

# The Trademark Reporter®



**The Law Journal of the International Trademark Association**

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**KEEPING PROMISES:  
ENFORCEMENT STRATEGIES FOR  
CERTIFICATION MARKS IN THE UNITED STATES\***

*By B. Brett Heavner\*\* and Caroline Segers\*\*\**

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## I. INTRODUCTION

A promise made should be a promise kept, and that is what owners of certification marks do: make a promise that the goods or services bearing their mark meet the safety, quality, or geographic requirements claimed on their packaging and in their advertising. To ensure that these promises are kept, and that no “certified” claim is false, U.S. law provides the owners of certification marks with an arsenal of weapons to protect their marks and consumers from an infringer’s false claims. Depending on the circumstances, the certifier can stop the importation of infringing goods, seize and destroy falsely labelled products, obtain court injunctions forbidding further improper use of their certification marks, and obtain monetary damages from the infringers, all to ensure the accuracy of the standard promised to consumers by the display of its certification mark.

A certification mark is a “special creature.”<sup>1</sup> Unlike traditional trademarks, the certification mark is not used by its owner to identify the source of a particular product or service. Rather, it is a promise from the certifier to the public that any product or person legitimately displaying the mark has met the desirable qualities or characteristics guaranteed by the certifier. To ensure this promise is met, in the United States, the certifier must adhere to strict statutory requirements, including the duty to control the use of the certification mark by others.<sup>2</sup> Failure to abide by this requirement imperils the validity of the certification mark. Thus, in addition to the usual concerns that a traditional trademark owner might have about reputational damage and lost sales, the owner of a certification mark has a strong incentive and responsibility to eliminate unauthorized uses of its mark. Fortunately, the U.S. Trademark Act of 1946 (the “Lanham Act”) provides certifiers with powerful weapons to combat improper uses of their certification marks, including customs and ex parte seizures, preliminary and permanent injunctions, a variety of damages, and attorney fees. Although these weapons mirror those available in traditional trademark infringement disputes, their use by certifiers presents some unique twists, which are shown in recent certification mark cases. This article provides an overview of these cases as a guide to help certifiers navigate these twists and the various issues brand owners may not otherwise encounter with more traditional types of marks.

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<sup>1</sup> *Idaho Potato Comm’n v. M & M Produce Farms & Sales*, 335 F.3d 130, 131 n.1 (2d Cir. 2003) (quoting J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 19:91 (4th ed.)).

<sup>2</sup> 15 U.S.C. § 1064(5).

## II. SEIZURES OF GOODS

The most dramatic and immediate weapon available to the certifier is a seizure of goods that bear a counterfeit certification. This weapon is designed to keep such falsely certified products off the U.S. market as soon as they are discovered. There are two types of seizures available to a certifier: a seizure of imported goods by U.S. Customs and Border Protection (“CBP”)<sup>3</sup> and an ex parte seizure order obtained from a U.S. district court in trademark infringement litigation.<sup>4</sup>

### *A. Obtaining a CBP Seizure of Falsely Certified Goods*

The CBP seizure is the most cost-effective weapon available to a trademark owner. CBP seizures are available to certifiers, just as they are to the owners of traditional trademarks.<sup>5</sup> Once the certifier has recorded its U.S. trademark registration with CBP,<sup>6</sup> which monitors goods entering the United States, CBP will seize such goods that are infringing on the certifier’s mark.<sup>7</sup> The certifier can also submit optional documents, including an authentication manual or enforcement-oriented trainings that can further aid CBP officers to effectively identify imported goods that are using the certifier’s mark without authorization.<sup>8</sup> In addition, the certifier will typically work hand-in-hand with CBP to confirm whether a good entering the United States is illegitimate by identifying which parts of the entering good are falsely labelled as certified.<sup>9</sup> The certifier must respond promptly, as CBP can hold possibly infringing goods for only thirty days.<sup>10</sup>

The Federal Circuit recently considered the appropriateness of a CBP seizure involving goods that were improperly labelled with a

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<sup>3</sup> 19 C.F.R. § 133.21.

<sup>4</sup> 15 U.S.C. § 1116(d).

<sup>5</sup> See *ICCS USA, Corp. v. United States*, 952 F.3d 1325, 1329 (Fed. Cir. 2020) (discussing a CBP seizure of butane gas canisters bearing the UL certification mark); *LKQ Corp. v. U.S. Dep’t of Homeland Sec.*, 369 F. Supp. 3d 577, 581-82 (D. Del. 2019) (discussing a CBP seizure of automotive repair grilles).

<sup>6</sup> *U.S. Customs & Border Protection e-Recordation Program*, U.S. Customs & Border Protection, <https://iprr.cbp.gov/s/> (last visited May 12, 2025) (outlining the process of registration with CBP).

<sup>7</sup> *U.S. Customs & Border Protection, What Every Member of the Trade Community Should Know About: CBP Enforcement of Intellectual Property Rights* (Aug. 2012), <https://www.cbp.gov/sites/default/files/assets/documents/2020-Feb/ICP-IPR-Enforcement-2012-Final.pdf>.

<sup>8</sup> *U.S. Customs & Border Protection e-Recordation Program*, U.S. Customs & Border Protection, <https://iprr.cbp.gov/s/> (last visited May 14, 2025).

<sup>9</sup> *Best Practices in Working with U.S. Customs and Border Protection to Help Enforce Your Intellectual Property Rights at the Border*, U.S. Customs & Border Protection, <https://www.cbp.gov/trade/priority-issues/ipr/bestpractices> (last visited May 14, 2025).

<sup>10</sup> 19 C.F.R. § 133.21(b)(1).

certification mark in *ICCS USA, Corp. v. United States*.<sup>11</sup> There, the “MEGA-1” line of butane gas canisters manufactured by One Jung Can Manufacturing Co. Ltd. (“OJC”) had been certified by Underwriter’s Laboratories Inc. (“UL”) and was authorized to bear UL’s widely used certification mark (shown below), indicating that the canister had met UL’s safety standards.<sup>12</sup>



However, OJC did not have the UL certification for its PREMIUM line of gas canisters as of January 19, 2017, when the products entered the U.S. market bearing the UL certification mark.<sup>13</sup> Although OJC’s U.S. importer ICCS was contractually obligated to obtain verification from UL for the PREMIUM line to also bear the UL certification mark, it did not do so until after the PREMIUM canisters entered the U.S. market.<sup>14</sup> Without receiving UL’s approval, ICCS imported 56,616 PREMIUM gas canisters into the United States bearing the UL certification mark.<sup>15</sup> In February 2017, CBP issued a notice to ICCS under Section 1526(e)<sup>16</sup> of the Tariff Act of 1930, seizing 29,008 of the 56,616 canisters.<sup>17</sup>

ICCS appealed the CBP seizure to the Federal Circuit,<sup>18</sup> arguing that it did not need “express authorization” from UL prior to using the certification because the PREMIUM models corresponded to the previously certified MEGA-1 product.<sup>19</sup> The Federal Circuit determined that “the question of whether [CBP] properly seized ICCS’s product turns on whether the PREMIUM model canisters at the time of importation displayed a ‘counterfeit’

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<sup>11</sup> 952 F.3d 1325 (Fed. Cir. 2020).

