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Ninth Circuit Eliminates Presumption of Irreparable Injury for Plaintiffs Seeking Preliminary Injunctions in Trademark Cases

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Ending years of uncertainty and division among district courts, the Ninth Circuit recently ruled that a trademark plaintiff must establish a likelihood of irreparable harm to obtain a preliminary injunction in a trademark case. In Herb Reed Enterprises, LLC v. Fla. Ent. Mgmt., Inc.*, Case No. 12-16868 (9th Cir. Dec 2, 2013), the court once and for all eliminated the presumption of irreparable harm that trademark plaintiffs had previously enjoyed upon showing a likelihood of success on the merits.*

The applicability of that presumption had increasingly been called into question after the Supreme Court's 2006 ruling in *eBay v. MercExchange*, 547 US 388 (2006), in which the Court held that there was no presumption of irreparable harm in determining whether to grant a *permanent* injunction in patent cases. Two years later, in *Winter v. Nat'l Resources Defense Council, Inc.*, 555 US 7 (2008), the Supreme Court held that the same rationale applied to *preliminary* injunctions – but also in the context of a patent case.

This led to questions regarding whether the presumption continued to exist in other intellectual property cases, including trademark cases. The Ninth Circuit added to that uncertainty with its decision in *Marlyn Nutraceuticals, Inc. v. Mucos Pharma. GmbH & Co.*, 571 F.3d 873 (9th Cir. 2009), in which the court affirmed a preliminary injunction, citing to the "presumption" of irreparable harm without further discussion.

The presumption was gradually whittled away with a pair of 2011 cases finding that the presumption did not apply to permanent injunctions in *copyright* cases (*Perfect 10, Inc. v. Google, Inc.*, 653 F.3d 976 (9th Cir. 2011)) or to preliminary injunctions in copyright cases (*Flexible Lifeline Systems, Inc. v. Precision Lift, Inc*, 654 F.3d 989 (9th Cir. 2011)).

In the face of these patent and copyright rulings, and with no clear direction from the Ninth Circuit as to the applicability of these rulings in the trademark context, district courts inconsistently applied the presumption. Several district courts, relying on *Marlyn Nutraceuticals,* continued to apply the presumption. *See, e.g.,*

Warner Bros. Ent. v. Global Asylum, Inc., Case No. CV 12-9547 PSG (CWx) (C.D. Cal. Dec. 10, 2012), *Wetzel's Pretzels, LLC v. Johnson*, 797 F.Supp.2d. 1020 (C.D. Cal. 2011), *Nordstrom, Inc. v. NoMoreRack Retail Group, Inc.*, Case No. C12-1853-RSM (W.D. Wash., Mar. 25, 2013), and *Fuhu, Inc. v. Toys "R" Us, Inc.*, Case No. 12cv2308 WQH-WVG (S.D. Cal. Oct. 19, 2012). Other district courts, relying on *eBay* and *Winter* – as well as other circuit court rulings – declined to apply the presumption. *See, e.g., Groupion, LLC v. Groupon, Inc.* 826 F.Supp.2d 1156 (N.D. Cal. 2011), *Rovio Ent. Ltd. v. Royal Plush Toys, Inc.*, Case No. C 12-5543 SBA (N.D. Cal. Nov. 27, 2012), and *Spiraledge, Inc. v. Seaworld Ent, Inc.*, Case No. 13cv296-WQH-BLM (S.D. Cal. July 9, 2013).

The Ninth Circuit finally clarified the issue in *Herb Reed*:

> Following *eBay* and *Winter*, we held that likely irreparable harm must be demonstrated to obtain a preliminary injunction in a copyright infringement case and that actual irreparable harm must be demonstrated to obtain a permanent injunction in a trademark infringement action. *Flexible Lifeline Sys. v. Precision Lift, Inc.*, 654 F.3d 989, 998 (9th Cir. 2011); *Reno Air Racing Ass'n, Inc., v. McCord*, 452 F.3d 1126, 1137–38 (9th Cir. 2006). Our imposition of the irreparable harm requirement for a permanent injunction in a trademark case applies with equal force in the preliminary injunction context. *Amoco Prod. Co. v. Village of Gambell, AK*, 480 U.S. 531, 546 n.12 (1987) (explaining that the standard for a preliminary injunction is essentially the same as for a permanent injunction except that "likelihood of" is replaced with "actual"). We now join other circuits in holding that the *eBay* principle—that a plaintiff must establish irreparable harm—applies to a preliminary injunction in a trademark infringement case. *See N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1228–29 (11th Cir. 2008*); Audi AG v. D'Amato*, 469 F.3d 534, 550 (6th Cir. 2006) (applying the requirement to a permanent injunction in a trademark infringement action).

Although the *Herb Reed* ruling does not offer guidance as to how a trademark plaintiff may successfully demonstrate that it will suffer irreparable harm absent the imposition of an injunction, the ruling underscores that the legal analysis should not focus on the applicability of a presumption of irreparable injury.

If you have any questions about the content of this alert, please contact the Pillsbury attorney with whom you regularly work, or the authors.

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