

January 2023

The Trademark Modernization Act of 2020: Legislating the "Extra" Out of "Extraordinary"

Jake B. Vallen

Follow this and additional works at: https://digitalcommons.nyls.edu/nyls_law_review



Part of the [Law Commons](#)

Recommended Citation

Jake B. Vallen, *The Trademark Modernization Act of 2020: Legislating the "Extra" Out of "Extraordinary"*, 67 N.Y.L. SCH. L. REV. 9 (2023).

This Notes and Comments is brought to you for free and open access by DigitalCommons@NYLS. It has been accepted for inclusion in NYLS Law Review by an authorized editor of DigitalCommons@NYLS. For more information, please contact camille.broussard@nyls.edu, farrah.nagrampa@nyls.edu.

JAKE B. VALLEN

The Trademark Modernization Act of 2020: Legislating the “Extra” Out of “Extraordinary”

67 N.Y.L. SCH. L. REV. 9 (2022–2023)

ABOUT THE AUTHOR: Jake B. Vallen was an Executive Editor of the 2021–2022 *New York Law School Law Review*. He received his J.D. from New York Law School in 2022.

LEGISLATING THE “EXTRA” OUT OF “EXTRAORDINARY”

“The great and primary use of a court of equity, is to give relief in extraordinary cases, which are exceptions to general rules.”

–Alexander Hamilton¹

I. INTRODUCTION

An entrepreneur starts a new business, registers their trademark, and tries to create a website to sell their goods or services. But this proves impossible, as their desired domain name has already been scooped up by someone else.² This other individual purchased a domain name containing the entrepreneur’s trademarked name with the intent to sell it to the entrepreneur for a profit or to ultimately benefit from the business’s goodwill and reputation.³ This is the story that many start-up hopefuls know all too well.⁴ This is the story of the cybersquatter.⁵

American jurisprudence guards against arbitrary exercises of governmental power, dating back to the country’s founding.⁶ Central to this principle is the federal judiciary’s strict adherence to notions of equity and fairness.⁷ The judiciary’s recognition of injunctive relief as “extraordinary” is a foundational doctrine borne of its commitment to these long-standing notions.⁸ In the 2006 landmark case *eBay Inc. v. MercExchange, L.L.C.* (“*eBay*”), the Supreme Court held fast to this doctrine and determined that U.S. patent law requires a plaintiff to prove every element of an injunctive relief inquiry before the requested remedy can be granted.⁹

The American judicial system entitles even those who act illegally or unethically to due process.¹⁰ Cybersquatters, therefore, should be entitled to the same standard afforded to patent defendants in *eBay*: that every element of injunctive relief must be

-
1. THE FEDERALIST No. 83, at 438 (Alexander Hamilton) (George W. Carey & James McClellan eds., 2001) (footnote omitted).
 2. See H.R. REP. NO. 106-412, at 5 (1999).
 3. Tenesa S. Scaturro, Note, *The Anticybersquatting Consumer Protection Act and the Uniform Domain Name Dispute Resolution Policy The First Decade: Looking Back and Adapting Forward*, 11 NEV. L.J. 877, 880 (2011).
 4. See S. REP. NO. 106-140, at 4–7 (1999); H.R. REP. NO. 106-412, at 5–7.
 5. See H.R. REP. NO. 106-412, at 8.
Although the term “cybersquatting” encompasses a broad range of behavior, discrete terms, including “cyberpirate,” “typosquatter,” and “pseudo-cybersquatter,” describe different types of cybersquatters depending on their purpose. Scaturro, *supra* note 3, at 880. This Note uses the terms “cybersquatting” and “cyberpiracy” as they are used colloquially, that is, interchangeably. See H.R. REP. NO. 106-412, at 8.
 6. See THE FEDERALIST No. 47 (James Madison).
 7. See THE FEDERALIST No. 78, at 406–07 (Alexander Hamilton) (George W. Carey & James McClellan eds., 2001).
 8. See, e.g., *Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 22 (2008).
 9. 547 U.S. 388, 391 (2006).
 10. U.S. CONST. amends. V, XIV.

established against them before they can be enjoined.¹¹ Yet in amending the Lanham Act and enacting the Trademark Modernization Act of 2020 (TMA), Congress reinstated presumptions of irreparable harm for trademark owners seeking injunctions against cybersquatters, with no evidence of such required.¹² In doing so, Congress circumvented centuries of American jurisprudence dedicated to equity and fairness, including the precedent established by *eBay*.

This Note contends that Congress erred when it included violations of the Lanham Act's Anticybersquatting Consumer Protection Act (ACPA)¹³ within the TMA provision permitting trademark owners to bypass proof of irreparable harm when seeking injunctive relief. The amended statutory framework is flawed because it entitles a trademark owner who establishes any Lanham Act violation to injunctive relief without requiring them to show they would be irreparably harmed absent such relief.¹⁴ Further, the framework is overinclusive because Congress intended the TMA to mitigate the difficulties in establishing irreparable harm for traditional Lanham Act violations evaluated under the likelihood of confusion standard.¹⁵ Cybersquatting violations, though, are not assessed under that standard. Instead, a claim under the ACPA requires a different analysis—one that this Note argues can coexist with a trademark owner's burden to prove irreparable harm when seeking injunctive relief.¹⁶ The presumption of irreparable harm for ACPA violations is unfair to defendants and contravenes clear Supreme Court precedent recognizing the extraordinary nature of injunctive relief.

Part II of this Note discusses the evolution of trademark law and the history of injunctive relief, with a focus on the irreparable harm requirement. Then, Part III examines the problems that result from presuming, under the current statutory scheme, that ACPA plaintiffs would be irreparably harmed absent injunctive relief. To solve these problems, Part IV proposes a new amendment to the Lanham Act and an accompanying framework courts should adopt to apply the amendment. Part V concludes this Note.

II. FROM PRESUMING IRREPARABLE HARM IN DETERMINING TRADEMARK INJUNCTIONS TO ESCHEWING THE PRESUMPTION—AND BACK AGAIN

A. *Historical Overview of Trademark Law*

The concept of the trademark, as it is known in the United States today, originated in medieval England, when merchants used distinguishing marks to

11. *eBay Inc.*, 547 U.S. at 391.

12. TMA, Pub. L. No. 116-260, 134 Stat. 1182, 2208 (2020) (codified as amended at Lanham Act, 15 U.S.C. § 1116(a)).

13. 15 U.S.C. § 1125(d).

14. *See id.* § 1116(a).

15. *See* H.R. REP. NO. 116-645, at 16 (2020).

16. *Compare* 15 U.S.C. § 1125(d), *with* 15 U.S.C. § 1125(a).