<sup>12</sup> *ICCS USA*, 952 F.3d at 1329.

<sup>13</sup> *Id.* at 1329-30.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.* (Notably, the contractual agreement “authorized ICCS to display UL’s certification mark on any ICCS ‘models’ that are the same physical product as OJC’s MEGA-1 canister, but only after UL verifies that any differences between ICCS’s model and the MEGA-1 ‘basic product’ are merely ‘superficial’”).

<sup>16</sup> 19 U.S.C. § 1526(e) (prohibiting the importation of a product into the United States that bears a trademark that is registered with the USPTO and permits seizure of such goods in accordance with customs laws).

<sup>17</sup> *ICCS USA*, 952 F.3d at 1300.

<sup>18</sup> *Id.* at 1330-31 (discussing procedural history including ICCS’s protest challenging CBP’s “unlawful” demand for redelivery and ICCS’s complaint to the Court of International Trade challenging CBP’s denial of the protest, leading to the subject appeal to the Federal Circuit).

<sup>19</sup> *Id.*

certification mark within the meaning of § 1127.”<sup>20</sup> Under Section 1127 of the Lanham Act, a counterfeit mark is “a spurious mark which is identical with, or substantially indistinguishable from, a registered mark.”<sup>21</sup> The court found that ICCS falsely communicated to consumers that the PREMIUM model had obtained a UL safety certification, when in fact such certification had not yet happened.<sup>22</sup> This misleading use of the UL certification mark, according to the court, qualified as “spurious.”<sup>23</sup>

Additionally, ICCS argued that the fact that UL eventually granted the certification for the PREMIUM butane gas canisters demonstrates that its use of the UL certification mark was not “counterfeit.”<sup>24</sup> The court disagreed with this argument because UL only agreed to the safety certification *after* the canisters were already imported.<sup>25</sup> The court held that the counterfeiting analysis focuses on the time of importation, at which point ICCS’s use was counterfeit.<sup>26</sup>

The decision in *ICCS* demonstrates that the CBP seizure can be an effective weapon that a certifier can use to protect their mark, by preventing importers from both prematurely claiming certification and/or attempting to correct false certification claims by obtaining certification after the fact. To take full advantage of this tool, certifiers must record their U.S. certification mark registrations with CBP for CBP to seize goods and protect against the importation of counterfeit goods. This tool not only gives the certifier an extra set of eyes on the protection of their goods but also provides for a cost-effective form of enforcement.

### ***B. Obtaining an Ex Parte Seizure Order for Falsely Certified Goods***

While a CBP seizure is very cost-effective, it has significant limitations. Specifically, it is available only for products that are both *imported* into the U.S. market and *detected* by CBP agents. Consequently, while CBP should perhaps be a certifier’s first line of defense against fake or unauthorized certification marks, certifiers should not rely solely on CBP to stop unauthorized use of their certification marks. As a second weapon to combat improper use of a certification mark, certifiers can obtain a court-ordered *ex parte* seizure of goods bearing counterfeit certification marks. An *ex parte*

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<sup>20</sup> *Id.* at 1331.

<sup>21</sup> 15 U.S.C. § 1127.

<sup>22</sup> *Id.* at 1332.

<sup>23</sup> *Id.*

<sup>24</sup> *Id.* at 1333.

<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

seizure is an extraordinary remedy, governed by 15 U.S.C. § 1116, allowing U.S. marshals to seize falsely certified goods without the defendant being present or receiving notice, and before there has been a trial to determine whether infringement has occurred.<sup>27</sup>

Under this statute, the certifier must meet a high bar to prove that the seizure is warranted. This high bar exists because the alleged infringer does not have an opportunity to defend the allegations. There are seven statutory elements that the certifier must show to successfully obtain an ex parte seizure order, the seventh of which may be the most critical. First, the certifier must prove that it is likely to succeed in establishing that the products bear a counterfeit mark.<sup>28</sup> As shown by the following cases, this can be demonstrated by providing evidence that the infringer has essentially the same mark on their goods, even though they are not certified. Second, the certifier must show that no order other than an ex parte seizure would be an adequate remedy.<sup>29</sup> Because an ex parte seizure is such an extreme remedy, the certifier must show that nothing else would suffice to fix the harm the infringer is causing. Third, the certifier must affirm that it has not publicized the requested seizure so that there is no chance that the infringer has been “tipped off.” Again, because ex parte seizures are such an extreme weapon, typically granted in part based on a fear that the infringer will destroy the goods if they were put on notice, there is a requirement that the certifier does not give notice to the infringer of the requested seizure (whether intentionally or inadvertently). Fourth, an immediate and irreparable injury will occur if the seizure is not ordered.<sup>30</sup> Here, the certifier must show that the infringer’s conduct is so damaging to the certifier that the infringing conduct must stop immediately. Fifth, the goods to be seized will be located at the place identified in the application for such seizure.<sup>31</sup> This factor requires the certifier to identify, with specificity, the location where the infringing goods are being held. Sixth, the harm to the certifier in denying the seizure application outweighs the interests of the person who is having their goods seized.<sup>32</sup> For this, the certifier must show that the immediate interests of stopping the infringing actions outweigh the business interests of the infringing party. Seventh and most importantly, the certifier must show that if it were to provide notice to the party whose goods are being seized, that party would immediately sell, move, destroy, or make otherwise inaccessible the goods in question. This element requires

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<sup>27</sup> 15 U.S.C. § 1116(d)(9).

<sup>28</sup> 15 U.S.C. § 1116(d)(4)(B).

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> *Id.*



that the certifier state with certainty and provide evidence demonstrating that the defendant has a history of hiding its identity or otherwise affirmatively making it difficult to find the location of the infringing goods.<sup>33</sup> In addition to these requirements, the applicant must also give notice to the United States attorney in the relevant judicial district for a possible criminal action<sup>34</sup> and must provide a security bond in the event that the seizure is found to be wrongful.<sup>35</sup>

In *UL LLC v. Space Chariot, Inc.*, the UL certification mark provides another case study for how courts analyze whether an ex parte seizure order is appropriate.<sup>36</sup> At least as early as January 2016, Space Chariot sold hoverboards through a website prominently claiming that “ALL Space Chariots are UL CE FCC RoHS Safety Certified,” and displaying what appeared to be the UL certification mark.<sup>37</sup> However, UL did not adopt a safety standard for hoverboards until February 2016 and did not certify any hoverboard product until May 2016.<sup>38</sup> On April 26, 2016, UL sent a cease-and-desist letter to Space Chariot stating that its use of the UL certification marks was unauthorized and demanding that Space Chariot stop using any UL certification marks.<sup>39</sup> Though one of Space Chariot’s suppliers of hoverboards did receive UL certification on June 30, 2015, Space Chariot still distributed non-UL certified products that improperly bore UL’s certification mark.<sup>40</sup> When the demand letter and follow-up discussions failed, UL sued and filed a motion for an ex parte seizure against Space Chariot on November 3, 2016. Although UL had properly filed the motion under seal to avoid publicizing the requested seizure, the court denied the seizure order because UL failed to establish two critical elements, namely that it would suffer an immediate injury, and that Space Chariot would move or destroy the falsely labelled goods if the seizure order was denied.<sup>41</sup> The judge denied UL’s motion for a seizure order because UL failed to satisfy all of the required criteria. In particular, UL did not submit any evidence demonstrating that Space Chariot would move, hide, or destroy the

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<sup>33</sup> Evidence can be provided that the infringer is a “fly-by-night” operation that will quickly reappear. *See World Wrestling Entm’t, Inc. v. Unidentified Parties*, 770 F.3d 1143, 1144 (5th Cir. 2014).

