

The Trademark Reporter®



The Law Journal of the International Trademark Association

Inconsistency and Confusion in the Judicial Treatment of Counterfeiting Claims
Jessica Bromall Sparkman and Rod S. Berman

Public Policy and Morality in Trademark Examination in the European Union
Yann Basire and Stefan Martin

*Book Review: Brand Protection and the Global Risk of Product Counterfeits:
A Total Business Solution Approach.* Jeremy W. Wilson, ed.
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The TMR (ISSN 0041-056X) is published electronically six times a year by INTA, 675 Third Avenue, New York, NY 10017-5704 USA. INTA, the INTA logo, INTERNATIONAL TRADEMARK ASSOCIATION, THE TRADEMARK REPORTER, and inta.org are trademarks, service marks, and/or registered trademarks of the International Trademark Association in the United States and certain other jurisdictions.

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INCONSISTENCY AND CONFUSION IN THE JUDICIAL TREATMENT OF COUNTERFEITING CLAIMS

By Jessica Bromall Sparkman and Rod S. Berman** ****

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*** The authors would like to thank Celine Ohanian for her research assistance and Susan J. Allison, Celia P. Duffy, and George C. Bromall, II, for their valuable feedback and insights.

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I. INTRODUCTION

Recovering meaningful monetary awards in Lanham Act cases is notoriously difficult, even where a likelihood of confusion is proven. Prior to 1984, it made little difference whether an accused mark was a “counterfeit” or merely some other “colorable imitation” of the infringed mark; the analysis of the claim of infringement, and the available (limited) remedies, were the same. In 1984, Congress enacted the Trademark Counterfeiting Act of 1984¹ (the “TCA”). It revised the Lanham Act to create special remedies for counterfeiting, among other things, imposing virtually mandatory awards of treble damages or profits and attorney’s fees in cases of infringement “involving” the intentional and knowing use of a “counterfeit mark.”² In 1996, Congress further revised the Lanham Act and provided for statutory damages in any case of infringement “involving” the use of a counterfeit mark.³ Now, successful litigants in any case of infringement involving the use of a counterfeit mark can recover statutory damages of up to \$200,000 and can recover enhanced statutory damages of up to \$2,000,000 upon a showing that the use of the counterfeit mark was willful.⁴ As a result of these amendments, a trademark owner’s prospects for obtaining monetary recovery would improve significantly if it could meet the statutory requirements for accessing these special remedies. So too would a trademark owner’s prospects for obtaining a favorable settlement.

But while the statutory language defining the requirements for accessing these remedies appears straightforward, the case law is confusing. The Lanham Act defines a “counterfeit” as “a spurious mark which is identical with, or substantially indistinguishable from, a registered mark.”⁵ It defines a “counterfeit mark” as a “counterfeit of a mark that is registered on the principal register . . . for such goods or services sold, offered for sale, or distributed [by the alleged infringer], and that is in use [by the trademark owner]”⁶

¹ Pub. L. 98-473, title II, ch. XV (Sec. 1501 et seq.), 98 Stat. 2178.

² *Id.*, classified at 15 U.S.C. §§ 1116(d), 1117(b) (Supp. IV 1982).

³ Anticounterfeiting Consumer Protection Act of 1996, Pub. L. 104-153, § 7, 110 Stat. 1388, classified at 15 U.S.C. § 1117(c) (Supp. 1997).

⁴ Prioritizing Resources and Organization for Intellectual Property Act of 2008, Pub. L. 110-403, 122 Stat. 4259 (increasing statutory damage amounts from \$100,000 and \$1,000,000 to current amounts).

⁵ 15 U.S.C. § 1127 (2018).

⁶ 15 U.S.C. §§ 1116(d)(1)(B)(i), 1117(b), (c).

We also note that 15 U.S.C. § 1116(d)(1)(B) also includes within the definition of “counterfeit mark” “a spurious designation that is identical with, or substantially indistinguishable from, a designation as to which the remedies of this chapter are made available by reason of section 220506 of Title 36.” *Id.* Section 220506 of Title 36 of the U.S. Code provides the United States Olympic and Paralympic Committee the exclusive right to use certain words, names, and symbols relating to the Olympic Games. Indeed,

The special remedies for counterfeiting are available in cases “involving the use of a counterfeit mark.”⁷

There is no U.S. Supreme Court authority and little appellate authority interpreting the meaning of this statutory language or analyzing when the special remedies for counterfeiting are available.⁸ District courts have taken various and inconsistent approaches, differing on numerous points, including the following questions. What should be compared in the analysis—the registered mark as it appears in the registration or the registered mark as it is used in the marketplace? Should (or must) the answer to that question differ depending on whether the registered mark is a standard character mark, a design mark, or a registered product design? Should (or must) the analysis be limited to the parties’ marks, or should it also consider the appearance of the parties’ respective products? Must the products themselves be identical for counterfeiting to have occurred?⁹

Despite the important role that claims of “counterfeiting” play in trademark enforcement, nearly forty years after passage of the TCA, no clear test has emerged for determining when the special remedies for counterfeiting are available. Courts—and, as a result,

many of the relevant portions of the Lanham Act reference this section. For brevity and ease of reading, and because none of the relevant case law involves designations protected under this section, we have omitted such references.

- ⁷ See 15 U.S.C. § 1117(b) & (c). The mandatory trebling of damages and award of attorney fees is available in cases “involving use of a counterfeit mark” where the infringer intentionally used a mark knowing it was a counterfeit mark. The provision allowing for statutory damages does not require that the use be “intentional” or “knowing,” but does provide for enhanced awards of statutory damages where the use of the counterfeit mark was “willful.” *Id.*
- ⁸ *E.g.*, *Arcona, Inc. v. Pharmacy Beauty, LLC*, 976 F.3d 1074, 1079 (9th Cir. 2020), *cert. denied*, 141 S. Ct. 2800, 210 L. Ed. 2d 931 (2021) (recognizing that case law on claims involving counterfeit marks is thin); *Lontex Corp. v. Nike, Inc.*, 384 F. Supp. 3d 546, 555 (E.D. Pa. 2019) (“Neither party cites, nor is this Court aware of, any precedential judicial authority articulating the standard to determine whether a mark is a ‘counterfeit’ in violation of the Lanham Act.”); *GMA Accessories, Inc. v. BOP, LLC*, 765 F. Supp. 2d 457, 471 (S.D.N.Y. 2011), *aff’d sub nom. GMA Accessories, Inc. v. Elec. Wonderland, Inc.*, 558 F. App’x 116 (2d Cir. 2014) (recognizing that “there is a dearth of case law” exploring exactly what constitutes substantially indistinguishable.”).
- ⁹ While the TCA was pending in Congress, the topic of “counterfeiting” and the proposed legislation were the subjects of commentary in the trademark field. Before the legislation passed, one author had already noted areas of uncertainty, including the degree of similarity required to find “counterfeiting” and the degree of similarity required in the goods. See Guy M. Blynn, *The Proposed Trademark Counterfeiting Act of 1983: Not So Fast, Mister*, 73 TMR 547, 547-48 (1983). For example, in the case of a registered word mark, “is it enough that the ‘counterfeiter’ use the same word mark, or need the typestyle, design elements and coloration be taken as well?” *Id.* And, noting that goods can be described with “a broad range of specificity,” what does it mean for goods to be the “same”? *Id.* Must they be identical in appearance? Or is it enough that they perform the same function? Or simply that they be of the same types, e.g., both goods are women’s blouses? *Id.* These questions remain outstanding.

practitioners and litigants—are divided and confused as to what constitutes “counterfeiting.”

Consider the packaging below:¹⁰



Party A's Product



Party B's Product

Party A owns a standard character registration for the word mark STOMP ROCKET for “toys, namely, flying winged tubes and structural parts therefor.”¹¹ Party B is using the identical words—STOMP ROCKET—on its packaging for the same type of product (namely, a toy consisting of a flying winged tube).¹² Party B is using a mark that is identical to Party A’s registered mark, for the goods that appear in Party A’s registration, and for which Party A is using its registered mark. Party B’s conduct appears to satisfy all the statutory requirements for “counterfeiting”; but a court found otherwise.¹³

In the case involving the above products, the court entered summary judgment of infringement, finding that the parties’ marks were “identical” and that their packaging was “strikingly similar.”¹⁴ Yet, the court denied summary judgment on the issue of counterfeiting, finding that a “reasonable factfinder could find that the marks, color patterns, and designs” on the parties’ respective packaging were “not identical or indistinguishable for purposes of

¹⁰ See *JFJ Toys, Inc. v. Sears Holdings Corp.*, 237 F. Supp. 3d 311, 320 (D. Md. 2017).

¹¹ *Id.* at 319-20.

¹² *Id.*

¹³ *Id.* at 340-41 (While acknowledging that the parties’ marks were “identical,” the district court nonetheless declined to find defendant’s mark a counterfeit mark at the summary judgment stage).

¹⁴ *Id.* at 336.

proving” counterfeiting.¹⁵ Other courts have reached similar conclusions, evaluating not only the similarity of the parties’ marks, but also the similarity in the appearance of the parties’ products and/or their packaging.¹⁶

This article reviews the special remedies for counterfeiting added to the Lanham Act in 1984 and 1996 and the current state of the case law relating to the availability of these remedies. A review of the existing case law indicates that a number of district courts are imposing requirements for accessing the special remedies for counterfeiting that, we argue, go beyond those clearly stated in the statute, for example, that the Lanham Act’s remedies for counterfeiting are available only in cases involving “stitch-for-stitch” copies of a trademark owner’s products.¹⁷ In our view, interpreting the Lanham Act to include these additional requirements results in a narrower universe of “counterfeiting” cases than is dictated by the statute and, in turn, impermissibly limits the remedies available to trademark owners.

A similar phenomenon in statutory interpretation occurred regarding the question of when a defendant’s profits could be recovered as a remedy for trademark infringement. Circuits were split, with some holding that the Lanham Act permitted the recovery of a defendant’s profits only in cases of willful infringement. This interpretation also limited the remedies available to trademark owners. In a recent decision, the Supreme Court resolved this circuit split, rejecting an interpretation of the Lanham Act that required willfulness as a pre-requisite to the recovery of profits in Lanham Act cases and finding that the language of the Lanham Act provided no support for such a requirement.¹⁸

In this article, we begin by providing some background regarding the meaning of “counterfeiting,” including the relevant statutory language and characterizations applied by different courts. We then discuss the well-established analysis used in evaluating trademark infringement, as well as the nature of different types of trademark registrations. Based on that foundation, we evaluate various “counterfeiting” cases and consider the extent to which they are consistent with the statutory language.

We argue that the language of the Lanham Act does not support the imposition of additional requirements for accessing special remedies for counterfeiting, such as those additional requirements

¹⁵ *Id.* at 340-41.

¹⁶ *See, e.g.*, Sections IV.C.2.b and c, *infra*, and cases cited therein.

¹⁷ *E.g.*, *Gucci Am., Inc. v. Guess?, Inc.*, 868 F. Supp. 2d 207, 253 (S.D.N.Y. 2012).

¹⁸ *Romag Fasteners, Inc. v. Fossil, Inc.*, 140 S. Ct. 1492, 1494, 206 L. Ed. 2d 672 (2020) (the language of the Lanham Act “has *never* required a showing of willfulness to win a defendant’s profits.”).

reflected in the current case law, and that courts should be guided by the Supreme Court's recent decision in *Romag Fasteners* and should decline to impose such requirements. In particular, we argue that the statutory language does not support a requirement that the parties' products or their packaging be identical in appearance, only that the infringing mark be identical or indistinguishable from a registered mark and that the infringing mark must be used for goods or services that appear in the registration. We argue that in analyzing claims of counterfeiting, a court should first determine whether infringement has occurred; if it has, the court should then determine whether the infringing mark is a "counterfeit mark" by comparing the infringing mark to the mark depicted in the registration and evaluating whether the infringing mark is being used for goods or services that appear in the registration.¹⁹ We argue that, while a court should be permitted to review evidence of the manner in which the registered mark is used, in cases where the registered mark is not registered product design or product packaging trade dress, courts should limit their analysis to a consideration of the parties' marks, rather than the appearance of the parties' respective goods or their packaging. And, finally, we argue that where the registered mark is a standard character mark, the court should not require that the alleged counterfeit mark share the same font, color, or style, or other design elements utilized by the registrant in the marketplace.

