

The Trademark Reporter®



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EDITOR'S NOTE:

THEME ISSUE—EMERGING IP ENFORCEMENT IN ONLINE MARKETS AND DIGITAL SPACES

Artificial intelligence (“AI”) has received significant attention in recent years, including in last year’s end-of-year issue of *The Trademark Reporter* (“TMR”)¹ and the INTA 2024 New York Conference titled “The Business of Artificial Intelligence: Practical Applications in the IP Ecosystem” (for which I served as a speaker), for its impact on intellectual property practice and doctrine. However, technological developments have long influenced the evolution of intellectual property law, and trademark law is no exception. From domain name dispute resolution to new market structures for creating and offering products, technology has left its indelible mark on trademark law. This is an ongoing evolution. As the world moves online, trademark use and infringement are increasingly occurring through technological mediums. In 2025, beyond the changes brought by AI, developments in online markets and digital spaces have posed new challenges and approaches for trademark rights and enforcement. We are delighted to devote this end-of-year issue of the TMR to these other important topics at the nexus of trademark law and technology.

In this issue, we share a selection of some of the best academic literature on trademark law and digital spaces in the past three years. This innovative research highlights the evergreen challenges of practicing trademark law in an evolving world.

A New Litigation Strategy for E-Commerce Infringements

In “A SAD Scheme of Abusive Intellectual Property Litigation,”² Eric Goldman offers the first comprehensive analysis of what has been called “Schedule A” litigation, and which Goldman refers to as the “Schedule A Defendants Scheme” (or the “SAD Scheme”). This litigation tactic involves a rights owner filing a sealed complaint against many different, unrelated online sellers offering products

¹ 114 Trademark Rep. 691 (2024) (Artificial Intelligence Issue).

² 123 Colum. L. Rev. F. 183 (2023).

that allegedly infringe upon the same intellectual property, and the filing of *ex parte* temporary restraining orders and preliminary injunctions that seek to oblige third-party service providers to impose asset freezes and take other actions against the accused sellers. The growth of global e-commerce over the past thirty years has helped facilitate online sales of infringing products to ever larger audiences. In response, in the past decade, thousands of Schedule A cases have been filed, mostly in the Northern District of Illinois, but also in other jurisdictions such as the Southern District of Florida and the Southern District of New York. Goldman identifies this strategy and its typical characteristics, but he also offers a robust criticism of it. Goldman offers several criticisms, including how Schedule A litigation can rely upon generic pleadings, violate several rules of civil procedure such as personal jurisdiction, deprive courts of proper filing fees through misjoinder, and elude adjudication on the merits. Since the publication of this article, courts have taken greater notice of Schedule A litigation, including some judges introducing specific rules of practice on Schedule A matters.

Sarah Fackrell expands on these and other themes in “The Counterfeit Sham,”³ within the context of the misuse of the term “counterfeit” in policy narratives and litigation. As trademark practitioners know, “counterfeit” has a specific meaning under the Lanham Act: a spurious mark that is identical with, or substantially indistinguishable from, a registered mark.⁴ Yet, Fackrell notes, many apply the word to design patents (and copyrights) too, muddying the conceptual clarity of the word while strategically employing its powerful rhetoric for their own ends. One of the prime examples of this type of “counterfeit rhetoric,” says Fackrell, is Schedule A litigation. While the bulk of Schedule A litigation has been aimed at trademark infringement, the strategy has been imported to design and utility patents and copyrights. This article is an important reminder of the power of language and the need to be precise with words that have sustained legal meaning.

Developments in Secondary Liability

Instead of seeking to hold the infringers themselves liable, there have also been developments in standards for holding online platforms and others secondarily liable for their users’ infringements. The question of the proper scope of contributory liability—one formulation of secondary liability—at least for copyright law, is currently before the U.S. Supreme Court in *Cox*

³ 138 Harv. L. Rev. 471 (2024).

⁴ 15 U.S.C. § 1127.

*Communications, Inc. v. Sony Music Entertainment.*⁵ In “The Structure of Secondary Copyright Liability,”⁶ Felix Wu offers a critique of how contributory copyright liability has evolved, arguing that it focuses too much on *mens rea* and fault. Unlike patent cases, where the alleged secondary infringer typically targets a particular patent, copyright claims generally involve the alleged secondary infringer offering general purpose technologies or services. Wu proposes that a better structure for copyright law would be to focus on properly calibrating deterrence, such as through limiting removal obligations to exact copies or reasonable situations and eliminating statutory damages for secondary infringement.

Secondary liability has also evolved in other jurisdictions. In “The Role, Responsibility, and Liability of Online Intermediaries Under EU IP Law,”⁷ Eleonora Rosati discusses how liability for online intermediaries has evolved in recent years in Europe, offering new enforcement options for rightsholders. The old standard paradigm of Internet safe harbors under the E-Commerce Directive⁸ has started to show cracks. First, in certain circumstances, platforms may be held liable for infringing user content not just as secondary infringers, but also as direct infringers. A platform’s own actions could result in direct infringement, and the Court of Justice of the European Union has gradually expanded direct liability for platforms in cases such as *YouTube*⁹ and *Louboutin*¹⁰ by importing requirements such as knowledge and intent, which are typically considered under secondary liability. Article 17 of the Digital Single Market Directive¹¹ has further provided that online content-sharing service providers can be directly liable for storing user-generated content. Second, injunctions are now more broadly available against online intermediaries that may force them to block the websites of infringers, disclose information about them, or undertake other appropriate actions to counter infringement.