LEGISLATING THE “EXTRA” OUT OF “EXTRAORDINARY”

signal their ownership over physical goods.¹⁷ Distinguishing marks were further leveraged in the medieval guild system by merchants to establish their reputations, by purchasers to recognize products, and by guild owners to identify and hold responsible the sources of faulty goods.¹⁸ It is not entirely clear how merchants enforced their marks in medieval England.¹⁹ The first recorded case involving trademark law dates back only to 1824 in *Sykes v. Sykes*, when an English common law court prohibited the defendants from marking their shot-belts and powder-flasks with the plaintiff’s “Sykes Patent” mark because the defendants created confusion in the marketplace as to the source of their goods.²⁰

Today, U.S. trademark law serves the same purpose as the distinguishing marks in medieval England: to provide a mechanism for identifying the sources of goods or services in the marketplace.²¹ Modern U.S. trademark law emerged when Congress passed the Trademark Act of 1946, commonly known as the Lanham Act, which provides legal protections to trademark owners when others use their marks in commerce without permission.²²

The Lanham Act defines a “trademark” as a symbol, word, or arrangement of letters that serves to identify and distinguish an owner’s goods or services from the goods and services of others.²³ A trademark registered with the U.S. Patent and Trademark Office equips its owner with a legally enforceable property right to exclude others from using their combination of symbols, words, or letters to identify the same or a similar good or service.²⁴ When another party uses a registered trademark without the trademark owner’s permission, the owner can seek a remedy for trademark infringement under the Lanham Act.²⁵

17. See Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1849 (2007).

18. *Id.* at 1850.

19. *Id.*

20. (1824) 107 Eng. Rep. 834, 835 (KB); see also McKenna, *supra* note 17, at 1853.

21. See BARTON BEEBE, TRADEMARK LAW 11 (9th ed. 2022).

22. Lanham Act, Pub. L. No. 79-489, 60 Stat. 427 (1946) (codified as amended at 15 U.S.C. §§ 1051–127).

Until 1870, trademark law was left to the states, with New York the first to enact a trademark statute in 1845, 1845 N.Y. Laws 304–05. See Zvi S. Rosen, *In Search of the Trade-Mark Cases: The Nascent Treaty Power and the Turbulent Origins of Federal Trademark Law*, 83 ST. JOHN’S L. REV. 827, 830–31 (2009). In 1870, the first federal trademark law was enacted, Act of July 8, 1870, ch. 230, 16 Stat. 198, but was struck down by the Supreme Court in the *Trade-Mark Cases*, 100 U.S. 82 (1879). While new acts were passed in 1881, Act of Mar. 3, 1881, ch. 138, 21 Stat. 502 (repealed 1946), and in 1905, Act of Feb. 20, 1905, ch. 592, 33 Stat. 724 (repealed 1946), the crux of modern trademark law derives from the Lanham Act, 15 U.S.C. §§ 1051–127. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9e (AM. L. INST. 1995).

23. 15 U.S.C. § 1127.

24. *Id.* § 1057(b).

25. *Id.* § 1114(1).

1. *Trademark Infringement: A Cause of Action Based on Likelihood of Confusion*

When assessing the merits of a garden-variety trademark infringement claim, all federal courts apply the likelihood of confusion test.²⁶ The test asks whether the alleged trademark infringement is likely to confuse consumers as to the source of the alleged infringer's goods or services.²⁷ To determine whether the trademark infringement is likely to confuse consumers, each circuit applies a similar multifactor balancing test. The comprehensive factor-based inquiry set forth by the U.S. Court of Appeals for the Second Circuit, for example, closely resembles approaches followed by the other circuits.²⁸ When the goods or services sold by the parties differ, the Second Circuit has established that the

owner's chance of success is a function of many variables: the strength of [their] mark, the degree of similarity between the two marks, the proximity of the products, the likelihood that the prior owner will bridge the gap, [evidence of] actual confusion, . . . [the] defendant's good faith in adopting its own mark, the quality of [the] defendant's product, and the sophistication of the buyers.²⁹

2. *Cybersquatting Prevention: A Cause of Action Not Based on Likelihood of Confusion*

Cybersquatting emerged in the 1990s, when a domain name could be reserved and used in commerce on a first-come, first-served basis, even if doing so violated another party's trademark rights.³⁰ Before 1999, the only protection for a trademark owner battling a cybersquatter was the Federal Trademark Dilution Act (FTDA).³¹ Yet the FTDA afforded weak protection against a cybersquatter, who was still permitted to register a domain name similar to a trademarked name owned by another, so long as the cybersquatter did not use it commercially.³² In 1999, to better

26. 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:1.50 (5th ed.), Westlaw (database updated Dec. 2022).

27. See 15 U.S.C. § 1125(a). Confusion as to the source of a mark is not the only type of confusion that will give rise to a trademark infringement claim; confusion about the trademark owner's connection with or approval of the allegedly infringing use will also suffice. *Id.* § 1125(a)(1)(A).

28. Compare *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961), with *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348–49 (9th Cir. 1979), and *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 463 (3d Cir. 1983).

29. *Polaroid Corp.*, 287 F.2d at 495.

30. See H.R. REP. NO. 106-412, at 5 (1999).

31. FTDA, 15 U.S.C. § 1125(c)(1) (1996) (current version at 15 U.S.C. § 1125(c)(1)).

32. See *Panavision Int'l L.P. v. Toeppen*, 945 F. Supp. 1296, 1303 & n.5 (C.D. Cal. 1996), *aff'd*, 141 F.3d 1316 (9th Cir. 1998).

In theory, a cybersquatter could hold hostage a domain name until a trademark owner made a suitable offer. See Scaturro, *supra* note 3, at 884. But the cybersquatter would violate the FTDA if they asked for a particular purchase price because that would constitute "commercial use." See *id.*

LEGISLATING THE “EXTRA” OUT OF “EXTRAORDINARY”

protect trademark owners whose rights are squatted on, Congress enacted the ACPA amending the Lanham Act.³³

The ACPA creates two distinct causes of action for a trademark owner asserting that a domain name violates their federal trademark rights.³⁴ The first is an *in personam* cause of action against the cybersquatter,³⁵ and the second is a cause of action *in rem* against the offending domain name.³⁶

The *in personam* cause of action focuses on whether the alleged cybersquatter acted with “bad faith intent” to profit from the trademark and whether the infringing domain name is “identical or confusingly similar” to the trademark.³⁷ As to the first requirement, while the Lanham Act suggests a list of factors for courts to consider,³⁸ many courts infer bad faith intent when a cybersquatter holds hostage a domain name similar to the trademarked name and seeks to profit.³⁹

33. ACPA, Pub. L. No. 106-113, 113 Stat. 1501, 1501A-545-48 (1999) (codified as amended at 15 U.S.C. § 1125(d)); *see also* S. REP. No. 106-140, at 7-8 (1999).