<sup>34</sup> 15 U.S.C. § 1116(d)(2).

<sup>35</sup> 15 U.S.C. § 1116(d)(4)(A).

<sup>36</sup> *UL LLC v. Space Chariot, Inc.*, 250 F. Supp. 3d 596 (C.D. Cal. 2017) (*Space Chariot*).

<sup>37</sup> *Id.* at 603.

<sup>38</sup> *Id.* at 604.

<sup>39</sup> *Id.*

<sup>40</sup> *Id.* at 609.

<sup>41</sup> Order on Mot. For Temporary Restraining Order, *Space Chariot*, No. 2:16-cv-08172, ECF No. 12 (C.D. Cal. Nov. 3, 2016).

counterfeit goods, as required by the seventh criterion.<sup>42</sup> Although it denied the application for the seizure of goods, the court nevertheless granted UL's motion for ex parte temporary restraining order because UL did appear to satisfy the other criteria, in particular showing that Space Chariot had used and was continuing to use the UL certification mark despite knowing it was not permitted to do so. After entry of the restraining order, the parties stipulated to a preliminary injunction by which the court enjoined Space Chariot from using UL's certification marks or otherwise falsely claiming certification and from dispersing personal and corporate assets.<sup>43</sup>

UL's failed motion for an ex parte seizure provides several important lessons to certifiers. First, it is critical for the plaintiff/certifier to provide the court with some evidence or reasonable factual argument that the infringer will move, hide, or destroy the infringing goods unless they are seized.<sup>44</sup> It is not enough for the certifier to baldly allege that such conduct will occur. Second, the plaintiff/certifier must establish that it will suffer immediate injury in the absence of a seizure. Relying on a presumption of irreparable injury due to counterfeiting is insufficient. For example, UL's seizure order would likely have been granted if it had shown that the falsely "certified" hoverboards were dangerous or in fact did not meet UL's safety standards. Potential consumer injury from a dangerous falsely certified product would almost certainly have caused UL an immediate injury, as it would have led consumers to doubt the reliability of UL's entire certification program. UL could have demonstrated this fact by working with an investigator to test Space Chariot's products to determine the deficiencies of those products. A second way a certifier could try and show an immediate injury or that the infringer will destroy the infringing goods is by showing the use of shell companies, hiding the identity of the owner, or providing evidence of other nefarious conduct. Finally, this case highlights that a plaintiff/certifier can fail to obtain an ex parte seizure order but can still obtain a preliminary and permanent injunction at a later stage in the proceeding. Although certifiers must meet a high standard to obtain an ex parte seizure of goods bearing counterfeit

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<sup>42</sup> *Id.*

<sup>43</sup> *Space Chariot*, 250 F. Supp. 3d at 602; Ex Parte Temporary Restraining Order, Seizure Order, Order for Expedited Discovery, and Order to Show Cause for Preliminary Injunction, *Space Chariot*, No. 2:16-cv-08172, ECF No. 25 (C.D. Cal. Nov. 17, 2016) (granting the ex parte temporary restraining order, but striking paragraphs related to the seizure order).

<sup>44</sup> *World Wrestling Entm't*, 770 F.3d at 1144 (vacating a district court's refusal to grant a seizure order because WWE provided evidence that defendants were "fly-by-night" counterfeiters who "upon detection and notice of suit, disappear without a trace and hide or destroy evidence, only to reappear later at the next WWE event down the road.").

certification marks, the ex parte seizure is another valuable weapon that certifiers can use to quickly eliminate counterfeit goods from the marketplace.

### III. INJUNCTIVE RELIEF

If a seizure of falsely certified goods is not available, the certifier can nevertheless use another weapon in their arsenal and seek a court order prohibiting further sales of the defendant's goods, either before trial as a preliminary injunction or after trial as a permanent injunction. These forms of injunctive relief impose a less onerous evidentiary burden than the ex parte seizure does. It is useful to think of the three types of injunctive relief (ex parte seizure, preliminary injunction, and permanent injunction) as imposing three different levels of difficulty for the plaintiff. The ex parte seizure sets the highest bar because the infringer is given no opportunity to defend against the allegations before the court issues its order. Preliminary injunctions fall into the middle level and still have a high bar as they give the alleged infringer notice of the action but deny the infringer the opportunity to engage in discovery and present all its evidence at a full trial. Finally, a permanent injunction has the lowest bar for a certifier to meet, because the infringer has had the opportunity to engage in discovery and to present all evidence in its favor at a full trial. The sections below will discuss how a certifier can use these weapons to vigorously attack any unauthorized or false use of its certification mark.

#### *A. Obtaining a Preliminary Injunction for Falsely Certified Goods*

The preliminary injunction is another weapon that a certifier can employ to obtain immediate relief from the infringement before a full trial. To obtain any form of injunctive relief, the certifier must generally prove it is suffering irreparable harm from the infringement that cannot be adequately compensated by monetary damages.<sup>45</sup> Given that it can take a year or more for a trademark infringement case to come to trial, most certifiers will request a preliminary injunction requiring the defendant to temporarily cease its infringing activities while the proceeding is pending. Preliminary injunctions provide certifiers with a vehicle to quickly remove infringing goods from the marketplace, with a less onerous burden than the ex parte seizure order. Specifically, for a pretrial preliminary injunction, the certifier only needs to establish that (a) it has a likelihood of success on the merits, (b) there is a

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<sup>45</sup> See, e.g., *Whirlpool Corp. v. Shenzhen Salinda Electrical Tech. Co.*, 80 F.4th 536 (5th Cir. 2023). Note that the requirements for being entitled to preliminary injunctive relief is a lower bar than an ex parte seizure order and fewer elements are required to be shown.