Taking a step back, in “Rising Above Liability: The Digital Services Act as a Blueprint for the Second Generation of Global Internet Rules,”¹² Martin Husovec suggests how the European

⁵ *Sony Music Ent. v. Cox Commc’ns, Inc.*, 93 F.4th 222 (2024), *cert. granted*, *Cox Commc’ns, Inc. v. Sony Music Ent.*, No. 24-171 (June 30, 2025), <https://www.supremecourt.gov/docket/docketfiles/html/public/24-171.html> (last visited Nov. 17, 2025).

⁶ 61 Hous. L. Rev. 385 (2023).

⁷ Eleonora Rosati, *The Role, Responsibility, and Liability of Online Intermediaries Under EU IP Law*, in *Handbook of Fashion Law* 68 (Eleonora Rosati & Irene Calboli eds., 2025).

⁸ Directive 2000/31/EC, 2000 O.J. (L 178).

⁹ *Peterson v. Google LLC*, C-682/18 and C-683/18, EU:C:2021:503.

¹⁰ *Christian Louboutin v. Amazon Europe Core Sàrl*, C-148/21 and C-184/21, EU:C:2022:422.

¹¹ Council Directive (EU) 2019/790, 2019 O.J. (L 130/92).

¹² 38 Berkeley Tech. L.J. 883 (2023).

Union’s Digital Services Act (“DSA”)¹³ might offer a blueprint for new global Internet regulation. Husovec explains how the Internet has expanded significantly beyond that for which the conditional immunity rules of the U.S. Digital Millennium Copyright Act (“DMCA”)¹⁴ and the European E-Commerce Directive¹⁵ were created. In response, the European Union enacted the DSA. While Husovec understands that other jurisdictions may consider the DSA “too European,” he nonetheless suggests that they can still learn from the principles animating the DSA. Husovec identifies five key DSA principles: accountability, not liability; horizontality of regulations; shared burden; empowerment of users; and ecosystem solutions. Like how Europeans adapted the DMCA to their own traditions and values in the E-Commerce Directive, other jurisdictions can likewise draw upon these principles to craft their own optimal regulations for the new era of the Internet.

Confusion in the Metaverse

Last but not least, we turn to that technological development that caught the world’s attention before generative AI: non-fungible tokens (“NFTs”). While interest in NFTs has deflated from the exuberance of 2021 and early 2022, they nonetheless remain an intriguing case study of how technology can disrupt doctrine. In regard to intellectual property doctrine, NFTs are perhaps most often cited for their potential to circumvent the limitations on copyright’s first sale doctrine due to reproduction of digital content, as held in *Capitol Records, LLC v. ReDigi Inc.*¹⁶ In “Confusion in Trademarked NFTs,”¹⁷ Andrew Michaels examines NFT-related trademark litigation—namely *Yuga Labs, Inc. v. Ripps*,¹⁸ *Hermes International v. Rothschild*,¹⁹ and *Nike, Inc. v. StockX LLC*²⁰—to interrogate the limits of the likelihood of confusion analysis and the First Amendment. Based on his analysis, Michaels proposes three potential improvements for courts when evaluating NFTs and trademark infringement cases more generally: consider whether the use of the trademark will affect purchasing decisions by conferring clout; determine likelihood of confusion as a question of law (contrary to the majority of U.S. circuit courts); adopt a flexible

¹³ Regulation (EU) 2022/2065, 2022 O.J. (L 277).

¹⁴ 17 U.S.C. § 512.

¹⁵ Directive 2000/31/EC, 2000 O.J. (L 178).

¹⁶ 910 F.3d 649 (2d Cir. 2018).

¹⁷ 7 Stan. J. Blockchain L. & Pol’y 1 (2024).

¹⁸ 144 F.4th 1137 (9th Cir. 2025).

¹⁹ 678 F. Supp. 3d 475 (S.D.N.Y. 2023), on appeal, No. 23-1081 (2d Cir.).

²⁰ *Nike, Inc. v. StockX LLC*, No. 22-CV-0983 (VEC), 2024 WL 3361411 (S.D.N.Y. July 10, 2024). The litigation has settled. Stipulation and Order of Dismissal, No. 22-CV-0983 (VEC), ECF No. 341 (Sept. 3, 2025).

approach when applying the *Rogers*²¹ test to consider confusion; and do not apply the first sale doctrine to digital assets representing purchased physical ones. While opinions on these proposals may vary, they are nonetheless useful in thinking about how technology can reveal broader concerns in doctrinal practice.

Online Marketplaces' Actions: Further Reading

In their article “Amazon’s Quiet Overhaul of the Trademark System,” recently published in the *California Law Review*,²² Jeanne Fromer and Mark McKenna examine the influence of Amazon’s Brand Registry on U.S. trademark applications.

As the first-ever Guest Editor of the TMR, and as a trademark scholar, it is my honor to share this innovative scholarship. I hope this collection of works will provide you with new perspectives for navigating trademark doctrine and practice in digital spaces.

Michael P. Goodyear
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²¹ *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989).

²² 113 Calif. L. Rev. 1169 (2025).