34. 15 U.S.C. § 1125(d).

35. *Id.* § 1125(d)(1)(A).

36. *Id.* § 1125(d)(2)(A). An action *in rem* is one “[i]nvolving or determining the status of a thing, and therefore the rights of persons generally with respect to that thing.” *In rem*, BLACK’S LAW DICTIONARY (11th ed. 2019). The *in rem* cause of action is beyond the scope of this Note.

37. 15 U.S.C. § 1125(d)(1)(A).

38. The factors a court “may consider” to determine “bad faith intent” include

(I) the trademark or other intellectual property rights of the person, if any, in the domain name; (II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person; (III) the person’s prior use, if any, of the domain name in connection with the bona fide offering of any goods or services; (IV) the person’s bona fide noncommercial or fair use of the mark in a site accessible under the domain name; (V) the person’s intent to divert consumers from the mark owner’s online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site; (VI) the person’s offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person’s prior conduct indicating a pattern of such conduct; (VII) the person’s provision of material and misleading false contact information when applying for the registration of the domain name, the person’s intentional failure to maintain accurate contact information, or the person’s prior conduct indicating a pattern of such conduct; (VIII) the person’s registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and (IX) the extent to which the mark incorporated in the person’s domain name registration is or is not distinctive and famous within the meaning of subsection (c).

Id. § 1125(d)(1)(B)(i).

39. *See, e.g.*, DSPT Int’l, Inc. v. Nahum, 624 F.3d 1213, 1221 (9th Cir. 2010) (“Factor VI [under 15 U.S.C. § 1125(d)(1)(B)(i)] may fairly be read to mean that it is bad faith to hold a domain name for ransom,

As to the second requirement, courts construe the confusingly similar inquiry as distinct from the likelihood of confusion analysis applied in traditional trademark infringement cases.⁴⁰ In contrast to the broad, multifaceted analysis required by the likelihood of confusion standard, the confusingly similar inquiry is “narrower”⁴¹ because it affords an ACPA plaintiff relief based on a mere comparison of the offending domain name to the plaintiff’s trademark “without regard to the goods or services of the parties.”⁴² A uniform test for assessing whether the confusingly similar prong is satisfied in ACPA cases has not been adopted. Some courts have resorted to “conclusory assertions about similarity,”⁴³ while others ask whether the offending domain name is “similar in sight, sound or meaning” to the trademark.⁴⁴

B. Origin of Presuming Irreparable Harm in Determining Trademark Injunctions

The present model of injunctive relief in the United States derives from the English law system, which created two types of courts: courts of equity and courts of law.⁴⁵ To “do justice,” the King appointed a Chancellor empowered to grant injunctive relief in courts of equity, a power separate and distinct from the authority conferred on judges to grant monetary damages in courts of law.⁴⁶ The Chancellor enjoyed broad discretion to grant equitable relief based on “appeals to conscience.”⁴⁷ Notwithstanding this discretion, injunctive relief was granted in extraordinary circumstances only, when a remedy at law was inadequate to compensate for the harm endured.⁴⁸

where the holder uses it to get money from the owner of the trademark rather than to sell goods.” (footnote omitted) (citation omitted)).

40. 5 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 25A:51 (5th ed.), Westlaw (database updated Dec. 2022).
41. Coca-Cola Co. v. Purdy, 382 F.3d 774, 783 (8th Cir. 2004).
42. 15 U.S.C. § 1125(d)(1)(A); *see also* N. Light Tech., Inc. v. N. Lights Club, 236 F.3d 57, 66 n.14 (1st Cir. 2001).
43. MARK D. JANIS, TRADEMARK AND UNFAIR COMPETITION IN A NUTSHELL 319 (3d ed. 2021); *see, e.g.*, NYP Holdings v. N.Y. Post Publ’g Inc., 63 F. Supp. 3d 328, 339 (S.D.N.Y. 2014) (using a “common-sense approach” to determine whether the domain name “newyorkpostpublishinginc.com” was confusingly similar to the plaintiff’s trademark “NEW YORK POST”); Sporty’s Farm L.L.C. v. Sportsman’s Mkt., Inc., 202 F.3d 489, 498 (2d Cir. 2000) (finding that the domain name “sportys.com” was confusingly similar to the trademark “sporty’s,” though it was not “identical”).
44. 5 MCCARTHY, *supra* note 40; *see, e.g.*, Boigris v. EWC P&T, LLC, 7 F.4th 1079, 1085–86 (11th Cir. 2021).
45. KIRSTIN STOLL-DEBELL ET AL., INJUNCTIVE RELIEF: TEMPORARY RESTRAINING ORDERS AND PRELIMINARY INJUNCTIONS 3 (2009).
46. *Id.*
47. *Id.*; *see also* Doug Rendleman, *The Triumph of Equity Revisited: The Stages of Equitable Discretion*, 15 NEV. L.J. 1397, 1400 (2015) (“Medieval Chancery was a court of conscience because its orders to the defendant to ‘do your duty’ expressed the Chancellor’s conscience and operated on the defendant’s conscience.”).
48. *See* STOLL-DEBELL ET AL., *supra* note 45, at 3–4.

LEGISLATING THE “EXTRA” OUT OF “EXTRAORDINARY”

Originally, the system dividing courts of law and equity was retained in the U.S. judiciary.⁴⁹ However, this separation ended in 1938 when the Federal Rules of Civil Procedure authorized federal judges to grant relief both at law and in equity.⁵⁰ Although they enjoy wide discretion to grant injunctions,⁵¹ rather than relying on “appeals to conscience,” federal judges today adhere to a standard designed to prevent arbitrary awards of injunctive relief.⁵² Under this standard, a party that prevails on the merits and seeks permanent injunctive relief must show

(1) that it has suffered an irreparable injury; (2) that remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction.⁵³

In the trademark context, preliminary injunctive relief is commonly sought at the outset of litigation to prevent an alleged infringer from using a plaintiff’s trademark for the duration of the trial.⁵⁴ To be granted a preliminary injunction, a plaintiff must still establish the four elements, but need only show a likelihood of future irreparable harm and that they are likely to succeed on the merits at trial.⁵⁵

This Note focuses on the first requirement of the injunction inquiry: A plaintiff must have suffered an irreparable injury. Injury is considered irreparable under the law when a court would be unable to make a plaintiff whole through monetary damages.⁵⁶ In trademark infringement litigation, irreparable harm may include injury to a trademark owner’s reputation that cannot be easily quantified or adequately compensated with monetary damages, particularly when the offending use of the trademark continues unabated through trial.⁵⁷

Historically, most federal courts presumed as a matter of law that a plaintiff in a trademark infringement lawsuit satisfied the irreparable harm requirement upon successful demonstration of the merits of their cause of action—or, in the case of a request for preliminary injunctive relief, upon successful demonstration of likely

49. *Id.* at 5.