II. WHAT IS "COUNTERFEITING"?

One fundamental issue in analyzing the Lanham Act's special remedies for counterfeiting is terminology.²⁰ The Lanham Act defines both "counterfeit" and "counterfeit mark," but it does not define "counterfeiting" or "counterfeit goods."²¹ Yet courts and

¹⁹ See Section IV.C, *infra*.

²⁰ Even before passage of the TCA, commentators in the field noted "uncertainty as to definitional matters," including the distinction between counterfeit *marks* and counterfeit *goods*. See Guy M. Blynn, *The Proposed Trademark Counterfeiting Act of 1983: Not So Fast, Mister*, 73 TMR 547, 547-48 (1983).

²¹ Query whether "counterfeiting" is a separate cause of action or merely a finding required to access specific categories of damages. See, e.g., *Lontex Corp. v. Nike, Inc.*, 384 F. Supp. 3d 546, 553 (E.D. Pa. 2019) (stating it is "not aware of any precedential judicial authority addressing whether counterfeiting is a separate claim from trademark infringement"). In the authors' view, the language and organization of the statute—which provides that in proven cases of infringement that involve the use of counterfeit marks certain additional remedies are available—suggests that it is the latter. See 15 U.S.C. §§ 1114(1)(a), 1116(d), 1117(b), (c), 1127. Moreover, as discussed below, courts have a propensity to state that knowledge, intent, or willfulness are elements of a "counterfeiting claim." Pleading "counterfeiting" as a finding required to access specific categories of damages rather than a separate claim may guide courts away from doing so.

commentators often use these terms; there is also a tendency to use the term “counterfeit” to refer to a product—sometimes an infringing product, sometimes a product bearing a counterfeit mark, and sometimes a knockoff or copy.²² And, “counterfeit” is a common word with numerous definitions—fake, knockoff, copy, forgery, and so on. But, in the context of the Lanham Act, these other definitions must be set aside in favor of the definitions provided by the act.²³

Nonetheless, several cases purport to state the elements of a claim for “counterfeiting.” Many such cases identify the elements for such a claim as those required for recovery of treble damages and attorney fees under 15 U.S.C. § 1117(b), without acknowledging that different (and less stringent) requirements are imposed by 1117(c). Specifically, 15 U.S.C. § 1117(b) remedies are available only if it is shown that the defendant (1) intentionally uses a counterfeit mark, (2) knowing such mark to be counterfeit, (3) in connection with the sale, offering for sale, or distribution of goods or services.” However, 15 U.S.C. § 1117(c) provides for awards of statutory damages in *any* case “involving the use of a counterfeit mark . . . in connection with the sale, offering for sale, of distribution of goods or services.” 15 U.S.C. § 1117(c). The statute imposes no requirement that the use of the counterfeit mark be either willful or intentional to access the statutory damages provided for in 1117(c) but does allow for enhanced statutory damages in cases where the use of the counterfeit mark is proven to be “willful.” *Id.* Confusingly, in stating the elements of a “claim” for counterfeiting, many courts include willfulness or intent as an element of such a claim, without regard to the statutory section under which the plaintiff seeks relief. *See, e.g.,* State of Idaho Potato Comm’n v. G & T Terminal Packaging, Inc., 425 F.3d 708, 721 (9th Cir. 2005); Louis Vuitton Malletier & Oakley, Inc. v. Veit, 211 F. Supp. 2d 567, 580 (E.D. Pa. 2002), *amended* (June 28, 2002); Too, Inc. v. TJX Cos., Inc., 229 F. Supp. 2d 825, 837 (S.D. Ohio 2002); Cohen & Co., Ltd. v. Cohen & Co. Inc., No. CV 21-04442, 2022 WL 5250271, at *2 (E.D. Pa. Oct. 6, 2022); Playboy Enters., Inc. v. Universal Tel-A-Talk, Inc., No. CIV. A. 96-6961, 1998 WL 767440, at *7 (E.D. Pa. Nov. 3, 1998); JFJ Toys, Inc. v. Sears Holdings Corp., 237 F. Supp. 3d 311, 340 (D. Md. 2017).

²² *See, e.g.,* Polo Fashions, Inc. v. Craftex, Inc., 816 F.2d 145, 148 (4th Cir. 1987) (referring to the defendant’s products as “counterfeit goods” although the case did not involve an allegation of counterfeiting); Gucci Am., Inc. v. Duty Free Apparel, Ltd., 286 F. Supp. 2d 284, 287 (S.D.N.Y. 2003) (“Thus, the Court need only determine the more fundamental question of whether there are items to be confused in the first place—that is, whether the items at issue here are, in fact, counterfeit and whether Defendants sold those items.”); Gucci Am., Inc. v. Guess?, Inc., 868 F. Supp. 2d 207, 253 (S.D.N.Y. 2012) (“courts have uniformly restricted trademark counterfeiting claims to those situations where entire products have been copied stitch-for-stitch”); Chloe SAS v. Sawabeh Info. Servs. Co., No. CV 11-04147 GAF MANX, 2014 WL 4402218, at *4 (C.D. Cal. Sept. 5, 2014) (“Plaintiffs indicate that some offers to sell counterfeit goods, infringing 28 of the 75 alleged marks, were initially made prior to May 2008.”); Ent. One UK Ltd. v. 2012Shiliang, 384 F. Supp. 3d 941, 949 (N.D. Ill. 2019) (“[A] court presumes likelihood of confusion when a defendant has produced counterfeit goods in an attempt to capitalize on the popularity of another’s product.”).

²³ Other jurisdictions have also established their own statutory definitions for “counterfeit,” which differ both from the definition in the Lanham Act and from the common meaning of the term. It recently made headlines in the United States when Belgium customs officials destroyed more than 2,300 cans of Miller High Life beer that bore the beer’s tagline “The Champagne of Beers,” finding them to be counterfeit CHAMPAGNE sparkling wine. The event made headlines in the United States. *See* Emma Bubula, *Miller High Life Crushed by Fist of Champagne Police*, N.Y. Times, Apr. 24, 2023, <https://www.nytimes.com/2023/04/24/world/europe/belgium-miller-high-life-champagne.html>; Teresa Nowakowski, *European Officials Trash Thousands of Brews in Dispute Over “Champagne of Beers” Slogan*, Smithsonian Mag., Apr. 27, 2023,

Imprecise use of this terminology may account for some of the confusion in the existing case law. For clarity, for purposes of this article, we use the term “counterfeiting” to refer to the use of a counterfeit mark in a course of infringing conduct.

The Congressional sponsors of the TCA were sensitive to this issue of terminology. The sponsors submitted a Joint Statement on Trademark Counterfeiting Legislation to the Senate Judiciary Committee (the “Joint Statement”) for the purpose of confirming their “understanding . . . about the legislative history of” the TCA.²⁴ In the Joint Statement, the sponsors of the TCA noted that the “Senate bill was drafted to prohibit ‘trafficking in counterfeit goods or services,’ while the House bill barred ‘use of a counterfeit mark’ in connection with goods or services.”²⁵ The sponsors of the TCA noted that “the conduct regulated by the Lanham Act relates to ‘marks’ rather than ‘goods or services’” and stated that they “feared that it might create confusion to adopt the terminology of ‘counterfeit goods or service’ [as opposed to counterfeit marks] in a piecemeal fashion.”²⁶ The reconciled bill adopted the House’s language, referring to counterfeit *marks*, instead of the Senate’s language referring to counterfeit goods or services.²⁷

Clearly not every case of trademark infringement is “counterfeiting”; somewhere there is a line delineating ordinary infringement from infringement that warrants special remedies. Finding that line is another fundamental issue with which courts struggle. The Congressional sponsors of the TCA stated their understanding that the TCA was “intended to reach only the most egregious forms of trademark infringement.”²⁸ Perhaps taking a cue from this language, *McCarthy on Trademarks and Unfair Competition* (“*McCarthy*”), the leading treatise on trademark law, states that “counterfeiting is ‘hard core’ or ‘first degree’ trademark infringement and is the most blatant and egregious form of ‘passing

<https://www.smithsonianmag.com/smart-news/miller-high-life-champagne-of-beers-slogan-180982066/>.

CHAMPAGNE is a registered protected designation of origin in the European Union. Customs officials considered the Miller beer to be “counterfeit” CHAMPAGNE sparkling wine due to the presence of the tagline. *Id.* Miller beer bearing the tagline would not meet the Lanham Act’s definition of “counterfeit,” and it probably would not meet the commonly understood meaning of “counterfeit” either.

²⁴ 130 Cong. Rec. 31673, 31680 (1984).

²⁵ *Id.* This discussion appears in connection with discussion of the portion of the TCA that established 18 U.S.C. § 2320, providing for criminal liability for use of counterfeit mark but is equally applicable to the other portions of the TCA wherein Congress opted to refer to “counterfeit marks” instead of “counterfeit goods.”

²⁶ *Id.*

²⁷ *Id.*

²⁸ *E.g., id.* at 31676.

off.’”²⁹ But *McCarthy* cites neither the statute nor legislative history nor decisional authority in support of this characterization; instead, it relies on articles commenting on early drafts of what eventually became the TCA.³⁰ Given the dearth of decisional authority, and given *McCarthy*’s stature in the area of trademarks, it is not surprising that numerous courts have quoted *McCarthy* on this point, often for purposes of underscoring the severity of “counterfeiting.”³¹

In one such decision, *Gucci Am., Inc. v. Guess?, Inc.* (“*Gucci*”), the court, citing only *McCarthy*, stated that counterfeiting “is an aggravated form of trademark infringement ‘that seeks to trick the consumer into believing he or she is getting the genuine article . . .’”³² The *Gucci* court went on to state, citing no authority at all, that “courts have uniformly restricted trademark counterfeiting claims to those situations where entire products have been copied stitch-for-stitch.”³³ Subsequently, at least two *McCarthy* sections on counterfeiting were revised to incorporate quotations from the *Gucci* court’s decision.³⁴

This circular citation is problematic. It suggests that this approach to counterfeiting cases is well established, either in the statute or in the case law, which is not the case. Nonetheless, this characterization of counterfeiting, and both *McCarthy* and the *Gucci* decision, are widely cited.³⁵ Few decisions, however, note their lack

²⁹ J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 25:10 (5th ed. 2022) [hereinafter *McCarthy*].

³⁰ *Id.* (citing “analysis and background in Rakoff & Wolff, *Commercial Counterfeiting and the Proposed Trademark Counterfeiting Act*, 20 Am. Crim. L. Rev. 145 (1982) and in articles in counterfeiting symposium in 73 Trademark Rep. 459–60 (1983).”).

³¹ *See, e.g., Gucci Am., Inc.*, 868 F. Supp. 2d at 242 (quoting McCarthy, *supra* note 29, § 25:10). *See also, e.g., Adams v. Grand Slam Club/Ovis*, No. 12-CV-2938-WJM-BNB, 2013 WL 1444335, at *6 (D. Colo. Apr. 9, 2013); *Brainstorm Interactive, Inc. v. Sch. Specialty, Inc.*, No. 14-CV-50-WMC, 2014 WL 6893881, at *16 (W.D. Wis. Dec. 5, 2014); *OTR Wheel Eng’g, Inc. v. W. Worldwide Servs., Inc.*, No. CV-14-085-LRS, 2015 WL 12911326, at *3 (E.D. Wash. Nov. 30, 2015); *UL LLC v. Space Chariot Inc.*, 250 F. Supp. 3d 596, 607-08 (C.D. Cal. 2017).

³² *Gucci Am., Inc.*, 868 F. Supp. 2d at 242 (quoting McCarthy, *supra* note 29, § 25:10).

³³ *Id.* And of course, this statement is not accurate; courts have found counterfeiting in cases involving something other than a “stitch-for-stitch” copy of a competitor’s product. *See, e.g., Ent. One UK Ltd.*, 384 F. Supp. 3d at 949 (use of PEPPA PIG in product name and listing was counterfeit of plaintiff’s registered PEPPA PIG word mark); *Chloe SAS*, No. CV 11-04147 GAF MANX, 2014 WL 4402218, at *7 (using registered word mark in title of sale listing constitutes “counterfeiting”; no discussion of font, style, etc.); *see also* note 84, *infra*, and cases cited therein.