likelihood of irreparable harm in the absence of preliminary relief, (c) the balance of hardships favors issuance of the preliminary relief, and (d) the public policy favors issuing an injunction.<sup>46</sup> Still, obtaining a preliminary injunction can be challenging. Unlike the seizure orders, a preliminary injunction is not *ex parte*, meaning that the defendant has an opportunity to argue that the infringement claim will likely fail, that the plaintiff is not suffering irreparable harm, or that harm to the defendant or the general public, should the infringing product be taken off the market, outweighs any harm suffered by the plaintiff. If the plaintiff/certifier successfully argues that a preliminary injunction is warranted, the court will issue a preliminary injunction only “if the movant gives security in an amount that the court considers proper to pay the costs and damages sustained by any party [later] found to have been wrongfully enjoined or restrained.”<sup>47</sup>

*USA-Halal Chamber of Commerce, Inc. v. Best Choice Meats, Inc.* provides an excellent example of a certifier obtaining a preliminary injunction to quickly remedy a situation where falsely certified products were available in the market.<sup>48</sup> USA Halal certifies meat products as being slaughtered and prepared in accordance with Islamic law.<sup>49</sup> In 2016, Best Choice Meats (“Best Choice”) was certified and licensed to use USA Halal’s certification mark, but Best Choice failed to provide the required monthly production reports to USA Halal in 2017, so USA Halal revoked Best Choice’s certification in 2018.<sup>50</sup> After revocation, and after USA Halal filed its complaint and motion for a preliminary injunction,

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<sup>46</sup> *Las Vegas Sands Corp. v. Fan Yu Ming*, 360 F. Supp. 3d 1072, 1075-76 (D. Nev. 2019). Factors assessed in determining whether a preliminary injunction is proper vary jurisdictionally. For example, in the Fifth Circuit, for a preliminary injunction to be proper, the plaintiff must show:

(1) a substantial likelihood of success on the merits, (2) a substantial threat of irreparable injury if the injunction is not issued, (3) that the threatened injury if the injunction is denied outweighs any harm that will result if the injunction is granted, and (4) that the grant of an injunction will not disserve the public interest.

*Whirlpool Corp.*, 80 F.4th at 543. In the Seventh Circuit, the threshold requirements for a preliminary injunction require a showing “that [the movant] has some likelihood of success on the merits; that [the movant] has no adequate remedy at law; [and] that without relief [the movant] will suffer irreparable harm.” *USA-Halal Chamber of Commerce, Inc. v. Best Choice Meats, Inc.*, 402 F. Supp. 3d 427, 433 (N.D. Ill. 2019) (quoting *GEFT Outdoors, LLC v. City of Westfield*, 922 F.3d 357, 364 (7th Cir. 2019)).

<sup>47</sup> Fed. R. Civ. P. 65(c).

<sup>48</sup> *USA-Halal*, 402 F. Supp. 3d at 441.

<sup>49</sup> *Id.* at 431.

<sup>50</sup> *Id.* at 432.

Best Choice removed the certification mark from its website but did not remove the certification mark from the product packaging.<sup>51</sup>

USA Halal successfully established each of the four required factors for a preliminary injunction. USA Halal was likely to succeed on the merits because it owned an incontestable registration for its certification mark, and a nearly identical version of the mark was displayed on Best Choice's packaging.<sup>52</sup> As to irreparable harm, USA Halal established that "there is a real risk that Best Choice will use its [certification] mark on products that do not meet USA Halal's certification standards, thereby damaging its reputation and the credibility of its certification and trademarks."<sup>53</sup> The court also determined that the balance of harms and the public interest both favored granting a preliminary injunction.<sup>54</sup> Specifically, although Best Choice would have to recall existing products, to repackage already packaged goods, and to acquire new packaging, resulting in spoliation of inventory and delivery delays, the court noted that the delay is not too burdensome and that Best Choice could still distribute meat products in the interim.<sup>55</sup> The court also found that Best Choice's harm was self-inflicted because it continued to use USA Halal's certification mark after being repeatedly told not to do so.<sup>56</sup> Finally, the court determined there is a strong public interest in granting the preliminary injunction because the public must be able to confidently purchase foods that are, in fact, halal, without concern of misrepresentation of certification.<sup>57</sup>

Once the court determined that a preliminary injunction was appropriate, it required USA Halal to post a bond of \$95,000 to cover Best Choice's losses should the certifier not ultimately prevail at trial.<sup>58</sup> The court arrived at this amount based on the \$70,000 value of the packaging that Best Choice would lose, the delay of several weeks' worth of sales for Best Choice to obtain new packaging, and Best Choice's losses relating to recalled products.<sup>59</sup>

A key lesson for certifiers from *USA Halal* is that, while establishing a prior authorized user's liability for infringement is likely to be clear, to obtain the preliminary injunctive relief, the certifier must be prepared to prove more than the continued

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<sup>51</sup> *Id.* at 433. This case is not discussed in the ex parte seizure section above because USA Halal did not seek an ex parte seizure.

<sup>52</sup> *Id.* at 434-36.

<sup>53</sup> *Id.* at 437.

<sup>54</sup> *Id.* at 439-40.

<sup>55</sup> *Id.* at 440 (noting that Best Choice could still claim its products are halal because it is being certified by another entity).

<sup>56</sup> *Id.*

<sup>57</sup> *Id.* at 440-41.

<sup>58</sup> *Id.* at 441.

<sup>59</sup> *Id.*

unauthorized use of the certification mark. It was critical that USA Halal articulated the significant risk of harm it faced if the infringing meat failed to meet its standards. USA Halal also established that whatever difficulties the prior authorized user faced from the preliminary injunction, the harm was either significantly less than that facing the certifier, or the harm was directly attributable to the now infringer's own conduct. Finally, the availability of a bond puts the certifier in a good position to argue that the risk to the prior authorized user could be counterbalanced by monetary compensation in the unlikely event that the infringement claim failed.

### ***B. Obtaining a Permanent Injunction for Falsely Certified Goods***

Regardless of whether a certifier obtained a preliminary injunction, when a certifier establishes at trial that the infringer has used the certification mark without authorization or has used a copy of the certification mark in a manner that is likely to create consumer confusion, the certifier is entitled to a permanent injunction prohibiting the infringer from engaging in this conduct.<sup>60</sup> Although “irreparable harm” to the certifier is a prerequisite for an injunction, under U.S. law, the court must presume irreparable harm upon a finding that consumer confusion is likely.<sup>61</sup> Further, courts can issue permanent injunctions even after an infringer claims that it has voluntarily ceased its unauthorized use of the certification mark.<sup>62</sup>

For example, in *National Examining Board of Ocularists v. Adkins*, the National Examining Board of Ocularists (“NEBO”), the certifying professional organization for ocularists (manufacturers of prosthetic eyeballs) sued Adkins, a formerly certified ocularist who had allowed his certification to lapse.<sup>63</sup> Although Adkins’ certification had expired, he continued to use the NEBO certification mark, holding himself out as a board-certified ocularist, and, in fact, he forged the certification when he was visited by a Medicare inspector who was conducting a three-year Medicare qualification and office inspection.<sup>64</sup> NEBO sought a permanent injunction that prohibited Adkins from “using the NEBO trademark to deceive the public/insurance companies or otherwise violating its

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<sup>60</sup> 15 U.S.C. § 1116(a).