50. FED. R. CIV. P. 1 (“These rules govern the procedure in *all civil actions and proceedings* in the United States district courts . . .” (emphasis added)); *see also* STOLL-DEBELL ET AL., *supra* note 45, at 5.

51. FED. R. CIV. P. 65; *see also* STOLL-DEBELL ET AL., *supra* note 45, at 5 (“Rule 65 does not prescribe any criteria for the courts to apply in assessing a party’s request for preliminary injunctive relief.”).

52. STOLL-DEBELL ET AL., *supra* note 45, at 3, 5–6.

53. *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006).

54. 5 MCCARTHY, *supra* note 40, § 30:30 (noting that a preliminary injunction also gives a plaintiff “the upper hand in the strategy of the whole litigation”).

55. *Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 20, 32 (2008).

56. 5 MCCARTHY, *supra* note 40, § 30:46 (“The ‘irreparable injury’ requirement is merely a specific application of the general doctrine that equitable relief cannot be granted unless [a] plaintiff shows that the remedy at law is inadequate.”).

57. *See id.*

success on the merits.⁵⁸ Leading trademark scholar Professor Thomas McCarthy explained the basis for this judicial presumption:

Injury to the trademark owner’s reputation and good will as well as to consumer expectations is difficult, if not impossible, to adequately compensate for after the fact. If a defendant has been found to be committing acts which constitute trademark infringement, there seems little doubt that the continuing injury to good will and reputation is “irreparable” and that money damages are “inadequate” to compensate [the] plaintiff for continuing acts of infringement.⁵⁹

The lower federal courts routinely extended the presumption of irreparable harm to cybersquatting actions arising under the ACPA before the Supreme Court’s 2006 decision in *eBay*.⁶⁰

C. Calling the Traditional Presumption of Irreparable Harm into Question, but Not for Good

The Supreme Court’s holding in the 2006 patent case *eBay* called into question applying the traditional presumption of irreparable harm when determining trademark injunctions.⁶¹ There, MercExchange owned a business method patent for an electronic marketplace service that allowed sellers and consumers to transact online.⁶² Merely a patent troll,⁶³ MercExchange did not practice its patent but sought to license it to eBay.⁶⁴ And when negotiations failed, MercExchange sought a permanent injunction against eBay for patent infringement.⁶⁵

58. Anne Gilson LaLonde & Jerome Gilson, *Adios! To the Irreparable Harm Presumption in Trademark Law*, 107 TRADEMARK REP. 913, 918–19 (2017); *see, e.g.*, *Brennan’s, Inc. v. Brennan’s Rest., L.L.C.*, 360 F.3d 125, 129 (2d Cir. 2004); *Eli Lilly & Co. v. Nat. Answers, Inc.*, 233 F.3d 456, 469 (7th Cir. 2000); *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1209 (9th Cir. 2000). One exception is the Fifth Circuit, which had “avoided ‘expressly adopting this presumption of irreparable injury.’” *Paulsson Geophysical Servs., Inc. v. Sigmar*, 529 F.3d 303, 312 (5th Cir. 2008) (quoting *S. Monorail Co. v. Robbins & Myers, Inc.*, 666 F.2d 185, 187 (5th Cir. 1982)). *But see Abraham v. Alpha Chi Omega*, 708 F.3d 614, 626–27 (5th Cir. 2013) (holding that the district court did not abuse its discretion by applying the presumption of irreparable harm).

59. 5 MCCARTHY, *supra* note 40, §§ 30:2, 30:47.

60. *See, e.g.*, *Coca-Cola Co. v. Purdy*, 382 F.3d 774, 789 (8th Cir. 2004); *DaimlerChrysler v. Net Inc.*, 388 F.3d 201, 208 (6th Cir. 2004).

61. *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006); *see also* Gilson LaLonde & Gilson, *supra* note 58, at 922.

62. *eBay Inc.*, 547 U.S. at 390.

63. A “patent troll” is a person or entity that obtains a patent without the intent to make, use, or sell the patented invention, but rather with the intent to license the patent rights to others for profit or to sue others for patent infringement. *Patent Troll*, BLACK’S LAW DICTIONARY (11th ed. 2019); *see also* Grace Heinecke, Note, *Pay the Troll Toll: The Patent Troll Model Is Fundamentally at Odds with the Patent System’s Goals of Innovation and Competition*, 84 FORDHAM L. REV. 1153, 1155 (2015) (describing the patent troll as “a bully” that “exploit[s] many weaknesses in the [patent] system”).

64. *See eBay Inc.*, 547 U.S. at 390.

65. *Id.* at 390–91.

LEGISLATING THE “EXTRA” OUT OF “EXTRAORDINARY”

The Court made crystal clear that a plaintiff seeking injunctive relief for patent infringement must prove all four traditional requirements, including the irreparable harm element, for which a plaintiff enjoys no legal presumption.⁶⁶ Moreover, the Court reiterated its rejection of the argument that injunctive relief should be withheld from a patent troll merely because it does not practice its patented invention.⁶⁷

Analogizing patents to copyrights, the Court determined that the four “familiar” requirements for injunctive relief under the Copyright Act “apply with equal force to disputes arising under the Patent Act.”⁶⁸ To support its conclusion, the Court emphasized that both patent and copyright holders own “the right to exclude others from using [their] property”⁶⁹ and that, “[l]ike the Patent Act, the Copyright Act provides that courts ‘may’ grant injunctive relief ‘on such terms as [they] may deem reasonable to prevent or restrain infringement.’”⁷⁰

After *eBay*, federal courts outlined standards for determining whether a plaintiff seeking injunctive relief for patent infringement had established irreparable harm.⁷¹ For example, in its 2017 patent infringement case *Metalcraft of Mayville, Inc. v. Toro Company*, the U.S. Court of Appeals for the Federal Circuit determined that “[e]vidence of potential lost sales alone does not demonstrate irreparable harm,” but “[w]here the injury cannot be quantified” and “no amount of money damages is calculable, . . . the harm cannot be adequately compensated and is irreparable.”⁷² There, when a lawnmower manufacturer accused its competitor of patent infringement and filed for a preliminary injunction, the court determined that the manufacturer satisfied the irreparable harm element because its losses were “variable and uncertain” and the infringement could have had “far-reaching, long-term impact on its future revenues.”⁷³

Two years after *eBay*, the Supreme Court, in its 2008 decision *Winter v. Natural Resources Defense Council, Inc.*, reaffirmed the long-established principle that a preliminary injunction is an extraordinary remedy that will only be granted upon a clear showing of each element of the injunctive relief inquiry, including irreparable

66. *Id.* at 391.