³⁴ *See McCarthy*, *supra* note 29, §§ 25:10, 25:15:50 (quoting *Gucci Am., Inc.*, 868 F. Supp. 2d at 242).

³⁵ *E.g., Arcona, Inc. v. Farmacy Beauty, LLC*, No. 217CV07058ODWJPR, 2019 WL 1260625, at *2 (C.D. Cal. Mar. 19, 2019), *aff’d*, 976 F.3d 1074 (9th Cir. 2020); *Adams*, No. 12-CV-2938-WJM-BNB, 2013 WL 1444335, at *6 (dismissing allegations of “counterfeiting,” where the plaintiff alleged that the accused mark consisted of the identical word as the registered mark, characterizing the allegations that the marks

of citation of either statutory language or decisional authority.³⁶ Indeed, *McCarthy* itself does not note the *Gucci* court's failure to cite any authority in support of its restrictive view.³⁷

The Lanham Act defines infringement as use of a mark that is “likely to cause confusion, to cause mistake, or to deceive.”³⁸ A body of case law exists interpreting this language and defining what it means for a likelihood of confusion to exist. The Lanham Act allows recovery of attorney fees only in “exceptional cases.”³⁹ A body of case law exists interpreting this language and defining what it means for a case to be “exceptional.” Congress could have said that the special remedies for counterfeiting are available in “egregious cases.” And, if it had, it would be entirely appropriate for courts to interpret that language and define what it means for a case of infringement to be “egregious.” But that is not what the statute says.

Instead, Congress provided more precise criteria. First, a “counterfeit mark” is a mark that is (1) identical with or substantially indistinguishable from a registered mark that is in use and (2) used in connection with the same goods or services that

were identical as “conclusory” and noting that the plaintiff failed to plausibly plead that the two marks were “stitch-for-stich copies”); *Illinois Tool Works Inc. v. J-B Weld Co., LLC*, 469 F. Supp. 3d 4, 11 (D. Conn. 2020); *Bragg Live Food Prod., LLC v. Nat'l Fruit Prod. Co. et al.*, No. 2:22-CV-00584-SB-SK, 2022 WL 3574423, at *3 (C.D. Cal. July 22, 2022); *Y.Y.G.M. SA v. Redbubble, Inc.*, No. 219-CV-04618 RGK JPR, 2021 WL 4816618, at *2 (C.D. Cal. July 27, 2021) (granting judgment as a matter of law of no counterfeiting, following jury verdict of counterfeiting, because the defendant's products were not “stitch-for-stitch” copies; decision currently on appeal to the Ninth Circuit); *JFJ Toys, Inc. v. Sears Holdings Corp.*, 237 F. Supp. 3d 311, 340-41 (D. Md. 2017); *Cohen & Co., Ltd. v. Cohen & Co. Inc.*, No. CV 21-04442, 2022 WL 5250271, at *2 (E.D. Pa. Oct. 6, 2022).

³⁶ *Atari Interactive, Inc. v. Teespring, Inc.*, No. 19-CV-00111-JST, 2022 WL 1601420, at *2 (N.D. Cal. Mar. 9, 2022) (“[T]he *Gucci* court did not cite any authority to support that conclusion, nor has Teespring pointed to any. In addition, the previous paragraph in the *Gucci* court's decision focused on identity of the mark, not the product.”); *Louis Vuitton Malletier S.A. v. Sunny Merch. Corp.*, 97 F. Supp. 3d 485, 499 (S.D.N.Y. 2015) (“[E]ven assuming that the *Guess?* Court intended to hold that entire products must be counterfeit (which is far from clear), the Court provided no citation for that proposition, which runs counter to the plain text of the Lanham Act.”).

³⁷ *See McCarthy*, *supra* note 29, § 25:15:50 (quoting *Gucci Am., Inc.*, 868 F. Supp. 2d at 242). *McCarthy* also reiterates other district court holdings regarding counterfeit marks. For example, *McCarthy* states “[i]f an accused use is found to be a ‘counterfeit,’ . . . it automatically satisfies the confusing similarity test of traditional infringement analysis. If the accused use is so closely similar as to be counterfeit, then the traditional likelihood of confusion analysis is not necessary.” *See McCarthy*, *supra* note 29, § 25:15:50. While numerous district courts have stated the likelihood of confusion may be presumed if a counterfeit mark is used, there does not appear to be any explicit appellate support for imposing a blanket presumption. *See* notes 60–61, *infra*, and accompanying text. And, as discussed below, conflating the questions of infringement, on the one hand, and whether an otherwise infringing mark satisfies the statutory definition of a counterfeit, on the other hand, may lead courts to improperly broaden their counterfeit analysis. *See* notes 60–69, *infra*, and accompanying text.

³⁸ 15 U.S.C. § 1114.

³⁹ 15 U.S.C. § 1117(a).

are in the registration.⁴⁰ Second, special remedies are available in certain cases of infringement “involving the use of a counterfeit mark,” specifically: (1) absent extenuating circumstances courts must award treble damages and attorney fees in cases “involving use of a counterfeit mark” where the infringer intentionally used a mark knowing it to be a counterfeit mark; (2) statutory damages are available in any case of infringement involving a counterfeit mark; and (3) an enhanced award of statutory damages is available where the use of the counterfeit mark was “willful.”⁴¹

The narrow universe of cases in which some courts would allow these special remedies is not consistent with this statutory framework.⁴² Nor is it supported by the Joint Statement, which plainly does not contemplate limiting the remedies to cases involving “stitch-for-stitch” copies. In finding the line delineating cases of counterfeiting from ordinary infringement, courts should focus on language of the statute and not the “egregiousness” of the infringement.

III. THE TRADEMARK INFRINGEMENT ANALYSIS IS WELL DEVELOPED

The special remedies for counterfeiting provided in the Lanham Act apply in cases of violations of 15 U.S.C. § 1114(1)(a) “involving the use of a counterfeit mark.”⁴³ This provision of the Lanham Act prohibits the use of any “reproduction, counterfeit, copy, or colorable imitation of a registered mark” in a manner “likely to cause confusion . . .”;⁴⁴ such violations are generally referred to simply as “trademark infringement.”

Thus, infringement is a prerequisite for access to the special remedies for counterfeiting. For this reason, we believe a court’s first inquiry in an alleged counterfeiting case should be whether trademark infringement has occurred. Only if infringement has occurred is it relevant whether the infringing mark is a counterfeit mark or merely some other “colorable imitation.”⁴⁵

The critical question in determining trademark infringement is whether the alleged infringer’s conduct has created a likelihood of confusion. There is a large and well-developed body of case law addressing this issue. Indeed, every federal circuit (save the D.C. Circuit) has developed its own multifactor test for evaluating

⁴⁰ 15 U.S.C. § 1116(b)(1).

⁴¹ 16 U.S.C. § 1117(b) & (c).

⁴² 15 U.S.C. §§ 1116(d)(1)(B).

⁴³ 15 U.S.C. §§ 1116(d), 1117(b), (c).

⁴⁴ 15 U.S.C. § 1114(1)(1).

⁴⁵ A “colorable imitation” is “any mark which so resembles a registered mark as to be likely to cause confusion or mistake or to deceive.” 15 U.S.C. § 1127.

likelihood of confusion and, as explained in the cases decided in those circuits, the degree of similarity of the parties' respective marks is a significant factor in each circuit's test.⁴⁶ Other important factors include the similarity of the parties' goods and channels of trade and the strength of the allegedly infringed mark.⁴⁷

It is also helpful to consider the various types of trademarks that can be registered with the U.S. Patent and Trademark Office.⁴⁸ Trade dress, or the "total image and overall appearance" of a product, can be registered with the Trademark Office.⁴⁹ One example is the iconic Hermès BIRKIN bag:



U.S. Reg. No. 3936105

A registered mark may also be a stylized mark (i.e., a word or combination of letters and/or numbers that is displayed in a particular font size, style, and/or color), a design mark (i.e., a graphic or design element), or some combination of the two:

⁴⁶ See *Pignons S.A. de Mecanique de Precision v. Polaroid Corp.*, 657 F.2d 482, 487 (1st Cir. 1981); *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961), *cert. denied*, 368 U.S. 820, 82 S. Ct. 36 (1961); *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 463 (3d Cir. 1983); *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1527 (4th Cir. 1984); *Rotorooter Corp. v. O'Neal*, 513 F.2d 44, 45 (5th Cir. 1975); *Frisch's Rests. v. Elby's Big Boy*, 670 F.2d 642, 648 (6th Cir. 1982), *cert. denied*, 459 U.S. 916, 103 S. Ct. 231 (1982); *Helene Curtis Indus., Inc. v. Church & Dwight Co.*, 560 F.2d 1325, 1330 (7th Cir. 1977), *cert. denied*, 434 U.S. 1070, 98 S. Ct. 1252 (1978); *SquirtCo. v. Seven-Up Co.*, 628 F.2d 1086, 1091 (8th Cir. 1980); *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979); *King of the Mountain Sports, Inc. v. Chrysler Corp.*, 185 F.3d 1084, 1089-90 (10th Cir. 1999); *Frehling Enters., Inc. v. Int'l Select Grp., Inc.*, 192 F.3d 1330, 1335 (11th Cir. 1999); *In re E. I. Du Pont de Nemours & Co.*, 476 F.2d 1357 (C.C.P.A. 1973).

⁴⁷ See cases cited in note 46, *supra*.

⁴⁸ Hereinafter referred to simply as the "Trademark Office."

⁴⁹ See Trademark Manual of Examining Procedure § 1202.02 [hereinafter TMEP]; *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 764 n.1 (1992).

		
(Stylized)	(Design)	(Combination)
U.S. Reg. No. 4446100	U.S. Reg. No. 5503124	U.S. Reg. No. 6783025

Registrations for each type of mark shown above extend only to the marks as depicted in the registrations.⁵⁰ It is also possible, however, to register a “standard character” or “word” mark, the registration for which extends to the words (or combinations of letters and numbers) themselves without regard to any particular font style, size, color, or inclusion of graphic or design elements.⁵¹

Regardless of the type of mark, it is well settled that, for purposes of evaluating likelihood of confusion, the appropriate inquiry is whether a reasonable consumer would be confused by the defendant’s use. This question should be analyzed with reference to the way consumers encounter the parties’ respective marks in the marketplace.⁵² This axiom is often understood as requiring the court to consider the appearance of the marks as they are actually used on products.⁵³ Thus, in an infringement action, the plaintiff must put forth evidence showing the manner in which its mark is actually used. This same principle is also a directive that, in considering such evidence, a court should not engage in a detailed side-by-side or point-by-point comparison of the parties’ marks.⁵⁴ The underlying

⁵⁰ 37 C.F.R. § 2.52(a) (2022); TMEP § 807 (“The drawing shows the mark sought to be registered.”).

⁵¹ 37 C.F.R. § 2.52(a); TMEP § 807.03(i).

⁵² See, e.g., Manual of Model Civil Jury Instructions for the District Courts of the Ninth Circuit, 15.18(3) (instructing the jury to consider whether the “overall impression created by the plaintiff’s trademark in the marketplace is similar to that created by the defendant’s trademark . . .”).

⁵³ See, e.g., *Lindy Pen Co. v. Bic Pen Corp.*, 725 F.2d 1240, 1245 (9th Cir. 1984) (noting that although marks appeared “identical” in isolation, the manner of use removed potential for confusion).

⁵⁴ See, e.g., *Wynn Oil Co. v. Thomas*, 839 F.2d 1183, 1187 (6th Cir. 1988) (court should not compare marks side-by-side, but “must determine, in the light of what occurs in the marketplace, whether” the accused mark, viewed alone, would cause confusion); *Levi Strauss & Co. v. Blue Bell, Inc.*, 632 F.2d 817, 822 (9th Cir. 1980) (noting potential for

rationale is that, typically, products do not appear side-by-side in the marketplace and consumers in the marketplace will not have an opportunity to conduct that type of comparison.⁵⁵ Instead, consumers often retain only a “general impression” of a trademark, rather than a comprehensive recall of the mark’s various details.⁵⁶

IV. THE “COUNTERFEITING” ANALYSIS IS NOT SIMILARLY WELL DEVELOPED

A. What Comes First? The Counterfeit Analysis? Or the Likelihood of Confusion Analysis?

As noted above, there is not a well-developed body of authority addressing the appropriate counterfeit analysis.⁵⁷ In fact, only a handful of appellate decisions address the methodology that should be used in evaluating whether an infringing mark is a “counterfeit” at all.⁵⁸ One preliminary issue involves the order in which the issue of likelihood of confusion and the question of whether a mark is counterfeit should be resolved.