<sup>61</sup> *Id.* Note that this presumption applies to ex parte seizure orders as well as preliminary injunctions; however, the irreparable harm is only one element needed in these analyses.

<sup>62</sup> See generally, *Nat’l Examining Bd. of Ocularists v. Adkins*, No. 22-cv-6550, 2024 WL 2109348 (N.D. Ill. Apr. 29, 2024)

<sup>63</sup> *Id.* at \*1.

<sup>64</sup> *Id.* at \*2.

rights in the NEBO trademark.”<sup>65</sup> Adkins argued that the injunction was “moot” because he had “no need or desire to associate himself with NEBO in any way.”<sup>66</sup> The court, however, determined Adkins was still holding himself out as a “Certified Ocularist” at the start of the trial and even after briefing on the motion for summary judgment was underway.<sup>67</sup> As such, the court determined a permanent injunction was appropriate, especially because Adkins did not oppose the injunction, and Adkins’s counsel “could not definitively declare that Adkins had forever ceased all infringing activities.”<sup>68</sup>

When granting a permanent injunction, as illustrated in *NEBO*, the court is particularly concerned with instances in which the facts indicate that the infringer might not stop its infringing conduct, despite being told to do so. Thus, to obtain a permanent injunction, the certifier should provide evidence that the court order is the only relief that would prevent the infringer from continuing or recommencing unauthorized use of the certifier’s mark, even after being warned against it. Injunctive relief is an effective weapon certifiers can employ to halt infringing use and protect their brand and the promises set forth by the certification. Given the critical importance of controlling the use of a certification mark, certifiers must establish a track record of effectively policing their marks. So, pressing for a permanent injunction against an initially uncooperative infringer, even one that eventually stops the infringing activity, is essential to stave off accusations that the certifier is not adequately controlling the use of its mark. Indeed, even if infringement litigation settles, the certifier should insist that the settlement includes an injunction entered by the court barring the infringer from any future infringement or risk being held in contempt of court. This weapon is a long-lasting remedy that not only stops the current infringement but can also put the certifier at ease so that there will be additional consequences should this specific infringer decide to repeat their conduct.

#### IV. MONETARY DAMAGES

Monetary damages are another weapon in a certifier’s arsenal to protect their rights and ensure that the certifier’s promises to the public regarding the quality of the certifier’s goods are kept. Damages are typically used in combination with the injunctive relief discussed above. Damage awards serve two functions: (a) compensating the certifier for injuries caused by the infringer’s

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<sup>65</sup> *Id.* at \*7.

<sup>66</sup> *Id.* (quoting Def.’s Resp. in Opposition to Mot. for Summary Judgment, *Adkins*, at 9, No. 22-cv-6550, ECF No. 64 (Nov. 29, 2023)).

<sup>67</sup> *Id.* at \*7-8.

<sup>68</sup> *Id.*

actions, and (b) deterring any future infringement.<sup>69</sup> Specifically, these functions help the certifier by stopping future infringers due to a fear of financial punishment and by helping the certifier recoup lost sales. However, even successful infringement plaintiffs are not automatically entitled to any monetary damages where injunctive relief satisfies the equities of the case.<sup>70</sup> Monetary relief for infringing use of a counterfeit mark can take the form of actual damages or statutory damages. As detailed in this section, for certifiers, actual damages present some significant hurdles to a meaningful recovery. Given these challenges, statutory damages, if available, are likely to be the most effective way for a certifier to recover monetarily and to deter infringement of the certification mark.

### *A. Actual Damages*

Damages in traditional trademark infringement cases tend to focus on compensating the injured plaintiff/certifier. They are measured by the actual harm to the trademark owner, such as lost sales due to the infringing product or the profits that the infringer earned from the sale of the infringing product.<sup>71</sup> Moreover, the court has discretion to raise or lower the actual profits if it determines that the total amount is not warranted under the circumstances of the case.<sup>72</sup> For certification mark owners, the certifier must show adequate evidence of the actual damages.<sup>73</sup>

Both the lost sales and the infringer's possible profits are problematic for certifiers. The unauthorized use of the certification mark by a non-certified party is not likely to cause others to forgo certification, so there are no lost sales. And it can be difficult to establish the infringer's profits that can be attributed to the unauthorized use of the certification mark. Though the Lanham Act gives courts discretion to deter future infringement by trebling damages in cases of willful infringement,<sup>74</sup> this is still problematic for certifiers when the actual damages are zero.

One scenario where the certifier may be awarded actual damages is when the court requires the defendant to pay any license

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<sup>69</sup> See, e.g., *Sara Lee Corp. v. Bags of N.Y., Inc.*, 36 F. Supp. 2d 161, 166 (S.D.N.Y. 1999) (noting that statutory damages “serve two purposes—compensatory and punitive”).

<sup>70</sup> See, e.g., *Quick Techs., Inc. v. Sage Grp. Plc.*, 313 F.3d 338 (5th Cir. 2002) (noting that monetary damages are not automatic, refusing an award of profits and only issuing injunctive relief); *Champion Spark Plug Co. v. Sanders*, 331 U.S. 125 (1947) (holding that injunctive relief alone satisfies the equities of the case).

<sup>71</sup> 15 U.S.C. § 1117.

<sup>72</sup> *Id.*

<sup>73</sup> *Henry v. Pro 10 Originals, LLC*, 698 F. Supp. 2d 1279 (D. Wy. 2010) (discussing the evidence that a trademark owner must provide and the adjustments to be considered when looking at actual damages).

<sup>74</sup> 15 U.S.C. § 1117(b).



fees that the certifier would have been owed had the goods been properly certified.<sup>75</sup> Most certifiers charge fees based on the volume of sales of certified products. In some cases, if a high volume of infringing products were sold, the licensing fees might add up to a significant sum.<sup>76</sup> In most cases, however, it is not economically viable, given that the licensing fees owed to the certifier are likely less than the cost of litigation. For example, certifying an individual's professional qualifications would likely generate very modest licensing fees for the certifier.<sup>77</sup>

Though actual damages may be an effective weapon that is awarded to a certifier in certain instances, as shown by cases involving traditional trademark licensing, certifiers are more likely to seek statutory damages to deter future infringers due to the difficult nature of determining the actual damages and the larger potential dollar amounts offered by statutory damages.