67. *Id.* at 393 (citing *Cont’l Paper Bag Co. v. E. Paper Bag Co.*, 210 U.S. 405, 422–30 (1908)). The Court also renounced the “general rule that courts will issue permanent injunctions against patent infringement absent exceptional circumstances.” *Id.* at 391, 393–94 (quoting *MercExchange, L.L.C. v. eBay, Inc.*, 401 F.3d 1323, 1339 (Fed. Cir. 2005)).

68. *Id.* at 391.

69. *Id.* at 392 (quoting *Fox Film Corp. v. Doyal*, 286 U.S. 123, 127 (1932)).

70. *Id.* (quoting Copyright Act of 1976, 17 U.S.C. § 502(a)). Compare 17 U.S.C. § 502(a), with Patent Act of 1952, 35 U.S.C. § 283 (“[C]ourts . . . may grant injunctions in accordance with the principles of equity to prevent the violation of any right secured by patent, on such terms as the court[s] deem[] reasonable.”).

71. *See, e.g.*, *Metalcraft of Mayville, Inc. v. Toro Co.*, 848 F.3d 1358, 1368–69 (Fed. Cir. 2017).

72. *Id.* at 1368.

73. *Id.* at 1363, 1368–69 (quoting *Apple Inc. v. Samsung Elecs. Co.*, 809 F.3d 633, 645 (Fed. Cir. 2015)). The court found the lawnmower manufacturer’s losses “very difficult to calculate” based on the industry trend for “one company’s customers [to] continue to buy that company’s products and recommend them to others.” *Id.* at 1368–69 (quoting *Apple Inc.*, 809 F.3d at 641).

harm.⁷⁴ In *Winter*, environmental organizations sought to preliminarily enjoin the U.S. Navy's use of sonar in training exercises based on its potential to harm sea animals.⁷⁵ However, the Court denied the plaintiffs' request, citing its "frequently reiterated standard [that] requires plaintiffs seeking preliminary relief to demonstrate that irreparable injury is *likely* in the absence of an injunction."⁷⁶ Further, the Court indicated that there is no connection between success on the merits and irreparable harm, and, therefore, lower courts should not presume irreparable harm merely because a plaintiff has won at trial.⁷⁷

Subsequently, the U.S. Courts of Appeals for the Third, Sixth, Ninth, and Eleventh Circuits construed *eBay* and *Winter* together and extended to federal trademark infringement cases the principle that a plaintiff seeking injunctive relief must prove—and thus is not entitled to a presumption of—irreparable harm.⁷⁸ For example, in the 2006 case *Audi AG v. D'Amato*, the Sixth Circuit refused to presume irreparable harm when Audi AG sought injunctive relief for ACPA, trademark infringement, and trademark dilution violations under the Lanham Act against a website operator who used Audi AG's trademarked name as part of his business's domain name.⁷⁹ After Audi AG prevailed on its causes of action, the court did not presume irreparable harm but instead found that Audi AG established proof of irreparable harm to its reputation because, absent injunctive relief, the website operator would have continued selling counterfeit Audi AG products to consumers.⁸⁰

Likewise, in the 2008 case *North American Medical Corporation v. Axiom Worldwide, Inc.*, the Eleventh Circuit held that irreparable injury must be established,

74. 555 U.S. 7, 20–22 (2008).

75. *Id.* at 14–17.

76. *Id.* at 22 (first citing *City of Los Angeles v. Lyons*, 461 U.S. 95, 103 (1983); then citing *Granny Goose Foods, Inc. v. Brotherhood of Teamsters & Auto Truck Drivers Local No. 70*, 415 U.S. 423, 441 (1974); and then citing *O'Shea v. Littleton*, 414 U.S. 488, 502 (1974)).

77. *See id.* at 32.

78. *Ferring Pharms., Inc. v. Watson Pharms., Inc.*, 765 F.3d 205, 214–17 (3d Cir. 2014); *Audi AG v. D'Amato*, 469 F.3d 534, 550 (6th Cir. 2006); *Herb Reed Enters., LLC v. Fla. Ent. Mgmt., Inc.*, 736 F.3d 1239, 1248–49 (9th Cir. 2013); *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1227–28 (11th Cir. 2008).

Other circuit courts, such as the U.S. Courts of Appeals for the Second and Tenth Circuits, have hinted at the issue but have not explicitly adopted *eBay* in the trademark context. *See Guthrie Healthcare Sys. v. ContextMedia, Inc.*, 826 F.3d 27, 49 (2d Cir. 2016) ("We recognize . . . that the competing equities [in injunction determinations] do not always favor a senior user that has shown infringement."); *Lorillard Tobacco Co. v. Engida*, 213 F. App'x 654, 657 (10th Cir. 2007) ("We need not consider how *eBay* may apply in this context . . ."). While the U.S. Court of Appeals for the Seventh Circuit has not commented on whether *eBay* applies to trademark infringement cases, it has extended the *eBay* principle to determining preliminary injunctions in copyright infringement cases. *Flava Works, Inc. v. Gunter*, 689 F.3d 754, 755 (7th Cir. 2012). And scholarship suggests that the Supreme Court in *Winter* believed *eBay* to apply when determining injunctions in all contexts. Mark A. Lemley, *Did eBay Irreparably Injure Trademark Law?*, 92 NOTRE DAME L. REV. 1795, 1800 (2017).

79. 469 F.3d at 539, 550.

80. *Id.* at 550.