We believe that a court should first analyze whether trademark infringement has occurred. If infringement is found, and if the plaintiff alleges that the case “involves” the use of a counterfeit mark, the court should *then* determine whether the infringing mark is a counterfeit.⁵⁹ After all, if there is no infringement, i.e., if there is no likelihood of confusion, then it is irrelevant if the accused mark is a counterfeit.

In many cases, however, courts consider *first* whether an accused mark is a counterfeit mark and then, having determined

confusion among those “who carry even an imperfect recollection of [the plaintiff’s] mark and who observe [the defendant’s mark] after the point of sale” and stating that it “is axiomatic in trademark law that ‘side-by-side’ comparison is not the test”); *Beer Nuts, Inc. v. Clover Club Foods Co.*, 711 F.2d 934, 941 (10th Cir. 1983) (quoting numerous cases and stating it “is axiomatic in trademark law that ‘side-by-side’ comparison is not the test” and instead that the “marks must be compared in the light of what occurs in the marketplace, not in the courtroom” because consumers do rely on their “mental picture” of trademarks); *Ty, Inc. v. Jones Grp., Inc.*, 237 F.3d 891, 898 (7th Cir. 2001) (quoting *Meridian Mut. Ins. Co. v. Meridian Ins. Grp., Inc.*, 128 F.3d 1111, 1115 (7th Cir. 1997)) (“When attempting to determine if two marks are similar, the comparison should be made ‘in light of what happens in the marketplace, [and] not merely by looking at the two marks side-by-side.’”).

⁵⁵ See, e.g., cases cited in note 54, *supra*.

⁵⁶ See, e.g., cases cited in note 54, *supra*.

⁵⁷ See note 8, *supra*.

⁵⁸ E.g., *Montres Rolex, S.A. v. Snyder*, 718 F.2d 532-33 (2d Cir. 1983); *United States v. Guerra*, 293 F.3d 1279, 1288 (11th Cir. 2002); *State of Idaho Potato Comm’n v. G & T Terminal Packaging, Inc.*, 425 F.3d 708, 721 (9th Cir. 2005); *Kelly-Brown v. Winfrey*, 717 F.3d at 314-15 (2d Cir. 2013); *Sturgis Motorcycle Rally, Inc.*, 908 F.3d at 339-40 (8th Cir. 2018).

⁵⁹ 15 U.S.C. §§ 1116(d)(1)(B), 1117(b), (c), 1127 (2018).

that the mark is counterfeit, state that a likelihood of confusion is presumed in cases where the accused mark is counterfeit.⁶⁰ We first note that the appellate cases most often cited in support of such a presumption do not involve allegations of counterfeiting.⁶¹ We

⁶⁰ See, e.g., *Gucci Am., Inc. v. Duty Free Apparel, Ltd.*, 286 F. Supp. 2d 284, 287 (S.D.N.Y. 2003) (“the Court need not undertake a factor-by-factor analysis under *Polaroid* because counterfeits, by their very nature, cause confusion”); *Phillip Morris USA Inc. v. Shalabi*, 352 F. Supp. 2d 1067, 1073 (C.D. Cal. 2004) (“in cases involving counterfeit marks, it is unnecessary to perform the step-by-step examination . . . because counterfeit marks are inherently confusing”); *Yurman Studio, Inc. v. Castaneda*, 591 F. Supp. 2d 471, 498 (S.D.N.Y. 2008) (“plaintiffs argue that defendants have used counterfeit marks, making a traditional likelihood of confusion analysis unnecessary. Courts agree that use of a counterfeit mark . . . will ‘by [its] very nature, cause confusion.’ ”); *Microsoft Corp. v. AGA Sols., Inc.*, 589 F. Supp. 2d 195, 202 (E.D.N.Y. 2008), *on reconsideration in part*, No. 05 CV 5796 (DRH) (MLO), 2009 WL 1033784 (E.D.N.Y. Apr. 17, 2009) (“Said use was likely to cause confusion because ‘counterfeits, by their very nature cause confusion.’ ”); *Chanel, Inc. v. Veronique Idea Corp.*, 795 F. Supp. 2d 262, 267 (S.D.N.Y. 2011) (“[T]he Court need not undertake a step-by-step analysis . . . because counterfeits, by their very nature, cause confusion.”); *Ford Motor Co. v. Heritage Mgmt. Grp., Inc.*, 911 F. Supp. 2d 616, 622 (E.D. Tenn. 2012) (“likelihood of confusion is presumed” because defendants admitted making counterfeits); *Coach, Inc. v. Zhen Weng*, No. 13 CIV. 445, 2014 WL 2604032, at *13 (S.D.N.Y. June 9, 2014) (“[T]he Court need not perform the factual analysis required by *Polaroid* when counterfeit marks are involved since counterfeit marks are inherently confusing.”); *Bulgari, S.P.A. v. Zou Xiaohong*, No. 15-CV-05148, 2015 WL 6083202, at *2 (N.D. Ill. Oct. 15, 2015) (“counterfeit goods . . . are presumed to create a likelihood of confusion”); *BMW of N. Am., LLC v. Arion Euthenia, LLC*, No. CV174969FMOJEMX, 2018 WL 1407036, at *2 (C.D. Cal. Jan. 23, 2018) (same); *H-D U.S.A., LLC v. SunFrog, LLC*, 311 F. Supp. 3d 1000, 1032 (E.D. Wis. 2018) (“Counterfeiting creates a presumption of a likelihood of confusion.”); *Daimler AG v. A-Z Wheels LLC*, 334 F. Supp. 3d 1087, 1096 (S.D. Cal. 2018) (“the counterfeiting of another’s trademark establishes a presumption of a likelihood of confusion”); *Juul Labs, Inc. v. Unincorporated Associations Identified in Schedule a*, No. 1:18-CV-1063, 2018 WL 4473586, at *1 (E.D. Va. Sept. 18, 2018) (“there is a presumption of likelihood of confusion where a party sells counterfeit goods”); *Ent. One UK Ltd. v. 2012Shiliang*, 384 F. Supp. 3d 941, 949 (N.D. Ill. 2019) (“a court presumes likelihood of confusion when a defendant has produced counterfeit goods in an attempt to capitalize on the popularity of another’s product”); *Volvo Car Corp. v. Unincorporated Associations Identified in Schedule A*, No. 1:19-CV-974, 2019 WL 7817081, at *1 (E.D. Va. Sept. 3, 2019) (“there is a presumption of likelihood of confusion where a party sells counterfeit goods”); *Cisco Sys., Inc. v. Shenzhen Usource Tech. Co.*, No. 5:20-CV-04773-EJD, 2020 WL 5199434, at *7 (N.D. Cal. Aug. 17, 2020) (“courts in this district and around the Ninth Circuit hold that in cases involving counterfeiting, ‘it is unnecessary to perform the eight-factor evaluation because counterfeit marks are inherently confusing’”).

⁶¹ See *Polo Fashions, Inc. v. Craftex, Inc.*, 816 F.2d 145, 148 (4th Cir. 1987) (in a case in which the question of whether a counterfeit mark was used was not before the court, stating that where “one produces counterfeit goods in an apparent attempt to capitalize upon the popularity of, and demand for, another’s product, there is a presumption of a likelihood of confusion”); *Brookfield Comm’n, Inc. v. W. Coast Enter. Corp.*, 174 F.3d 1036, 1056 (9th Cir. 1999) (noting, in infringement case where counterfeiting was not at issue, that “likelihood of confusion would follow as a matter of course” if identical marks were used with identical products or services). See also *Microsoft Corp. v. Rechanik*, 249 F. App’x 476, 479 (7th Cir. 2007) (in a case in which the question of whether a counterfeit mark was used was not before the court, citing *Polo Fashions, Inc.* for the proposition that: “Where . . . one produces counterfeit goods in an apparent attempt to capitalize upon the popularity of, and demand for, another’s product, there is a presumption of a likelihood of confusion.”); *Louis Vuitton Malletier, S.A. v. Akanoc Solutions, Inc.*, 658 F.3d 936, 945-46 (9th Cir. 2011) (approving jury instruction that likelihood of confusion

understand why it might be tempting to avoid the multifactorial and often lengthy likelihood of confusion analysis. And we will concede that, in cases where the infringer has created a “stitch-for-stitch” copy of a trademark owner’s products, an abbreviated likelihood of confusion analysis, or perhaps even a presumption of confusion, may be appropriate. The issue with a blanket presumption of confusion in all cases involving counterfeit marks, however, is that not all such cases involve “stitch-for-stitch” copies; instead, as discussed above, this restrictive interpretation of a “counterfeit” lacks both statutory and appellate support.⁶²

In fact, one can easily conceive of a case involving a mark that meets the statutory definition of a “counterfeit mark” in which confusion is *unlikely*. For example, in *Arcona, Inc. v. Farmacy Beauty, LLC*,⁶³ both parties used the identical mark EYE DEW as the name for an eye cream in their respective lines of skin care products.⁶⁴ The alleged infringing mark appeared to meet the statutory definition of a “counterfeit mark”; it was identical to the registered word mark, EYE DEW, and was being used in connection with goods in the plaintiff’s registration for EYE DEW.⁶⁵ But, the packaging of the parties’ products differed significantly, and each party’s house mark appeared prominently on their respective products.⁶⁶

Rather than focusing on the question of whether the mark was counterfeit, the Ninth Circuit first analyzed whether a likelihood of confusion existed.⁶⁷ Finding no likelihood of confusion, the court did not reach the question of whether the mark at issue was a counterfeit.⁶⁸ We recommend this approach. Had the Ninth Circuit first considered whether the accused mark was counterfeit, it might have been tempted to get to the “right” result by considering in its counterfeiting analysis factors properly considered as part of the broader likelihood of confusion analysis, such as differences in the

is presumed “when intent to cause confusion is coupled with the use of a counterfeit mark or a mark virtually identical to a previously registered mark” in a case involving the sale of knockoff Louis Vuitton products).

⁶² See notes 29–42, *supra*, and accompanying text.

⁶³ 976 F.3d 1074 (9th Cir. 2020), *cert. denied*, 141 S. Ct. 2800, 210 L. Ed. 2d 931 (2021) (finding that although the marks were identical and the products were of the same type, significant differences in packaging and prominent uses of the parties’ respective house marks rendered confusion unlikely as a matter of law and declining to reach question of whether the mark was counterfeit).

⁶⁴ *Id.* at 1080-81.

⁶⁵ *Id.*

⁶⁶ *Id.*

⁶⁷ *Id.*

⁶⁸ *Id.*

appearance of the parties' products and packaging. Indeed, some courts have done just this.⁶⁹

***B. The Counterfeit Analysis Should Be Limited
to the Mark As Registered***

Beyond the threshold question of the appropriate order of a courts' analysis, the most pressing questions appear to be what should courts be comparing in conducting their counterfeit analysis—the mark as it appears in the registration or as it is used in the marketplace? And, should courts' analysis be limited to the marks themselves? Or should it include a comparison of the appearance of the parties' respective products?

In the case of stylized and design marks, it is fairly clear that to be “identical with or substantially indistinguishable from” the registered mark, the infringing mark must consist of the same word *and* utilize the same stylization and/or design elements present in the registration.⁷⁰ In such cases, existing appellate authority appears to permit, *but not require*, the court to consider the plaintiff's mark as it appears on the plaintiff's products.⁷¹ The Second Circuit decision in *Montres Rolex, S.A. v. Snyder* is often cited as requiring that the registered mark be examined as it is used on the registrant's products.⁷² The Second Circuit, however,

⁶⁹ See, e.g., *Associated Gen. Contractors of Am. v. Stokes*, No. 1:11-CV-795 GBL/TRJ, 2013 WL 1155512, at *1 (E.D. Va. Mar. 19, 2013) (considering, as part of counterfeit analysis, the entire appearance of an advertisement in which the mark appeared and whether consumers were actually confused). See also Sections IV.B and C, and cases discussed therein.