### ***B. Statutory Damages for Falsely Certified Goods***

Given the difficulties of establishing the certifier's actual monetary loss, certifiers are fortunate to have another weapon in their arsenal when pursuing monetary damages. In cases involving the use of counterfeit marks, the Lanham Act enables the trademark owner to seek an award of statutory damages rather than having to prove actual damages.<sup>78</sup> Statutory damages per types of goods or services sold can range from is \$1,000 to \$200,000, and up to \$2,000,000 should the use of the counterfeit mark be found to be willful.<sup>79</sup> Statutory damages can be particularly helpful if actual damages are low or hard to prove with specificity. Fortunately for certifiers, courts often view unauthorized use of certification mark as a counterfeit mark because a counterfeit certification mark is usually identical to the certification mark displayed on genuinely certified products.<sup>80</sup> In both cases discussed

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<sup>75</sup> See *Microban Prods. Co. v. Iskin Inc.*, No. 14-cv-05980, 2016 WL 4411349, \*5 (S.D.N.Y. Feb. 23, 2016) (“[W]here the defendant was the plaintiff’s prior licensee, and continued to use the plaintiff’s trademarks past the period of authorization, the plaintiff may show actual damages based on the loss of reasonable royalty payments to which it would have been entitled, had it been able to reap the benefit of the legal exploitation of its intellectual property rights”); J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 30:85 (5th ed. 2025).

<sup>76</sup> *Henry v. Pro 10 Originals, LLC*, 698 F. Supp. 2d 1279 (D. Wy. 2010) (noting that the actual damages of a prior authorized user, after adjustments, was \$164,229.00 based on the defendants’ profits).

<sup>77</sup> See, e.g., *Freeman v. Nat’l Ass’n of Realtors*, 64 U.S.P.Q.2d 1700 (T.T.A.B. 2002) (noting that the fee to join the National Association of Realtors was \$64 at the time of the opinion).

<sup>78</sup> 15 U.S.C. § 1117.

<sup>79</sup> *Id.*

<sup>80</sup> See, e.g., *Space Chariot*, 250 F. Supp. 3d 596, 608-09 (C.D. Cal. 2017) (determining that Space Chariot’s use of UL’s certification mark was a counterfeit use because it was

in this section, *Space Chariot* and *UL v. American Energy Products*, the plaintiff, UL, sought statutory damages to punish those who infringed the UL certification mark and to deter others from repeating the infringers' bad behavior.

### 1. Statutory Damages Cannot Be a Windfall

The case *UL LLC v. Space Chariot Inc.*, discussed earlier in Section I, provides an excellent example of how U.S. courts analyze the availability and amount of statutory damages. As discussed in more detail above, Space Chariot placed a fake UL certification mark on its hoverboards before UL even released the certification for hoverboards.<sup>81</sup> The court first determined that Space Chariot's use was counterfeit because UL presented "undisputed evidence" that the mark that Space Chariot was using was "identical with, or substantially indistinguishable from" the UL certification mark.<sup>82</sup> The court then agreed with UL's argument that Space Chariot's use was willful because "[defendants] never sought permission to use UL marks and because defendants were repeatedly put on notice that their hoverboards were not UL certified."<sup>83</sup> Specifically, the evidence shows that defendants used the certification mark before the certification for hoverboards was even available.<sup>84</sup>

The court then turned its analysis to the amount of statutory damages to award. Looking at various factors,<sup>85</sup> the court determined that neither party provided complete records as to the profits of the defendant, profits lost by the plaintiff, or the value of the certification mark.<sup>86</sup> In assessing an appropriate amount of damages to award, the court found that while the defendants' conduct was willful, \$2,000,000 would be a "windfall."<sup>87</sup> Thus, the

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"identical with, or substantially indistinguishable from, a registered mark") (quoting 15 U.S.C. § 1127).

<sup>81</sup> See *supra* Section II.B.

<sup>82</sup> *Space Chariot*, 250 F. Supp. 3d at 608 (quoting 15 U.S.C. § 1127).

<sup>83</sup> *Id.* at 613-14.

<sup>84</sup> *Id.* at 613.

<sup>85</sup> *Id.* at 614. The factors considered by courts in determining the appropriate amount of statutory damages to award vary by jurisdiction. For example, the Northern District of California considers:

(1) the expenses saved and the profits reaped by the defendant; (2) the revenues lost by the plaintiff; (3) the value of the copyright; (4) the deterrent effect on others besides the defendant; (5) whether the defendant's conduct was innocent or willful; (6) whether a defendant has cooperated in providing particular records from which to assess the value of the infringing material produced; and (7) the potential for discouraging the defendant.

*Coach, Inc. v. Diva Shoes & Accessories*, No. 10-cv-5151-SC, 2011 WL 1483436, at \*6 (N.D. Cal. Apr. 19, 2011).

<sup>86</sup> *Space Chariot*, 250 F. Supp. 3d at 614.

<sup>87</sup> *Id.* at 615.

court opted to award UL statutory damages in the “more reasonable” amount of \$1,000,000.<sup>88</sup>

Here, the court held that even in the case of a willful infringer, the statutory damages may not be a “windfall” for the certifier. Specifically, the damages must be high enough to deter future infringement, but not so high as to be an unjustifiable monetary bonanza for the plaintiff. Thus, when a certifier is seeking statutory damages, they should ensure that there is a rationale behind the number they provide to give the court guidance and a reason to award such a high amount.

## 2. Statutory Damages as a Multiple of Damages

In another recent case involving UL, *UL LLC v. American Energy Products, LLC*, the court awarded UL \$500,000.00 in statutory damages.<sup>89</sup>

UL, as previously mentioned, tests products and certifies that they meet certain safety standards.<sup>90</sup> There are two steps to UL’s certification: (1) the manufacturer sends a representative sample to UL, and (2) UL inspects the products and manufacturing processes and locations to ensure that they meet certain safety standards.<sup>91</sup>

American Energy Products, LLC (“AEP”) manufactures Sky Blue butane canisters.<sup>92</sup> In 2014, Jude Shao, AEP’s then chief executive officer and an individually named defendant, sought to have AEP’s butane canisters certified by UL.<sup>93</sup> Though the parties entered into a series of agreements under which AEP would follow the steps to obtain UL certification, UL later determined, through undisputed records, that AEP was, in fact, using the UL certification mark before the first inspection in 2014 and long after it received cease-and-desist letters from UL.<sup>94</sup> The parties disagreed over whether the use of the UL certification mark was permissive; however, the parties agreed that AEP sold at least \$634,460, and perhaps more, of its Sky Blue butane canisters bearing the UL certification mark during the relevant period.<sup>95</sup>

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<sup>88</sup> *Id.*

<sup>89</sup> *UL LLC v. Am. Energy Prods., LLC*, 358 F. Supp. 3d 753, 761 (N.D. Ill. 2019).

<sup>90</sup> *Id.* at 754.

<sup>91</sup> *Id.* at 754-55.

<sup>92</sup> *Id.* at 755.

<sup>93</sup> *Id.*

<sup>94</sup> *Id.* at 756-57. At the time of AEP’s fraudulent application of the UL certification mark on its butane canisters, AEP was actively seeking UL certification, and a UL inspector physically saw the canisters bearing the UL certification mark prior to any sort of approval.

