel.

"Preliminary injunctions are powerful," Duvdevani said. "If you get one, it probably ends the case because parties will be inclined to settle since it can take several years to get through litigation."

Trademark Reexamination and Expungement Proceedings

Attorneys will also keep a close eye on how new trademark reexamination and expungement proceedings in the U.S. Patent and Trademark Office play out. Both procedures, which were created under the TMA, will allow the USPTO to cancel trademark registrations that aren't being used in U.S.

commerce anymore, have never been used or were fraudulently obtained.

The proceedings are meant to be faster, less expensive and more efficient than traditional cancellation cases before the Trademark Trial and Appeal Board. Under the law, the USPTO director can also initiate petitions.

Once instituted, trademark registrants will need to provide evidence that the mark was actually in use. Jennifer Fraser of Dykema Gossett PLLC said this could prove challenging for brand owners with older trademarks since the ex parte expungement proceedings allow challenges to trademarks three to 10 years after the registration date.

The USPTO requires trademark applicants to submit specimens — samples showing how a trademark is being used in commerce — as evidence of use. Registrants will have to submit proof of use in ex parte reexaminations, but won't necessarily be required to submit specimens. However, the agency said it expects that in most cases, registrants will submit specimens. In cases where specimens aren't available, the USPTO has said registrants might be allowed to submit other evidence.

Fraser said she's particularly interested to see what happens in cases where parties are unable to produce specimens.

"A lot of companies have document retention issues," she said. "They might not have saved all the proof they need to satisfy the burden if they're challenged. So I think that will be interesting to watch, along with whether the trademark office is forgiving of excuses [over] why those documents might not be available."

The new procedures offer brand owners a good way to police their trademarks, but it remains to be seen how useful they are in practice, according to David S. Fleming, a partner at Crowell & Moring LLP.

"The question will be how effective the proceedings are at helping brand owners protect their marks and remove fraudulent registrations that might be blocking them from getting new registrations," Fleming said.

The Copyright Claims Board

The Copyright Alternative in Small-Claims Enforcement Act, which was tucked into the \$2.3 trillion spending and coronavirus relief bill in 2020, established an alternative for copyright owners to enforce their intellectual property rights. Proceedings before the Copyright Claims Board established by the legislation are voluntary, and they are supposed to be a cheaper and more streamlined alternative to district court to resolve copyright disputes valued under \$30,000.

The Copyright Claims Board was set to begin hearing cases at the end of last year, but rulemaking for the procedures was delayed, with the Copyright Office filing a notice of proposed rulemaking on Dec. 8 to establish procedures governing the disputes.

The new proceedings could be helpful for copyright owners who lack significant resources to sue in district court, according to Fleming. But Fleming said one concern about the new procedures is that they could be abused by so-called copyright trolls, which focus more on litigation than on selling products and services, and might try to capitalize on the voluntary nature of the proceedings.

For example, since both petitioners and respondents need to agree to litigate cases at the new board, Fleming said some respondents might not be aware they can opt out of the proceedings and might get taken advantage of as a result. However, Fleming noted, the CASE Act does require that notices of claims inform respondents they may opt out.

"We'll just have to watch to see if issues like that will arise," Fleming said. "It's certainly worth the experiment to see if it does provide a more effective, streamlined way to pursue copyright enforcement."

Once underway, the proceedings should be useful, according to Fraser.

"Lots of times, people send cease-and-desist letters to get a resolution to copyright infringement, but that doesn't usually result in financial recovery," Fraser said. "If these proceedings will truly be expedited and streamlined, then they could provide a good opportunity to resolve some of those cases."

--Additional reporting by Christopher Cole, Alex Lawson, Tiffany Hu and Ryan Davis. Editing by Ellen Johnson.