⁷⁰ See *Kelly-Brown v. Winfrey*, 717 F.3d at 314-15 (comparing the defendants' use to the plaintiff's registered mark in a case where the registered mark was a stylized logo); *Sturgis Motorcycle Rally, Inc.*, 908 F.3d at 339-40 (8th Cir. 2018) (comparing the defendant's mark to the plaintiff's registered design mark).

⁷¹ See *Montres Rolex, S.A. v. Snyder*, 718 F.2d 532-33 (2d Cir. 1983) (finding, in a case involving a design mark, that U.S. Customs should have reviewed the actual usages supplied by Rolex, but allowing that if a party failed to provide evidence of actual use the question could be resolved by reference to the registration alone); *Kelly-Brown*, 717 F.3d at 314-15 (comparing defendants' usages to plaintiff's registration); *Sturgis Motorcycle Rally, Inc.*, 908 F.3d at 339-40 (comparing the defendant's use to the plaintiff's registered design mark); *United States v. Guerra*, 293 F.3d 1279, 1288 (11th Cir. 2002) (in case arising under 18 U.S.C. § 2320, which was also added by the TCA and uses language that parallels that used in the Lanham Act, finding that it was not required to “determine indistinguishability based on the marks as affixed to the actual goods” and that comparing design marks as shown in registrations to marks appearing on the infringing products provided “a valid basis for comparison” in determining whether mark was counterfeit).

⁷² See, e.g., *Pepe (U.K.) Ltd. v. Ocean View Factory Outlet Corp.*, 770 F. Supp. 754, 759 (D.P.R. 1991) (citing *Montres* to support relying on appearance of marks as used on products); *Colgate-Palmolive Co. v. J.M.D. All-Star Imp. & Exp. Inc.*, 486 F. Supp. 2d 286, 289 (S.D.N.Y. 2007) (citing *Montres* and stating “[t]he Second Circuit has stated that an allegedly counterfeit mark must be compared with the registered mark as it

explicitly noted that if evidence of such use is not available, the analysis can be conducted with reference to the mark as shown in the registration.⁷³ Other courts also appear to have concluded that it is sufficient to rely upon the depiction of a design mark in the registration.⁷⁴

In contrast to a registration for stylized or design marks, registrations for “standard character” marks, also referred to as “word marks,” are not limited to any particular stylization.⁷⁵ Standard character marks are depicted in registrations in black and white and in plain font.⁷⁶ The Second Circuit observed in *Montres Rolex, S.A. v. Snyder* that one does not expect significant deviations between a mark depicted in a stylized or design mark registration and the mark as actually used.⁷⁷ In the case of registered word marks, the “deviations” between the mark as depicted in the registration and the mark as used are more likely to be significant; a registered word mark is often used in the marketplace in various formats, including, both highly stylized and plain text variations.

No appellate court appears yet to have addressed whether, in cases involving registered word marks, the counterfeit analysis should be limited to the similarity of the words alone, or whether it should extend to stylistic or design elements that may accompany the mark as it is used in marketplace. At least two district courts have recognized the significance of standard character designations.⁷⁸ In one such case, the court erroneously believed that the registered mark involved was not a standard character mark and, for this reason, stated that the particular presentation of the mark “must be a component of pleading identity or indistinguishability between the” parties’ marks.⁷⁹ In another case, the district court stated that, “[t]o establish counterfeiting in the case of a [standard character] mark, it cannot be enough that one

appears on actual merchandise to an average purchaser.”); *Waiter.com, Inc. v. Waitr, Inc.*, No. 2:16-CV-01041, 2016 WL 7443656, at *4 (W.D. La. Dec. 22, 2016) (same).

⁷³ *Montres*, 718 F. 2d at 532-33.

⁷⁴ See note 84, *infra*.

⁷⁵ 37 C.F.R. § 2.52(a) (2022); TMEP § 807.03(a).

⁷⁶ TMEP at § 807.03(a).

⁷⁷ *Montres*, 718 F.2d at 532.

⁷⁸ See *Adams v. Grand Slam Club/Ovis*, No. 12-CV-2938-WJM-BNB, 2013 WL 1444335, at *6 & n.2 (D. Colo. Apr. 9, 2013) (“However, the Court notes that Plaintiff’s mark was *not* a registered “standard character” mark, which “registrations make no claim to any particular font style, color, or size of display and, thus, are not limited to any particular presentation.”); *GMA Accessories, Inc. v. BOP, LLC*, 765 F. Supp. 2d 457, 472 (S.D.N.Y. 2011), *aff’d sub nom.* *GMA Accessories, Inc. v. Elec. Wonderland, Inc.*, 558 F. App’x 116 (2d Cir. 2014).

⁷⁹ See *Adams*, 2013 WL 1444335, at *6 & n.2. In fact, the plaintiff’s registration was a “typed drawing” registration. See U.S. Reg. No. 1798409. “Prior to November 2, 2003, ‘standard character’ drawings were known as ‘typed’ drawings. . . . A typed drawing is the legal equivalent of a standard character drawing.” TMEP § 807.03(i).

word used in the allegedly offending mark is the same, with no reference to font, color, typeface, or context.”⁸⁰ There, the registered word mark was CHARLOTTE and the accused mark was CHARLOTTE SOLNICKI.⁸¹ These decisions are not helpful.

One might argue that due to the “deviations” between the mark appearing in the registration and the mark as used in the marketplace, an analysis of whether an infringing mark is a counterfeit of a word mark *must* be limited to the manner in which the mark is used in the marketplace. An examination of the text of the Lanham Act and the Trademark Office rules suggests, however, that a court should *not* rely on differences in the stylistic or design elements with which a registered standard mark and an accused mark are displayed in the marketplace to find that the accused mark is not a “counterfeit.” The statute defines a “counterfeit” as a mark that is “identical with, or substantially indistinguishable from, a registered *mark*.”⁸² And, a standard character mark registration is not limited to any particular font or stylization; instead, standard character registrations are allowed only where the *word itself* is the “essence” of the mark.⁸³

Thus, any stylization or design elements that may accompany the mark when it is used in the marketplace are not part of the registered mark. It follows that such stylization and design elements should not be considered as part of the counterfeit analysis. Moreover, as a matter of policy, an infringer utilizing an identical (or substantially indistinguishable) word mark and using it in connection with the registered goods, should not be able to avoid the special remedies for counterfeiting simply by adopting different stylistic elements. Consistent with this analysis, a few courts have found an infringing mark to be counterfeit without considering—or at least without discussing—the manner in which the marks are displayed, apparently concluding that it is sufficient that the words themselves are identical.⁸⁴

⁸⁰ *GMA Accessories, Inc.*, 765 F. Supp. 2d at 472.

⁸¹ *Id.* at 467-68. The court also complained that the complaint included “no allegation that the products upon which the allegedly counterfeit mark was used were similar in any way to” the plaintiff’s products. *Id.* at 472. As discussed herein, such a requirement is also inconsistent with the Lanham Act. See Section II, *supra* and Section IV.C.2.b. and c., *infra*.

⁸² 15 U.S.C. § 1127 (2018).

⁸³ TMEP § 807.04(b). Standard character marks allowed where the word itself “creates a distinct commercial impression apart from any stylization or design element appearing on the specimen” the “mark remains the same in essence and is recognizable regardless of the form or manner of display). In fact, if the Trademark Office concludes, based on the specimen of use submitted, that “the mark includes an essential element or feature that cannot be produced by the use of standard characters” the standard character claim will be rejected. *Id.*

⁸⁴ See *Ray Padula Holdings, LLC, v. Walmart Marketplace Vendor No. 10001029424*, No. 20 CIV 4718 (VB), 2021 WL 2581648, at *3, *6 (S.D.N.Y. May 18, 2021), *report and recommendation adopted* 2021 WL 2581538 (S.D.N.Y. June 23, 2021) (RAYPADULA

***C. Courts Should Not Require That Parties' Products
Be Substantially Indistinguishable to Find That
a Mark Is Counterfeit***

The role that the appearance of the parties' *products* should play in determining whether special remedies for infringement are available is similarly unsettled in the courts. Again, the proper answer to this question likely varies based on the nature of the trademark at issue. In the case of registered product design trade dress, for example, the Hermès bag shown above, the registered mark *is* the appearance of the product. In such cases, a court may wrestle with how to resolve "deviations" between the product itself and the product as depicted in the trademark registration. In such cases, considering the appearance of the products themselves is likely to assist courts in envisioning how the mark in the registration, which is necessarily two-dimensional, translates into three-dimensions, which, in turn, is likely to assist courts in evaluating whether the infringing mark is identical to or substantially indistinguishable from the registered mark. The same logic does not hold, however, in the case of other types of registered marks.

The reason the logic does not hold is that neither the statutory language nor the legislative history suggests that the appearance of the parties' products or their packaging is relevant to the counterfeit analysis. The statute defines "counterfeit" as a "spurious *mark* that is identical with, or substantially indistinguishable from, a registered *mark*."⁸⁵ The statute requires that, to be a "counterfeit mark," an infringing mark must be used in connection with the goods or services in the registration.⁸⁶ But the statute does not mention the *appearance* of the parties' *products* (or their packaging) at all. Nonetheless, some courts have suggested—even required—

used in item title in online listings was a counterfeit of the registered word mark RAY PADULA without discussion of manner of display of parties' marks); *Jake's Fireworks, Inc. v. Sky Thunder, LLC*, No. 16-CV-2475-JAR-GLR, 2016 WL 7210709, at *3 (D. Kan. Dec. 13, 2016) (court considered whether word mark X-CALIBUR was substantially indistinguishable from word mark EXCALIBUR, without discussion of font or color or manner of display); *Excelled Sheepskin & Leather Coat Corp. v. Oregon Brewing Co.*, No. 12 CIV. 1416 GBD RLE, 2015 WL 4468083, at *2 (S.D.N.Y. July 8, 2015) (court refused to reconsider question of whether mark was counterfeit in light of parties' earlier concession in briefing that the marks were "identical," although they did not address the font, color, or typeface of the marks); *Playboy Enters., Inc. v. Universal Tel-A-Talk, Inc.*, No. CIV. A. 96-6961, 1998 WL 767440, at *6 (E.D. Pa. Nov. 3, 1998) (finding that defendant's use of PLAYBOY on its website is counterfeit of PLAYBOY word mark without discussion of how the parties' marks were displayed and although defendants' website was not identical to plaintiff's products); *H-D U.S.A., LLC v. SunFrog, LLC*, 311 F. Supp. 3d 1000, 1027 (E.D. Wis. 2018) (counterfeiting although marks not displayed in identical or substantially indistinguishable manner).

⁸⁵ 15 U.S.C. § 1127 (2018).

⁸⁶ 15 U.S.C. § 1116(b)(1).

that to access the special remedies available for “counterfeiting,” the parties’ products or packaging must themselves be substantially indistinguishable. This requirement is not supported by the language of the Lanham Act or the legislative history or, as discussed below, existing appellate authority.⁸⁷

**1. The Second Circuit’s Decision in *Montres*
Does Not Require That Products
(As Opposed to Marks) Be Identical or Substantially
Indistinguishable**

The only appellate-level decision that even tangentially addresses the relevance of the appearance of the parties’ products is *Montres Rolex, S.A. v. Snyder*.⁸⁸ *Montres*, decided before passage of the TCA, was a U.S. Customs case involving a detained shipment of watch bracelets that were marked with an alleged counterfeit of Rolex’s registered “Crown Design” trademark, shown below.⁸⁹



U.S. Reg. No. 657756

The relevant Customs law at the time used the same definition of “counterfeit” as the Lanham Act.⁹⁰ Under the Customs law, if the mark on the products was a “counterfeit mark,” the shipment was subject to seizure and destruction.⁹¹ On the other hand, if the mark was merely infringing, the bracelets could be delivered to their intended recipient after the infringing mark was removed.⁹²

The court engaged in a reasonably detailed analysis of the meaning of “counterfeit” and how it should analyze whether the mark on the detained bracelets was counterfeit.⁹³ At least for purposes of the Customs law, *Montres* clearly stands for two

⁸⁷ See 15 U.S.C. §§ 1116(d)(1)(B), 1127 (a counterfeit is a “spurious mark” that is “identical with, or substantially indistinguishable from” a registered mark); 130 Cong. Rec. 31673, 31680 (distinguishing between “marks” and “goods” and noting that the Lanham Act pertains to marks); *Romag Fasteners, Inc.*, 140 S. Ct. at 1494 (rejecting finding of willfulness as a prerequisite to recovery of profits because no such requirement appeared in the statute); Section II, *supra*; Section IV.C.1., *infra*.