<sup>95</sup> *Id.* at 757. AEP argued that an initial product inspection occurred in November 2014, which permitted the use of the UL certification mark. UL argued, on the other hand,

The court ultimately determined that AEP's infringement was willful because AEP used the UL certification mark despite being repeatedly warned that they were not authorized to do so until the final product inspection occurred.<sup>96</sup> Because UL was able to prove willfulness, UL sought statutory damages in the amount of \$1,000,000, or at least \$381,000 of damages, roughly three times the profit the defendant admitted to receiving from the sale of its Sky Blue butane canisters bearing the UL certification mark.<sup>97</sup> The court awarded damages in the amount of \$500,000 because AEP's misuse was willful and because the "goal of deterrence d[id] not warrant a higher damages award" given that AEP already stopped selling the Sky Blue butane products.<sup>98</sup>

Statutory damages are an incredibly helpful weapon for certifiers to leverage as a way to protect their rights in their certification marks, while also having the additional benefit of acting as a deterrent to future infringement. Of particular importance in assessing the sum of statutory damages awarded is the infringer's intent, as illustrated in both UL cases above. When the certifier demonstrates that the infringer was on notice that its actions constituted infringement, the continued unauthorized use of the certification mark constitutes willful infringement, thereby warranting a higher statutory award. These cases show that when willful infringers break the promise that the certifier makes to the public, the certifier can use the remedy of statutory damages to fix the promise that was broken.

Lastly, a notable distinction between the two UL cases above is whether the defendant was in the process of receiving UL certification. AEP was in the process of being certified when it infringed the certification mark and was penalized \$500,000. In contrast, Space Chariot was required to pay a much higher \$1,000,000 in statutory damages because it used the certification mark before UL even released certification standards for hoverboards and repeatedly sold falsely certified hoverboards. Thus, if certifiers choose to seek statutory damages, they should tailor their request to the facts of their case and to the specific supportive evidence available to them. Certifiers should look to the infringer's conduct, whether the infringer was in the process of seeking certification, and whether the infringer had notice of the infringing conduct in order to maximize the total award sought.

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that no initial inspection was ever completed because the canisters were not in production at the time of the initial visit.

<sup>96</sup> *Id.* at 760.

<sup>97</sup> *Id.*

<sup>98</sup> *Id.*

### *C. Attorney Fees*

The last weapon available to certifiers facing unauthorized use of their certification mark is an award of the attorney fees incurred in enforcing their rights. An award of attorney fees is authorized in either “exceptional” cases or in cases where the infringing conduct constitutes counterfeiting. Under 15 U.S.C. § 1117(b), an award of attorney fees is required in the case of counterfeiting, regardless of the exceptionality requirement in other cases.<sup>99</sup> Under 15 U.S.C. § 1117(a), attorney fees are available only in “exceptional” cases. An “exceptional” case is “one that stands out from others with respect to the substantive strength of a party’s litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated.”<sup>100</sup> To make this determination, the court must look to the totality of the circumstances.<sup>101</sup> To determine whether the case is exceptional, the court looks to the totality of the circumstances.<sup>102</sup> Though attorney fees cannot be awarded in conjunction with statutory damages, they can be awarded in conjunction with actual damages.<sup>103</sup> Thus, attorney fees can serve as a deterrent by having an additional monetary penalty beyond the damages actually suffered by the certifier. Though statutory damages will typically be higher in most cases involving certification marks, cases where actual damages are easily discernable, typically involving holdover licenses (i.e., previously authorized users), provide an instance where actual damages plus attorney’s fees can be applicable. Another instance in which attorney’s fees can be applied, as discussed below, includes cases where a previous settlement was reached regarding the infringing conduct, and then breached.<sup>104</sup> Thus, when considering whether to seek attorney’s fees, in cases not involving counterfeit goods, the certifier should also consider the conduct of the infringer and whether it will constitute an extraordinary case under the language of the statute.

Another important consideration when requesting attorney fees is the requirement to provide sufficient evidence to the court so it can properly determine whether the fees requested are

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<sup>99</sup> 15 U.S.C. § 1117(b) (noting that in a case involving a counterfeit mark “the court shall . . . enter judgment for three times such profits or damages, whichever amount is greater, together with a reasonable attorney’s fee.”).

<sup>100</sup> *Octane Fitness, LLC v. Icon Health & Fitness, Inc.*, 572 U.S. 545, 572 (2014).

<sup>101</sup> *Id.*

<sup>102</sup> *Id.* at 554 (noting that an “exceptional” case “is simply one that stands out from others with respect to the substantive strength of a party’s litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated.”).

<sup>103</sup> *Am. Registry of Radiologic Technologists v. Cox*, No. 18-cv-09915, 2019 WL 8198235 (C.D. Cal. June 3, 2019).

<sup>104</sup> *Id.* at \*5.

reasonable.<sup>105</sup> This could include invoices or billing records.<sup>106</sup> However, simply providing the attorney names and how many hours they worked on the case is insufficient.<sup>107</sup> The court must have something more to make the determination that the remedy is reasonable.

A notable example where a certifier received an award of attorney fees is *American Registry of Radiologic Technologists v. Cox*.<sup>108</sup> The American Registry of Radiologic Technologists' ("ARRT") is a national registry of radiologic technologists, and the "only organization in the United States that certifies individuals qualified in radiography."<sup>109</sup> Cox was originally certified by ARRT and permitted to use some, but not all, of the ARRT designations and certification marks; nevertheless, he falsely represented he was certified in all ARRT specifications.<sup>110</sup> As a result, ARRT revoked Cox's ARRT certification for one year.<sup>111</sup> During that one-year suspension, Cox misrepresented to an employer that he was currently ARRT-certified.<sup>112</sup>

After this misrepresentation, ARRT sued Cox for trademark infringement and unfair competition, and that case ultimately settled.<sup>113</sup> Under the settlement agreement, Cox acknowledged the false representation and agreed to refrain from misrepresenting his credentials and, in exchange, ARRT agreed to release Cox from the suit.<sup>114</sup> Despite this agreement, Cox once again misrepresented the certifications he had with ARRT, and the present suit followed.<sup>115</sup> ARRT then moved for default judgment after Cox did not respond to the litigation.<sup>116</sup>

Among other remedies, ARRT sought attorney fees and costs, on the basis that the case was "exceptional."<sup>117</sup> To determine whether it was "exceptional," the court looked to the totality of the circumstances.<sup>118</sup> The court found that Cox's "conduct, particularly in light of the Settlement Agreement, was willful and therefore

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<sup>105</sup> *Id.*

<sup>106</sup> *Id.*

<sup>107</sup> *Id.*

<sup>108</sup> *Id.*

<sup>109</sup> *Id.* at \*1.

<sup>110</sup> *Id.*

<sup>111</sup> *Id.*

<sup>112</sup> *Id.* at \*2.

<sup>113</sup> *Id.*

<sup>114</sup> *Id.*

<sup>115</sup> *Id.*

<sup>116</sup> *Id.*

<sup>117</sup> *Id.* at \*4.