LEGISLATING THE “EXTRA” OUT OF “EXTRAORDINARY”

and not presumed, when a designer of medical devices sought a preliminary injunction against a competitor that used the designer’s trademarked names in its meta tags.⁸¹ “Although *eBay* dealt with the Patent Act and with permanent injunctive relief,” the Eleventh Circuit recognized the “strong case [to] be made that *eBay*’s holding necessarily extends to the grant of preliminary injunctions under the Lanham Act.”⁸²

Additionally, in its 2013 case *Herb Reed Enterprises, LLC v. Florida Entertainment Management, Inc.*, the Ninth Circuit interpreted *eBay* and *Winter* to “cast doubt on the . . . rule that the likelihood of ‘irreparable injury may be *presumed* from a showing of likelihood of success on the merits of a trademark infringement claim.”⁸³ There, when Herb Reed Enterprises sought preliminary injunctive relief against Florida Entertainment Management for trademark infringement, the Ninth Circuit emphasized the similarities between the Patent and Lanham Acts and determined that “likely irreparable harm,” not just mere possibility of future irreparable harm, must be established before a trademark plaintiff can be granted preliminary injunctive relief.⁸⁴ Loss of reputation and damage to goodwill, the court announced, could suffice to prove irreparable harm in the trademark context.⁸⁵

Lastly, in the 2014 case *Ferring Pharmaceuticals, Inc. v. Watson Pharmaceuticals, Inc.*, the Third Circuit joined the Sixth, Ninth, and Eleventh Circuits, reading *eBay* and *Winter* together to mean that “a party bringing a claim under the Lanham Act is not entitled to a presumption of irreparable harm” based on the similarities between the Patent and Lanham Acts.⁸⁶ When a pharmaceutical company alleged that its competitor violated the Lanham Act by making false and misleading statements about its products,⁸⁷ the court denied preliminary injunctive relief because the company failed to establish that it was “likely to suffer irreparable harm.”⁸⁸ Material

81. 522 F.3d at 1216, 1227–28. Because of this infringement, if someone searched the designer’s trademarked names on the internet, the competitor’s website would appear as a result. *See id.* at 1216–17.

82. *Id.* at 1228 (reasoning that “[s]imilar to the Patent Act, the Lanham Act grants federal courts the ‘power to grant injunctions, according to the principles of equity and upon such terms as the court[s] may deem reasonable’” (quoting Lanham Act, 15 U.S.C. § 1116(a))).

83. 736 F.3d at 1248–49 (quoting *Brookfield Commc’ns, Inc. v. W. Coast Ent. Corp.*, 174 F.3d 1036, 1066 (9th Cir. 1999)).

84. *Id.* at 1249–50 (highlighting the reasoning in *eBay* that injunctions under the Patent Act are to be granted pursuant to “principles of equity” and noting that the same is true in the trademark context based upon the plain text of the Lanham Act (first quoting Patent Act of 1952, 35 U.S.C. § 283; and then quoting 15 U.S.C. § 1116(a))).

85. *Id.* at 1250.

86. 765 F.3d 205, 206, 214–16 (3d Cir. 2014). To further support its holding, the Third Circuit pointed to a Supreme Court decision which concluded that “in light of *eBay* and *Winter*, an injunction should issue ‘only if the traditional four-factor test is satisfied’ and “[n]o . . . thumb on the scales is warranted.” *Id.* at 215 (alterations in original) (quoting *Monsanto Co. v. Geertson Seed Farms*, 561 U.S. 139, 157 (2010)).

87. *Id.* at 209. Though this Lanham Act case concerned false advertising claims and not trademark infringement claims, both causes of action arise under 15 U.S.C. § 1125(a), and courts frequently apply trademark infringement precedent to false advertising cases. *Id.* at 211 n.6.

88. *Id.* at 217–19.

to the Third Circuit was the competitor's certification to the district court that it would not make the offending false and misleading statements in the future.⁸⁹

D. Restoring the Presumption of Irreparable Harm when Determining Trademark Injunctions

Finally, in 2020, Congress enacted the TMA, reviving the traditional presumption of irreparable harm for all Lanham Act plaintiffs seeking injunctive relief in trademark infringement, trademark dilution, and cybersquatting actions.⁹⁰ In support of its amendment, Congress emphasized that the Lanham Act exists to “protect[] rights holders from damage to their goodwill and reputation,” a protection premised on “whether one party’s use of a trademark is likely to cause confusion with another party’s trademark.”⁹¹ Congress further explained that irreparable harm should be presumed because “rights holders often seek remedy through injunctive relief” since “harm based on confusion is unique and not easily quantifiable.”⁹² Moreover, Congress recognized that only some jurisdictions had eschewed the presumption of irreparable harm following *eBay*, resulting in unpredictable outcomes for trademark owners seeking injunctive relief in the federal court system.⁹³

89. *Id.* at 217–18.

90. TMA, Pub. L. No. 116-260, 134 Stat. 1182, 2208 (2020) (codified as amended at 15 U.S.C. § 1116(a)). The TMA provides that

[a] plaintiff seeking any such injunction shall be entitled to a rebuttable presumption of irreparable harm upon a finding of a violation [of 15 U.S.C. §§ 1125(a), (c), or (d)] in the case of a motion for a permanent injunction or upon a finding of likelihood of success on the merits for a violation [of 15 U.S.C. §§ 1125(a), (c), or (d)] in the case of a motion for a preliminary injunction or temporary restraining order.

Id. While the TMA also restored the traditional presumption of irreparable harm for trademark infringement and trademark dilution actions, this Note only focuses on the presumption as it relates to cybersquatting actions.

91. H.R. REP. NO. 116-645, at 16 (2020) (describing the likelihood of confusion standard as “[o]ne of the hallmarks of the Lanham’s Act’s protections”).

92. *Id.* Advocates for the amendment restoring the presumption of irreparable harm also contended that trademark owners seeking relief on a likelihood of confusion-based claim have too heavy a burden to meet to be granted injunctive relief. *Counterfeits and Cluttering: Emerging Threats to the Integrity of the Trademark System and the Impact on American Consumers and Businesses: Hearing Before the Subcomm. on Cts., Intell. Prop., and the Internet of the H. Comm. on the Judiciary*, 116th Cong. 186–87, 237–38 (2019) [hereinafter *Counterfeits & Cluttering*] (statement of Peter M. Brody, Partner, Ropes & Gray, LLP); see also *id.* at 319–20 (Letter from Lisa Jorgenson, Exec. Dir., Am. Intell. Prop. L. Ass’n, Mark Lauroesch, Exec. Dir., Intell. Prop. Owners Ass’n, & Etienne Sauz de Acedo, Chief Exec. Officer, Int’l Trademark Ass’n, to Hon. Charles Grassley, Chairman, S. Comm. on the Judiciary & Hon. Dianne Feinstein, Ranking Member, S. Comm. on the Judiciary (Sept. 4, 2018) [hereinafter AIPLA, IPO, & INTA Letter]).