⁸⁸ 718 F.2d 524 (2d Cir. 1983).

⁸⁹ *Id.* at 526.

⁹⁰ *Id.* at 527-28, 530 (discussing 19 U.S.C. § 1526(e) (Supp. V 1981)).

⁹¹ *Id.* at 528.

⁹² *Id.*

⁹³ *Id.* at 530-33.

propositions. First, *Montres* requires that the analysis of whether an accused mark is counterfeit—that is, whether it is identical to or substantially indistinguishable from a registered mark—should be made from the view of the average consumer, not an expert.⁹⁴ Second, in conducting such analysis, *Montres* allows, but does not require, that courts may review evidence of how the registered mark actually appears on goods in the marketplace.⁹⁵

Throughout most of its discussion, the Second Circuit referred to and compared the parties' respective *marks*.⁹⁶ However, in one of the concluding paragraphs of its decision, the court confusingly referred to the appearance of the parties' products.⁹⁷ Specifically, it noted that, at oral argument, it had compared the detained bracelets with genuine Rolex *bracelets* and found the detained bracelets to be "the spitting image of the Rolex merchandise" such that an "average purchaser would surely find the real and fake *bracelets* to be substantially indistinguishable."⁹⁸

In the Joint Statement accompanying the TCA, the Congressional sponsors of the act noted that the "definition of 'substantially indistinguishable' will need to be elaborated on a case-by-case basis by the courts" and cited *Montres* as an example of one such case.⁹⁹ So, does *Montres* require that products themselves be identical? By citing *Montres*, were the sponsors of the TCA conveying an intention to restrict the definition of "counterfeit" to apply only in cases where the products themselves are identical?

The answer to both questions is "probably not." First, as discussed above, the TCA deliberately refers to "counterfeit marks" rather than "counterfeit goods." And, had Congress intended to extend the remedies of the TCA only to cases in which the products themselves were identical, it could have, and should have, so stated. Second, the court's brief discussion of the similarities between the parties' *products* was not included in the portion of *Montres* cited in the Joint Statement.¹⁰⁰ Third, *Montres* permitted, but did not require, a review of the parties' marks as used on their products.¹⁰¹ And finally, in *Montres* the court did not engage in any explicit discussion of the role of the similarity of the *products* themselves as contrasted with the similarity of the *marks*.

⁹⁴ *Id.* at 530-31.

⁹⁵ *Id.* at 532.

⁹⁶ *Id.*

⁹⁷ *Id.* at 533.

⁹⁸ *Id.* at 533 (emphasis added).

⁹⁹ 130 Cong. Rec. 31675 (citing *Montres*, 718 F.2d at 530-32).

¹⁰⁰ *Id.*

¹⁰¹ *Montres Rolex, S.A.*, 713 F.2d at 532 (if registrant would not provide evidence showing the marks as used in commerce, Customs could simply "make its determination based on the mark as registered").

2. Discussion of Select District Court Decisions

(a) Cases Finding That Product Appearance Is Not Relevant

Some district courts have found that the counterfeit analysis is properly limited to the marks themselves.¹⁰² In *H-D U.S.A., LLC v. SunFrog, LLC*, for example, the defendant argued that because the parties' products were readily distinguishable, its conduct could not be considered "counterfeiting."¹⁰³ The court squarely addressed—and rejected—that argument, saying the "pertinent question is whether the marks, not the goods, are substantially identical."¹⁰⁴

The court went on to conclude that each of the infringing marks at issue was counterfeit.¹⁰⁵

There is no doubt in the mind of the Court that this is a counterfeiting case. In nearly every instance, though font sizes, colors, sizes, and shapes are altered, the words "Harley-Davidson" or another of its word-marks appear, either alone or alongside a logo like the Bar & Shield, Willie G. Skull, or Number 1 logos. While technically different in some respects, SunFrog's uses of the marks are substantially indistinguishable from the registered marks in terms of their appearance in context.¹⁰⁶

The *SunFrog* court also cited several decisions in which other courts had, as part of their counterfeit analysis, discussed whether the parties' *products* were substantially indistinguishable.¹⁰⁷ It concluded, however, that "a careful reading of those opinions reveals that although the products themselves are part of the comparison, the central focus is on the appearance of the marks in the context of the products."¹⁰⁸

In a recent counterfeiting decision, *Gibson Brands, Inc. v. Armadillo Dist. Enter., Inc.*, the United States District Court for the Eastern District of Texas considered a number of cases that it described as holding that "even if the marks themselves are nearly identical on a product, the context of the entire product featuring

¹⁰² See note 84, *supra*.

¹⁰³ *H-D U.S.A., LLC v. SunFrog, LLC*, 311 F. Supp. 3d 1000, 1027 (E.D. Wis. 2018) (claiming its goods were obviously user-generated and of a clearly inferior quality than the plaintiff's goods).

¹⁰⁴ *Id.* at 1027.

¹⁰⁵ *Id.*

¹⁰⁶ *Id.*

¹⁰⁷ *Id.* at 1027-28 (citing *Audemars Piguet Holding S.A. v. Swiss Watch Int'l, Inc.*, No. 12 Civ. 5423(LAP), 2015 WL 150756, at *2 (S.D.N.Y. Jan. 12, 2015); *Colgate-Palmolive Co. v. J.M.D. All-Star Imp. & Exp. Inc.*, 486 F. Supp. 2d 286, 289 (S.D.N.Y. 2007); *GMA Accessories, Inc. v. BOP, LLC*, 765 F. Supp. 2d 457, 472 (S.D.N.Y. 2011)).

¹⁰⁸ *H-D U.S.A., LLC*, 311 F. Supp. 3d at 1028.

the mark may preclude a counterfeiting claim.”¹⁰⁹ Both the *Gibson* and *SunFrog* courts noted that other courts have hesitated to find counterfeiting where the products are not identical or substantially similar due to the “risk [of] rendering ‘all trademark infringement claims counterfeiting claims.’”¹¹⁰

The *Gibson* court found, however, that an “approach that looks toward the entire product skimps over the Lanham Act’s plain language. Specifically, the Act defines ‘counterfeit’ as a *mark*—making no reference to the product as a whole.”¹¹¹ It then declined to consider the appearance of the parties’ products, stating the product appearance “has no place under § 1127,” which “defines a counterfeit by comparing the *marks* at issue, not the products on which they appear.”¹¹²

And, while the *SunFrog* court found that, in the case before it, there was an attempt to pass off infringing products as genuine products, there are also cases in which marks have been found to be counterfeit without discussion of either “passing off” or the similarities (or differences) in parties’ respective products.¹¹³ Additionally, marks have been found to be counterfeit in cases where the parties’ products were clearly neither identical nor substantially indistinguishable.¹¹⁴ In many such cases, there is little, if any, discussion of the relevance of the appearance of the parties’ products.¹¹⁵

(b) Cases Relying on Appearance of Parties’ Products

On the other hand, numerous courts have confidently stated that for a mark to be counterfeit the parties’ *products* must be identical or substantially indistinguishable. For example, in *GTFM, Inc. v. Solid Clothing, Inc.*, the plaintiff owned a standard character registration for the mark “05” for apparel.¹¹⁶ In finding that a

¹⁰⁹ *Gibson Brands, Inc. v. Armadillo Dist. Enter., Inc.*, No. 4:19-CV-00358, 2023 WL 2815156, at *24 (E.D. Tex. Apr. 6, 2023), *appeal pending* *Gibson Brands, Inc. v. Armadillo Dist. Enter., Inc.*, 5th Cir. No. 22-40587.

¹¹⁰ *Id.* at *24 (quoting *Gibson Brands, Inc. v. John Hornby Skewes & Co.*, No. CV1400609DDPSSX, 2016 WL 7479317, at *7 (C.D. Cal. Dec. 29, 2016)); *H-D U.S.A., LLC*, 311 F. Supp. 3d at 1028-29 (observing that “courts are hesitant to find counterfeiting where the infringer is not trying to pass off his products as another’s, such as when the parties’ products are very different” and also noting that, in the case before it, the defendant had made “an effort to pass off [its] goods as genuine”).

¹¹¹ *Gibson Brands, Inc.*, 2023 WL 2815156 at *24.

¹¹² *Id.* at *25.

¹¹³ See note 84, *supra*, and cases cited therein.

¹¹⁴ See *id.*

¹¹⁵ See *id.*

¹¹⁶ *GTFM, Inc. v. Solid Clothing, Inc.*, 215 F. Supp. 2d 273, 290 (S.D.N.Y. 2002); U.S. Reg. No. 2,415,190. The plaintiff’s registration issued in December of 2000, months before the lawsuit was filed, but well after the defendant began using the “05” mark on apparel. *Id.* at 290-91. An interesting question, and one that the court acknowledged but did not

likelihood of confusion existed, the court noted that the defendant had “directly copied” the “05” mark and had “used it in an identical way on the same kind of garments.”¹¹⁷ Nonetheless, the court found that there was no “counterfeiting,” stating (contrary to its earlier finding) that the defendant’s “use of the number ‘05’ was not ‘identical with, or substantially indistinguishable from’ [the plaintiffs] use of the ‘05’ mark” and also that the defendant’s “sportswear was sufficiently distinguishable to preclude liability for counterfeiting.”¹¹⁸

The plaintiff sought reconsideration, arguing that the court had “wrongly considered the appearance of the goods on which GTFM and Solid used the ‘05’ designation in determining whether Solid’s use of ‘05’ constituted trademark counterfeiting.”¹¹⁹ In response, citing only the statute itself, the court stated that “there is nothing in the Act . . . which states that to determine whether a defendant engaged in counterfeiting, one compares plaintiff’s and defendants’ marks in the abstract, without considering how they appear to consumers in the marketplace.”¹²⁰

The court then stated that it had “considered a variety of factors, including the similarity of the marks as used by [the parties] and whether they would appear to be identical or substantially indistinguishable to consumers in the marketplace” and concluded that there was no counterfeiting.¹²¹ The court did not say what other factors it considered or to what differences it was referring; the only differences noted in the earlier opinion were those in the appearance of the parties’ products.¹²² Nor did the court reconcile its decision with its earlier statement that the defendant had “directly copied” the plaintiff’s “05” mark and “used it in an identical way on the same kind of garments.”¹²³

directly address, is whether an infringing mark, adopted prior to the issuance of a registration but the use of which continues after the issuance, can be a counterfeit mark? *Id.* At least one case has suggested that such mark can be found counterfeit. *See* OTR Wheel Eng’g, Inc. v. W. Worldwide Servs., Inc., No. CV-14-085-LRS, 2015 WL 12911326, at *3 (E.D. Wash. Nov. 30, 2015) (finding that use on products prior to issuance of registration could “not, as a matter of law, be considered ‘counterfeit,’” but suggesting that uses that commenced prior to issuance of registration and continued after issuance could be counterfeit).

¹¹⁷ *GTFM, Inc.*, 215 F. Supp. 2d at 295.

¹¹⁸ *Id.* at 300.

¹¹⁹ *GTFM, Inc. v. Solid Clothing Inc.*, No. 01 CIV.2629 DLC, 2002 WL 1933729, at *2 (S.D.N.Y. Aug. 21, 2002).

¹²⁰ *Id.*

¹²¹ *Id.* at *2-3.

¹²² *Id.*; *GTFM, Inc.*, 215 F. Supp. 2d at 295.