<sup>118</sup> *Am. Registry of Radiologic Technologists*, No. 18-cv-09915, 2019 WL 8198235, at \*5 (C.D. Cal. June 3, 2019).

sufficiently exceptional to justify an award of attorney fees.”<sup>119</sup> ARRT sought a total of \$14,215 in attorney fees.<sup>120</sup> In its request, ARRT provided the hours worked by five attorneys, but did not provide any other supporting evidence, such as an invoice or billing record.<sup>121</sup> As such, the court required ARRT to submit additional documentation or it would otherwise only receive an award of \$1,200 in attorney fees.<sup>122</sup> In response, ARRT’s attorneys submitted an affidavit that included invoices detailing the work conducted, the hours spent on each task, and which attorney performed what task.<sup>123</sup> Based on the addition of ARRT’s affidavit to the record, the court determined that the originally requested amount of \$14,215 in attorney fees was appropriate and held that Cox must pay the full amount.<sup>124</sup>

As illustrated in *ARRT*, to best utilize the remedy of attorney fees, it is important for certifiers to provide sufficient evidence to show that the case is “exceptional.” This can include evidence that the defendant’s conduct is willful, such as an intentional breach of a settlement agreement. Then, once it is determined that the case is exceptional, the certifier should submit detailed evidence demonstrating that the amount of the attorney fees requested is reasonable, such as invoices and/or billing records that demonstrate how the certifier arrived at the fee requested.

## V. CONCLUSIONS

Certifiers should use all the weapons in their arsenal to protect their certification mark. The certifier is responsible for stopping the infringing uses, removing those uses from the market, and preventing unlawful use of the certification mark in the future. As such, the remedies discussed in this article are incredibly important, since they enable the certifiers to keep the promise made by their certification marks and thereby protect the consuming public from potentially unsafe or poor-quality products that are masquerading as bona fide certified products.

Seizure of goods that bear a counterfeit certification can be enforced by the government or the owner of the certification

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<sup>119</sup> *Id.*

<sup>120</sup> *Id.*

<sup>121</sup> *Id.*

<sup>122</sup> *Id.*

<sup>123</sup> Declaration of Lynnnda A. McGlinn in Support of Plaintiff’s Motion for Default Judgment, *Am. Registry of Radiologic Technologists v. Cox*, No. 2:18-cv-09915, ECF No. 19 (C.D. Cal. June 5, 2019).

<sup>124</sup> Report on the Determination of an Action, *Am. Registry of Radiologic Technologists v. Cox*, No. 2:18-cv-09915, ECF No. 21 (C.D. Cal. July 31, 2019).

mark.<sup>125</sup> The government's ability to seize goods with counterfeit certification marks helps control the importation of infringing products and prevent these products from entering the market. CBP seizure is also a cost-effective way for the certifier to protect its mark without costly litigation. On the other hand, the owner of a certification mark can, on its own, file an application for an ex parte seizure order to stop an infringer once the goods are already in the country; however, as shown in the *Space Chariot* case, the certifier should ensure that they meet the more stringent requirements for ex parte seizures, such as knowing where the goods are located and providing evidence that the infringer will destroy the counterfeit goods unless they are seized. These seizures are effective weapons especially in the cases of counterfeit goods. Additionally, the certifier should anticipate using these methods at the beginning of a possible litigation. CBP seizures can give the certifier notice of a new infringer, while an ex parte seizure can be used by the certifier and serves as a first shot in infringement litigation.

Injunctive relief is similar to the ex parte seizure in that both provide a way for the certifier to stop an infringing use that is ongoing in the United States. Preliminary injunctions are used at the outset of litigation to halt an infringing use pending the outcome of a full trial. When seeking a preliminary injunction, the certifier must do so early in the litigation to avoid the possibility that the court will deny the injunctive relief as being sought too late.<sup>126</sup> A permanent injunction is issued as part of a final judgment to ensure that the infringer will not resume its unauthorized use of the certification mark, as illustrated in the *NEBO* case discussed above. Injunctive relief is critical in maintaining the promise that the certification mark makes to the public, namely, guaranteeing the public's expectations that products bearing the mark actually meet the standards claimed on packaging, advertising, and labelling.

Monetary damages are also an important form of relief for certifiers. Actual damages, while not always practical in certification mark cases, can be effectively used in situations where willful infringement allows them to be combined with attorney fees. Alternatively, statutory damages are an important deterrent where actual damages cannot be proven, and can be especially useful when the infringement is found to be willful, as the damages can be

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<sup>125</sup> Note that the case of *Board-Tech Electronics Co., Ltd. v. Eaton Elec. Holdings LLC*, No. 17-cv-5028 (KBF), 2017 WL 4990659 (S.D.N.Y. Oct. 31, 2017), *aff'd*, 737 Fed. App'x 556 (2d Cir. 2018) demonstrated that other third parties who receive the benefit of the certification mark cannot sue an alleged infringer. The court held that it was up to the certifier to police the certification mark, not other parties.

<sup>126</sup> *Tough Traveler, Ltd. v. Outbound Prods.*, 60 F.3d 964 (2d Cir. 1995) (holding that a delay in bringing the action and seeking a preliminary injunction negated the presumption of irreparable harm from likelihood of confusion).



awarded up to \$2,000,000 per infringing use of the mark.<sup>127</sup> Given that the very purpose of a certification mark is to promise that the product meets standards of safety, quality, geographic location, or an ecological promise, courts are often willing to impose high statutory damages awards when a counterfeit certification mark is employed to intentionally deceive consumers.<sup>128</sup> Seeking statutory damages is a powerful way for a certifier to protect its marks and certification standards.

Finally, attorney fees awards, while not guaranteed, can be a powerful weapon in certification mark cases. The “exceptional” case standard sets a high bar, but it can be met where a defendant’s conduct is particularly egregious as demonstrated in *ARRT* where the defendant in that case breached a prior settlement agreement with the certifier and made several misrepresentations. *ARRT* also provides helpful guidance on how to recover attorneys’ fees by providing the court with detailed, substantiated evidence to show that the fees requested are warranted. Although attorney’s fees cannot be pursued independently, they may be awarded in conjunction with actual damages to help make the certifier whole.

Overall, the remedies available in certification mark cases play a significant role in enabling certifiers to effectively protect their marks. These remedies truly are an arsenal and can be pursued either individually or in combination, depending on the specific objectives of the certification mark owner. Thus, when enforcing against infringement of one’s certification mark, the certifier should carefully consider what it hopes to achieve through litigation. Different remedies may be better suited to address particular forms of infringement. By tailoring their approach to the unique facts of each case and drawing on the guidance provided in this article and the cases discussed, certifiers can help maximize the impact of their enforcement actions and safeguard the integrity of their certification marks.

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<sup>127</sup> 15 U.S.C. § 1117(c)(2).

<sup>128</sup> See *Space Chariot*, 250 F. Supp. 3d at 613 (noting that Space Chariot was purporting it was “safety certified” by UL and that it had met certain safety requirements).