93. H.R. REP. NO. 116-645, at 19. Moreover, advocates in favor of the amendment contemplated that federal courts concluded “with near uniformity” before *eBay* was decided in 2006 that success on the merits of a trademark claim created a presumption of irreparable harm in the absence of an injunction. *Counterfeits & Cluttering*, *supra* note 92, at 308 (Letter from George W. Jordan III, Chair, ABA Section of Intell. Prop. L., to Hon. Hank Johnson, Chairman, Subcomm. on Cts., Intell. Prop. and the Internet, Comm. on the Judiciary & Hon. Martha Roby, Ranking Member, Subcomm. on Cts., Intell. Prop. and the Internet, Comm. on the Judiciary 5 (Sept. 9, 2019) [hereinafter ABA Letter]); *id.* at 314 (Letter

III. CONGRESS ERRED WHEN IT ENACTED THE TMA BY RESTORING THE PRESUMPTION OF IRREPARABLE HARM FOR ACPA PLAINTIFFS

A categorical presumption of irreparable harm when determining whether to grant injunctive relief against cybersquatting violations is inconsistent with Supreme Court precedent and notions of equity and fairness to defendants. First, by reinstating the presumption of irreparable harm, Congress lowered the bar for obtaining injunctive relief and undermined its extraordinary nature, departing from centuries of precedent articulated most recently in *Winter*.⁹⁴

Second, by rejecting *eBay*'s application to trademark infringement cases, Congress ignored the compelling similarities between patent and trademark law. Like the Patent Act, the Lanham Act protects an owner's right to bar others from using their property.⁹⁵ Moreover, both acts vest courts with the discretion to issue injunctive relief in accordance with “principles of equity” to prevent infringement.⁹⁶ As the Court stated in *eBay*, “a major departure from the long tradition of equity practice should not be lightly implied.”⁹⁷

Third, the TMA provision reinstating the presumption of irreparable harm is overinclusive in that it applies to ACPA violations. While Congress was correct that confusion-based harm is difficult to quantify and presents a hurdle to trademark owners proving irreparable injury, actions arising under the ACPA do not rely upon the traditional likelihood of confusion test. It is irrelevant to an ACPA inquiry whether consumers in the marketplace would likely be confused as to the origin of the trademark owner's goods or services because all that matters is that the cybersquatter acted in bad faith with the intent to profit, and registered a domain name similar to the trademark.⁹⁸ The presumption of irreparable harm in ACPA cases, without a legitimate justification, is thus an arbitrary exercise of congressional power.⁹⁹

During a congressional hearing held on the TMA, arguments presented in favor of the presumption emphasized differences between the Patent Act at issue in *eBay*

from Sheldon H. Klein, President, Am. Intell. Prop. L. Ass'n, to Hon. Hank C. Johnson, Chairman, Comm. on the Judiciary, Subcomm. on Cts., Intell. Prop., and the Internet & Hon. Martha Roby, Ranking Member, Comm. on the Judiciary, Subcomm. on Cts., Intell. Prop., and the Internet 4 (Sept. 9, 2019)); AIPLA, IPO, & INTA Letter, *supra* note 92.

94. *Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 22 (2008).

95. *Compare* Patent Act of 1952, 35 U.S.C. § 271, *with* 15 U.S.C. § 1115(a).

96. *Compare* 35 U.S.C. § 283, *with* 15 U.S.C. § 1116(a). *See* *Ferring Pharms., Inc. v. Watson Pharms., Inc.*, 765 F.3d 205, 214 (3d Cir. 2014); *Herb Reed Enters., LLC v. Fla. Ent. Mgmt., Inc.*, 736 F.3d 1239, 1249 (9th Cir. 2013); *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1228 (11th Cir. 2008).

97. *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006) (quoting *Weinberger v. Romero-Barcelo*, 456 U.S. 305, 320 (1982)).

98. *See* 15 U.S.C. § 1125(d).

99. *See Helvering v. Davis*, 301 U.S. 619, 640 (1937) (stating that an action is beyond Congress's discretion when it is “a display of arbitrary power, not an exercise of judgment”).

and the Lanham Act.¹⁰⁰ In particular, it was argued that the Lanham Act focuses on damage to trademark owners' "positive reputations among consumers" due to the likelihood of consumer confusion caused by infringement, while the Patent Act does not.¹⁰¹ Further arguments contended that, unlike the Patent Act, the Lanham Act provides for "strong injunctive relief" because harm based on consumer confusion is "unique" to trademark infringement and difficult to quantify.¹⁰² However, these arguments compared the Patent Act to the Lanham Act only as the latter applies to claims assessed under the traditional likelihood of confusion standard. Therefore, the arguments are misplaced with respect to ACPA violations, which are assessed under a standard that does not contemplate any marketplace confusion as to the source of the defendant's domain name.

An additional argument favoring the amendment pointed out that, in *eBay*, the Supreme Court ruled against the presumption of irreparable harm in light of the reasonable royalty rate¹⁰³ "guaranteed" to successful plaintiffs under the Patent Act—a remedy unavailable to Lanham Act plaintiffs.¹⁰⁴ Yet this argument failed to recognize that the ACPA also promises monetary damages to successful plaintiffs.¹⁰⁵ Indeed, under the ACPA, a successful plaintiff can recover between one thousand and one hundred thousand dollars per offending domain name.¹⁰⁶

Further, advocates for the amendment averred that *eBay* should be limited to its facts because the holding reflected the Court's concern about granting a presumption of irreparable harm in favor of patent trolls.¹⁰⁷ But this argument is shortsighted. Though cybersquatters resemble patent trolls, as both seek to make a quick profit by holding the rights to intellectual property,¹⁰⁸ even wrongdoers are entitled to a fair proceeding. This is a principle the Court acknowledged in *eBay* when it spurned the argument that patent trolls are not entitled to injunctive relief merely because they do not practice their patents.¹⁰⁹

100. See, e.g., ABA Letter, *supra* note 93, at 6–7; *Counterfeits & Cluttering*, *supra* note 92, at 237–38 (statement of Peter M. Brody, Partner, Ropes & Gray, LLP).

101. ABA Letter, *supra* note 93, at 6.

102. *Counterfeits & Cluttering*, *supra* note 92, at 237 (statement of Peter M. Brody, Partner, Ropes & Gray, LLP).

103. Under the Patent Act, the "reasonable royalty" rate entitles a successful plaintiff to monetary damages equivalent to the sum that the plaintiff would have earned as a profit, had their invention been properly licensed to the defendant prior to the infringement. Patent Act of 1952, 35 U.S.C. § 284.

104. *Counterfeits & Cluttering*, *supra* note 92, at 237 (statement of Peter M. Brody, Partner, Ropes & Gray, LLP).

105. Compare 35 U.S.C. § 284, with Lanham Act, 15 U.S.C. § 1117(d).

106. 15 U.S.C. § 1117(d).

107. ABA Letter, *supra* note 93, at 7.

108. Compare Scaturro, *supra* note 3, at 880 (defining cybersquatters), with Heinecke, *supra* note 63, at 1171 (describing patent trolls).

109. *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 393 (2006) (citing *Cont'l Paper Bag Co. v. E. Paper Bag Co.*, 210 U.S. 405, 422–30 (1908)).