¹²³ *GTFM, Inc.*, 2002 WL 1933729 at *2-3; *GTFM, Inc.*, 215 F. Supp. 2d at 295. Certain of the special remedies for counterfeiting are available only upon proof of knowledge, intent, or willfulness. 15 U.S.C. § 1117(b), (c). It cannot be, however, that the court’s decision here was based on an unarticulated finding that knowledge, intent, or

GTFM has been cited in support of the proposition that differences in the appearance of the parties' goods themselves can render an otherwise identical mark not counterfeit.¹²⁴ This proposition is at odds with the language of the Lanham Act, which requires that the parties' marks, not their parties' products, be identical or substantially indistinguishable.

Decided a few years later, *Colgate-Palmolive Co. v. J.M.D. All-Star Import & Export Inc.* involved the defendant's use of allegedly counterfeit word and design marks on its packaging.¹²⁵ There, the parties filed cross-motions for summary judgment on the issue of counterfeiting and the U.S. District Court for the Southern District of New York framed the issue before it as: "Are the Colddate toothpaste boxes which the defendants sold substantially indistinguishable from plaintiff's Colgate toothpaste boxes?"¹²⁶ Citing *Montres*, the court noted that the "Second Circuit has stated that an allegedly counterfeit mark must be compared with the registered mark as it appears on actual merchandise to an average purchaser."¹²⁷

Instead of comparing the marks as they appeared on the boxes, however, the court examined and compared the parties' *products* and *packaging*.¹²⁸ First, it concluded, consumers would not be likely to examine the back panel of the parties' boxes and, therefore, that it need not consider whether differences in those panels would be sufficient to distinguish the products.¹²⁹ The court then noted that COLDDATE and COLGATE differ by multiple letters and also noted a number of additional distinctions between Colgate's registered design marks and the trade dress used by the

willfulness had not been established. In this case, statutory damages were sought pursuant to 15 U.S.C. § 1117(c), which are available in cases of infringement "involving the use of a counterfeit mark," without any requirement that such use be knowing, intentional, or willful. *GTFM, Inc.*, 215 F. Supp. 2d at 304.

¹²⁴ *E.g.*, *Fujifilm N. Am. Corp. v. PLR IP Holdings, LLC*, No. 17 CIV. 8796 (NRB), 2019 WL 274967, at *4 (S.D.N.Y. Jan. 7, 2019) (citing the *GTFM* decision on reconsideration as standing for the proposition that, in considering whether a mark is counterfeit, the court must look "to the overall presentation and 'appearance of the goods on which [the marks are] used' . . ."); *Illinois Tool Works Inc. v. J-B Weld Co., LLC*, 469 F. Supp. 3d 4, 11 (D. Conn. 2020) (same).

¹²⁵ *Colgate-Palmolive Co. v. J.M.D. All-Star Imp. & Exp. Inc.*, 486 F. Supp. 2d 286, 288 (S.D.N.Y. 2007).

¹²⁶ *Id.*

¹²⁷ *Id.* at 289 (citing *Montres Rolex, S.A. v. Snyder*, 718 F.2d 524, 533 (2d Cir. 1983)). As discussed above, however, *Montres* permitted, but did not require, examination of the registered design mark as used on actual products. And, in any event, the proper comparison of the marks not the products in their entirety. See Section IV.C.1, *supra*.

¹²⁸ *Colgate-Palmolive Co.*, 486 F. Supp. 2d at 288, 290.

¹²⁹ *Id.* at 290.

defendant.¹³⁰ Ultimately, the court concluded that no counterfeiting had occurred.¹³¹ In light of the differences in the parties' marks identified by the court, the decision seems correct. Nonetheless, the court's framing of the issues—as a comparison of the parties' *products and packaging* rather than a comparison of the parties' *marks*—is problematic; it may lead other courts or litigants to focus on a comparison of the parties' products instead of a comparison of the parties' marks as required by the statute.¹³²

In *Gucci*, discussed briefly in Section II above, the court quoted *McCarthy*, stating that “counterfeiting is the ‘hard core’ or ‘first degree’ of trademark infringement that seeks to trick the consumer into believing that he or she is getting the genuine article, rather than a ‘colorable imitation.’”¹³³ It went on to say, without citing any authority, that “courts have uniformly restricted trademark counterfeiting claims to those situations where entire products have been copied stitch-for-stitch.”¹³⁴ The court found that one of the infringing marks used by the defendant was so similar to the plaintiff's registered mark that no formal likelihood of confusion analysis was necessary.¹³⁵ However, it still found that the mark was not a counterfeit because the product was not a “stitch-for-stitch” copy.¹³⁶ Again, as noted above, this language has been cited and relied upon by numerous courts.¹³⁷ And again, this narrow view of what constitutes a “counterfeit” is not consistent with the language of the statute.

Similarly, *JFJ Toys, Inc. v. Sears Holdings Corp.* involved the products shown in the introduction to this article.¹³⁸ There, the

¹³⁰ *Id.* The foregoing is likely what the court in *H-D USA, LLC* relied on in noting that the primary focus was on a comparison of the marks. See *H-D U.S.A., LLC*, 311 F. Supp. 3d at 1028 (citing *Colgate-Palmolive Co.*, 486 F. Supp. 2d at 289).

¹³¹ *Colgate-Palmolive Co.*, 486 F. Supp. 2d at 290-91.

¹³² See, e.g., *Associated Gen. Contractors of Am. v. Stokes*, No. 1:11CV795 GBL/TRJ, 2012 WL 7782745, at *5 (E.D. Va. Nov. 20, 2012), *report and recommendation adopted*, 2013 WL 1155512 (E.D. Va. Mar. 19, 2013) (“In *Colgate*, the court compared a toothpaste box for Colgate toothpaste and that for ‘Colddate’ toothpaste, denying plaintiff's motion for summary judgment in finding that, while the boxes were quite similar, they were not ‘substantially indistinguishable’ as a matter of law.”).

¹³³ *Gucci Am., Inc. v. Guess?, Inc.*, 868 F. Supp. 2d 207, 242 (S.D.N.Y. 2012) (quoting *McCarthy*, *supra* note 29, § 25:10).

¹³⁴ *Id.* at 253.

¹³⁵ *Id.* at 249.

¹³⁶ *Id.* at 249, 253. As in the *GTFM, Inc.* decision, discussed above, it cannot be that the court's decision here was based on an unarticulated finding that requisite knowledge, intent, or willfulness had not been established. Although not discussed in the court's decision, a review of the complaint filed in the *Gucci* case confirms that the plaintiff sought statutory damages pursuant to 15 U.S.C. § 1117(c), which are available in cases of infringement “involving the use of a counterfeit mark,” without any requirement that such use be knowing, intentional, or willful.

¹³⁷ See notes 31–37, *supra*, and accompanying text.

¹³⁸ *JFJ Toys, Inc. v. Sears Holdings Corp.*, 237 F. Supp. 3d 311, 340-41 (D. Md. 2017).

plaintiff owned the registered word mark STOMP ROCKET.¹³⁹ The defendant was using STOMP ROCKET on its product.¹⁴⁰ In granting the plaintiff's motion for summary judgment of infringement, the court found that the parties' marks were "identical" and that their packaging was "strikingly similar."¹⁴¹ It nonetheless denied summary judgment on the issue of counterfeiting, finding that a "reasonable factfinder could find that the marks, color patterns, and designs" on the parties' respective packaging were "not identical or indistinguishable for purposes of proving" counterfeiting.¹⁴²

Numerous district courts, over several decades, have employed this same approach. They have required that, to access the Lanham's Act's special remedies for counterfeiting, plaintiffs prove that the defendants' *products*, not merely their *marks*, are identical to or indistinguishable from the plaintiff's own *products*. Yet, there is no appellate support for this restrictive approach, nor does this approach find support in statute, which refers only to the parties' *marks*, not their *products*.

3. The Lanham Act's Use of "Spurious" Does Not Require That the Products Must Be Indistinguishable

Again, the Lanham Act states that a counterfeit is a "spurious mark that is identical with, or substantially indistinguishable from, a registered mark."¹⁴³ The statute includes no requirement that products themselves be identical or substantially indistinguishable.¹⁴⁴ Some courts have, however, found support for a more restrictive application of the Lanham Act's special remedies for counterfeiting in the act's use of the term "spurious."¹⁴⁵

¹³⁹ *Id.* at 319.

¹⁴⁰ *Id.* at 320.

¹⁴¹ *Id.* at 336.

¹⁴² *Id.* at 340-41. The plaintiff in *JFJ Toys, Inc.* sought both statutory damages and, in the alternative, treble damages pursuant to 15 U.S.C. § 1117(b), (c). Because statutory damages were sought, and because statutory damages are available in cases of infringement "involving the use of a counterfeit mark," without any requirement that such use be knowing, intentional, or willful, it cannot be that the court's finding is based on an unarticulated finding that the requisite knowledge, intent, or willfulness had not been established.

¹⁴³ 15 U.S.C. § 1127 (2018).

¹⁴⁴ See Section II; Section IV.C.1 and IV.C.2.a.

¹⁴⁵ *E.g.*, *Illinois Tool Works Inc. v. J-B Weld Co., LLC*, 469 F. Supp. 3d 4, 9 (D. Conn. 2020). See also, *e.g.*, *GMA Accessories, Inc. v. BOP, LLC*, 765 F. Supp. 2d 457, 472 (S.D.N.Y. 2011), *aff'd sub nom.* *GMA Accessories, Inc. v. Elec. Wonderland, Inc.*, 558 F. App'x 116 (2d Cir. 2014); *Audemars Piguet Holding S.A. v. Swiss Watch Int'l, Inc.*, No. 12 CIV. 5423 LAP, 2015 WL 150756, at *2 (S.D.N.Y. Jan. 12, 2015) (finding that even if the defendant had used a design identical to plaintiff's registered design, such use was not "spurious")

For example, in *GMA Accessories, Inc. v. BOP, LLC*, the court complained that “the parties fail to address the requirement that a counterfeit mark be a ‘spurious’ mark,” though it also noted that “there appears to be little case law directly addressing this requirement.”¹⁴⁶ The court noted that *Black’s Law Dictionary* defines “spurious” as “[d]eceptively suggesting an erroneous origin; fake.”¹⁴⁷ It concluded that, “[t]o establish counterfeiting in the case of a word mark, it cannot be enough that one word used in the allegedly offending mark is the same, with no reference to font, color, typeface, or context” and continues that where there is “no allegation that the products upon which the allegedly counterfeit mark was used were similar in any way to products” of the plaintiff, “there is no deceptive suggestion of an erroneous origin.”¹⁴⁸

A recent case is to the same effect. In *Illinois Tool Works Inc. v. J-B Weld Co., LLC*, the court first rejected the plaintiff’s argument that it only needed to show that the defendant’s mark was “identical” to or “substantially indistinguishable” from its own mark, finding that this interpretation “reads out an important word in the Lanham Act’s definition of a counterfeit mark: ‘spurious.’”¹⁴⁹ The court went on to quote *Gucci*, finding that, to be a counterfeit, the infringing mark must “*both* be substantially indistinguishable from the registered mark *and* be ‘spurious’—that is, indistinguishable in such a way that the junior mark ‘trick[s] the consumer into believing he or she is getting’ the product denoted by the registered mark.”¹⁵⁰ The court continued, “[t]o be a counterfeit, then, a mark must be indistinguishable on the merchandise on which it appears in such a way that customers believe they are getting one product when they are in fact getting another.”¹⁵¹ And, it said, to adequately plead the use of a counterfeit mark, it must be “plausible (on the face of the complaint) that the products on which the senior and junior marks appear bear such similarities that the average customer would believe she was holding” the senior user’s product when she picked up the junior user’s product.¹⁵²

Applying this same stringent standard, the court found that MUFFLERWELD, used for a muffler sealant product dispensed

because the defendants were not attempting to pass off their design as one of the plaintiff(s).

¹⁴⁶ *GMA Accessories, Inc.*, 765 F. Supp. 2d at 472. The plaintiff in *GMA Accessories, Inc.* sought statutory damages.

¹⁴⁷ *Id.*

¹⁴⁸ *Id.*

¹⁴⁹ *Illinois Tool Works Inc.*, 469 F. Supp. 3d at 9. The plaintiff in *Illinois Tool Works Inc.*, sought statutory damages for both counterfeiting and willful counterfeiting as well as treble damages pursuant to 15 U.S.C. § 1117(b).