LEGISLATING THE “EXTRA” OUT OF “EXTRAORDINARY”

In reviving the presumption of irreparable harm for determining injunctive relief in ACPA cases, the TMA contravenes Supreme Court precedent, runs afoul of traditional equity principles, and is overinclusive. Further legislation is needed to remove the ACPA from the TMA’s scope and allow courts to once again evaluate ACPA injunctions consistent with equity and fairness.

IV. PROPOSED SOLUTION: REQUIRING PROOF OF IRREPARABLE HARM WHEN DETERMINING CYBERSQUATTING INJUNCTIONS

To conform with traditional notions of equity and fairness to defendants, federal courts should require proof of irreparable harm when assessing preliminary and permanent injunctions requested against cybersquatters under the ACPA. To facilitate this, Congress should amend the Lanham Act to remove the ACPA from the scope of violations entitling a trademark owner to bypass proof of irreparable harm when seeking injunctive relief.

Once the Lanham Act is amended to reinstate the irreparable harm requirement for ACPA violations, courts will need a workable framework for assessing such harm. Ample guidance is available: Federal courts have applied the *eBay* standard to patent cases since 2013,¹¹⁰ and the Third, Sixth, Ninth, and Eleventh Circuits have already applied *eBay* to Lanham Act cases.¹¹¹

When determining whether an ACPA plaintiff has established irreparable harm, courts should follow the overarching rule articulated by the Ninth Circuit. Under this rule, an ACPA plaintiff must establish the likelihood, not just the mere possibility, of future irreparable harm before they are entitled to injunctive relief.¹¹² This rule comports with the Supreme Court’s precedent in *Winter* and aligns with the traditional principle that injunctive relief is extraordinary.¹¹³

To define irreparable harm in ACPA cases, courts should rely on patent cases that have applied *eBay*.¹¹⁴ In those cases, courts have defined irreparable harm as existing when “no amount of monetary damages, however great, could address the harm” or when monetary damages are unquantifiable.¹¹⁵ This definition is consistent with the Court’s instruction in *Winter*¹¹⁶ and is equally suited to ACPA cases based on the strong similarities between patent and trademark law.

110. *See, e.g., Metalcraft of Mayville, Inc. v. Toro Co.*, 848 F.3d 1358, 1368–69 (Fed. Cir. 2017).

111. *Ferring Pharms., Inc. v. Watson Pharms., Inc.*, 765 F.3d 205, 214–17 (3d Cir. 2014); *Audi AG v. D’Amato*, 469 F.3d 534, 550 (6th Cir. 2006); *Herb Reed Enters., LLC v. Fla. Ent. Mgmt., Inc.*, 736 F.3d 1239, 1248–49 (9th Cir. 2013); *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1227–28 (11th Cir. 2008).

112. *Herb Reed Enters., LLC*, 736 F.3d at 1248–49.

113. *Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 22 (2008).

114. *See, e.g., Metalcraft of Mayville, Inc.*, 848 F.3d at 1368–69.

115. *Id.* at 1368.

116. *Winter*, 555 U.S. at 24.

When assessing whether the standard for irreparable harm is met, courts should draw on the criteria crafted by the Third, Sixth, and Ninth Circuits when they applied *eBay* to trademark infringement cases.¹¹⁷ In particular, courts should determine whether an ACPA plaintiff has established a likelihood that a cybersquatter will (1) continue its infringement absent an injunction and (2) adversely affect the plaintiff's goodwill and reputation.

Borrowed from the Third and Sixth Circuits, the first prong of this standard ensures that the irreparable harm a plaintiff alleges is not merely possible or speculative but likely, as *Winter* requires, by asking whether the defendant will continue to infringe the plaintiff's mark in the absence of injunctive relief.¹¹⁸ Second, loss of goodwill and reputation, a measure from the Ninth Circuit, is central to the purpose of trademarks dating back to medieval England and protected today under the Lanham Act.¹¹⁹ Because these damages are often intangible and difficult to calculate, this second requirement conforms to traditional injunctive relief principles demanding that a plaintiff prove their injury is unquantifiable or cannot be repaired through monetary damages.¹²⁰

This proposed framework respects the extraordinary nature of injunctive relief and balances the scales of equity because it removes the TMA's presumption of irreparable harm that currently plagues ACPA defendants. Additionally, this solution provides trademark owners with guidance on how to prove irreparable harm against cybersquatters and courts with a workable framework to assess such claims. When adequate remedies are provided by law, the Supreme Court has long relied on the notions of equity and fairness in deciding whether or not to issue injunctions. These same principles should prevail in the case of the cybersquatter.

V. CONCLUSION

Rooted in our jurisprudence is the principle that when a right afforded to an individual or entity is infringed, there must be an adequate remedy.¹²¹ It follows that a trademark owner is entitled to relief when they are held hostage for cash by a

117. See *Ferring Pharms., Inc. v. Watson Pharms., Inc.*, 765 F.3d 205, 217–18 (3d Cir. 2014); *Audi AG v. D'Amato*, 469 F.3d 534, 550 (6th Cir. 2006); *Herb Reed Enters., LLC*, 736 F.3d at 1250.

118. Compare *Audi AG*, 469 F.3d at 550 (finding that Audi AG met its burden to establish irreparable harm, in part, because the defendant would continue his infringement absent injunctive relief and that infringement would allow consumers to purchase fake goods from the defendant instead of purchasing legitimate goods from Audi AG), with *Ferring Pharms., Inc.*, 765 F.3d at 217–18 (determining that the plaintiff failed to meet its burden to prove irreparable harm and finding it significant that the defendant agreed to cease the offending behavior).

119. See *Herb Reed Enters., LLC*, 736 F.3d at 1250.

120. See 5 McCARTHY, *supra* note 40, § 30:2. Moreover, this requirement prevents “the unfairness of denying an injunction to a plaintiff on the ground that money damages are available, only to confront the plaintiff at a trial on the merits with the rule that damages must be based on more than speculation.” *Tom Doherty Assocs., Inc. v. Saban Ent., Inc.*, 60 F.3d 27, 38 (2d Cir. 1995).

121. *Marbury v. Madison*, 5 U.S. (1 Cranch) 137, 147 (1803) (“It is a settled and invariable principle, that every right, when withheld, must have a remedy, and every injury its proper redress.”).

LEGISLATING THE “EXTRA” OUT OF “EXTRAORDINARY”

cybersquatter. But when the extraordinary remedy of injunctive relief is requested, courts should grant it only if doing so is consistent with notions of equity and fairness. And when a trademark owner cannot prove that they will suffer irreparable harm in the absence of an injunction, the remedy should be solely monetary. Awarding injunctive relief merely because of a legal presumption, absent justification, is an arbitrary exercise of governmental power that defies basic tenets of American jurisprudence.