¹⁵⁰ *Id.* (quoting *Gucci Am., Inc.*, 868 F. Supp. 2d at 242) (emphasis added).

¹⁵¹ *Id.* at 10.

¹⁵² *Id.*

from a white tube, was not a counterfeit of the registered mark MUFFLER WELD, used for a muffler sealant product dispensed from a black tub.¹⁵³ The court found that the parties' marks were identical and that they were used for the identical type of product and that confusion was likely,¹⁵⁴ but that the defendant's mark was not a counterfeit because it was "not plausible to conclude that average consumers would buy [the plaintiff's] product and think they got [the defendant's] product."¹⁵⁵

In another recent decision, *Cohen & Co., Ltd. v. Cohen & Co., Inc.*, the district court found that "[f]or counterfeiting purposes, spurious means more than unauthorized; it means 'deceptively suggesting an erroneous origin; fake.'" ¹⁵⁶ In that case, the plaintiff, an accounting firm, owned the registered word mark COHEN & COMPANY and the defendant was also using the name COHEN & COMPANY.¹⁵⁷ The court quoted *McCarthy* for the proposition that "counterfeiting is 'hard core' or 'first degree' trademark infringement and is the most blatant and egregious form of 'passing off.'" ¹⁵⁸ The court also quoted *Gucci*, for the proposition that "courts have uniformly applied [the counterfeiting] provision to products that are stitch-for-stitch copies of those of another brand."¹⁵⁹ Then, without acknowledging that the plaintiff's mark and the defendant's mark were identical, the district court dismissed the plaintiff's counterfeiting claim, *with prejudice*, stating that "Plaintiff has not alleged, nor can it allege, that Defendant uses the 'Cohen & Company' name to imply its services derive from Plaintiff's accounting firm."¹⁶⁰

The Lanham Act provides no definition of "spurious," though the Congressional sponsors of TCA noted their understanding that

¹⁵³ *Id.* at 7.

¹⁵⁴ *Id.* at 9.

¹⁵⁵ *Id.* at 10-11 (dismissing counterfeiting claim with prejudice). *See also* Lontex Corp. v. Nike, Inc., 384 F. Supp. 3d 546, 561 (E.D. Pa. 2019) (dismissing counterfeiting claim with prejudice because, as a matter of law, it was implausible that "an average consumer in the marketplace would view Nike's COOL COMPRESSION products to be 'identical with or substantially indistinguishable from' Lontex's COOL COMPRESSION products"). *But see* Arcona, Inc. v. Farmacy Beauty, LLC, 976 F.3d 1074, 1080-81 (9th Cir. 2020), *cert. denied*, 141 S. Ct. 2800, 210 L. Ed. 2d 931 (2021) (not addressing whether mark was a counterfeit and finding, instead, that although marks were identical and products were of the same type, significant differences in packaging and prominent use of the parties' respective house marks rendered confusion unlikely as a matter of law).

¹⁵⁶ *Cohen & Co., Ltd. v. Cohen & Co. Inc.*, No. CV 21-04442, 2022 WL 5250271, at *3 (E.D. Pa. Oct. 6, 2022).

¹⁵⁷ *Id.* at *1.

¹⁵⁸ *Id.* at *2 (quoting *McCarthy*, *supra* note 29, § 25:10).

¹⁵⁹ *Id.* (quoting *Gucci Am., Inc. v. Guess?, Inc.*, 868 F. Supp. 2d 207, 242 (S.D.N.Y. 2012)).

¹⁶⁰ *Id.* at *3. The plaintiff in *Cohen & Co., Ltd.* sought statutory damages.

‘spurious’ means not genuine or authentic.”¹⁶¹ As noted above, courts have offered various definitions of “spurious.” Even if the various definitions of “spurious” employed by the courts were correct, the analysis would still be flawed. In the statute, “spurious” modifies “mark.” A mark can be *spurious*, i.e., not genuine, even if the product to which it is applied looks nothing like the products to which the authentic mark is applied and even if the user has not formed a specific intention to deceive.¹⁶² Moreover, the TCA specifically states that, to be counterfeit, a mark must be used in connection with the registered goods; this is the only requirement regarding the nature of the goods that is included in the TCA. In sum, the statute’s use of the term “spurious” does not support a requirement that the parties’ products, as opposed to their marks, be identical or substantially indistinguishable.

V. POTENTIAL APPELLATE RULING

At least one of the issues discussed above is pending before the Ninth Circuit in *Y.Y.G.M. SA v. Redbubble, Inc.*, in which oral arguments were held in January 2023.^{163, 164} In that case, following a trial, a jury found that two of the plaintiff’s registered design marks had been infringed and that, in both cases, the infringing marks were counterfeit.¹⁶⁵ On the defendant’s motion, the district

¹⁶¹ 130 Cong. Rec. 31680. A more interesting question, and one beyond the scope of this article, is the impact of the term “spurious” in the following scenario. A word mark has long been used in one context, for example, for a restaurant or brewery, and the mark owner later expands their use into the field of apparel. A second party owns a registration for the identical word mark on apparel and sues the first for trademark infringement and accuses it of using a counterfeit mark. Such was the scenario in *Excelled Sheepskin & Leather Coat Corp. v. Oregon Brewing Co.*, No. 12 CIV. 1416 GBD RLE, 2015 WL 4468083, at *3 (S.D.N.Y. July 8, 2015). There, the defendant claimed its mark was not “spurious” because it was not fake, but rather had long been used by the defendant. *Id.* The court rejected this argument. *Id.*

¹⁶² See, e.g., *Gibson Brands, Inc.*, 2023 WL 2815156 at *25 (reviewing case law and finding that a conclusion that a mark is not a counterfeit because it is not “spurious” is inconsistent with the language of the Lanham Act where that conclusion is based on a comparison of the parties’ products rather than their marks).

¹⁶³ See *Y.Y.G.M. SA v. Redbubble, Inc.*, 9th Cir. No. 21-56150, 21-56236, *appealed from* *Y.Y.G.M. SA v. Redbubble, Inc.*, No. 2:19-cv-04618-RGK-JPR, 2021 WL 4816618 (C.D. Cal. July 27, 2021). In addition to the counterfeiting issues discussed herein, the plaintiff also appealed the district court’s refusal to grant a permanent injunction following the verdict finding trademark infringement, citing the plaintiff’s delay of one year between notifying the defendant of the infringement and filing the lawsuit. *Id.*; *Y.Y.G.M. SA v. Redbubble Inc.*, No. 2-19-cv--04618-RGK-JPR, 2021 WL 4553186, at *3 (C.D. Cal. Oct. 5, 2021). If upheld on appeal, this latter decision is likely to generate significant discussion in the trademark community.

¹⁶⁴ An appeal was just recently filed in another case discussed herein. See *Gibson Brands, Inc. v. Armadillo Dist. Enter. Inc.*, 5th Cir. No. 22-40587, *appealed from* *Gibson brands, Inc.*, 2023 WL 2815156. Initial briefing is due at the end of June 2023.

¹⁶⁵ See *Y.Y.G.M. SA v. Redbubble, Inc.*, No. 2:19-cv--04618-RGK-JPR, 2021 WL 4816618, at *2 (C.D. Cal. July 27, 2021).

court entered judgment as a matter of law in defendant's favor on the issue of counterfeiting as to one of the marks.¹⁶⁶ Quoting *Gucci* and *McCarthy*, the court stated that counterfeiting is “‘hard core’ or ‘first degree’ trademark infringement that seeks to trick the consumer into believing he or she is getting the genuine article, rather than a ‘colorable imitation.’”¹⁶⁷ The court then found that the plaintiff had failed to present evidence of products “that were remotely similar to products that Plaintiff offered for sale, let alone ‘stitch-for-stitch copies’ of Plaintiff’s products” and that, “[f]or this reason, courts have uniformly applied this provision to products that are stitch-for-stitch copies of those of another brand.”¹⁶⁸

On appeal, the plaintiff argued that “[t]he district court erred by holding that a counterfeiting claim focuses on comparison of two **products**, as opposed to two **marks**.”¹⁶⁹ The plaintiff’s mark is the words “Brandy” and “Melville” appearing on either side of a pink heart:

Brandy  Melville

A number of infringing marks were used, one of which differed from the plaintiff’s registered mark only in that the words “Brandy” and “Melville” were depicted in all capital letters, rather than with initial capital letters only.¹⁷⁰ The plaintiff’s mark was registered for stickers.¹⁷¹ The above-described infringing mark was used in connection with stickers.¹⁷²

The defendant, citing the recent Ninth Circuit case *Arcona, Inc. v. Farmacy Beauty, LLC*, argued that the Ninth Circuit has already ruled that the counterfeiting inquiry should focus on a comparison of products, not marks.¹⁷³ As the plaintiff pointed out in its reply brief, in *Arcona* the Ninth Circuit did no such thing.¹⁷⁴ In fact, the Ninth Circuit did not reach the question of whether the accused

¹⁶⁶ *Id.*

¹⁶⁷ *Id.*

¹⁶⁸ *Id.*

¹⁶⁹ See 9th Circuit Case No. 21-56150, 21-56236, Dkt. No. 16, p. 26 (Opening Brief of Appellant/Cross-Appellee Y.Y.G.M. SA dba Brandy Melville).

¹⁷⁰ *Id.* at 18.

¹⁷¹ *Id.* at 17; see also U.S. Reg. No. 5238856.

¹⁷² *Id.* at 17-20.

¹⁷³ 9th Circuit Case No. 21-56150, 21-56236, Dkt. No. 27, p. 42 (Appellee RedBubble, Inc.’s Principal and Response Brief).

¹⁷⁴ 9th Circuit Case No. 21-56150, 21-56236, Dkt. No. 36, p. 37-39 (Reply/Response Brief of Appellant/Cross-Appellee Y.Y.G.M. SA dba Brandy Melville). See *Arcona, Inc. v. Farmacy Beauty, LLC*, 976 F.3d 1074, 1080-81 (9th Cir. 2020), *cert. denied*, 141 S. Ct. 2800, 210 L. Ed. 2d 931 (2021).

mark was a counterfeit.¹⁷⁵ Instead, it undertook a likelihood of confusion analysis and concluded, that although word marks were identical and products were of the same type, significant differences in packaging, manner of display of the marks, and the prominent use of the parties' respective house marks rendered confusion unlikely as a matter of law.¹⁷⁶ As there was no likelihood of confusion, there was no infringement; in *Arcona*, therefore, the Ninth Circuit did not address the question of whether the mark was counterfeit.¹⁷⁷

It is possible that the Ninth Circuit will decide the case without reaching the question of whether identity of *marks* or identity of *products* is required to prove counterfeiting. It could conclude that the use of all capital letters versus initial capital letters renders the infringing mark too dissimilar to the registered mark to qualify as a counterfeit and uphold the district court's decision without deciding whether it is proper to compare the parties' *marks* or their *products*. The Ninth Circuit may also find that because the plaintiff did not submit evidence of its use of its mark on stickers (or any of the other goods in connection with which the defendant used the allegedly counterfeit mark) that it failed to establish trademark rights in connection with such goods and, therefore, was precluded from a finding of counterfeiting in connection with such goods.

Hopefully, however, in deciding the pending appeal in *Y.Y.G.M.*, the Ninth Circuit will address the question of whether identity of *marks* or identity of *products* is required to prove counterfeiting. Regardless of its decision, appellate level authority on this issue could go a long way toward resolving the existing state of uncertainty.

VI. CONCLUSION

Confusion abounds in the existing case law regarding counterfeiting. With respect to some issues, such as if (and, if so, how) the analysis of whether a mark is counterfeit differs for stylized or design marks, on the one hand, and standard character marks, on the other, there is little discussion at all. With respect to other issues, the case law is rife with inconsistent statements and approaches. For example, a significant body of existing district court case law would require that, to access the special remedies provided in cases of infringement involving counterfeit marks, not only must the *marks* be identical or substantially indistinguishable, but the

¹⁷⁵ *Arcona, Inc.*, 976 F.3d at 1080-81.

¹⁷⁶ *Id.* In *Arcona*, the plaintiff had argued that it needed only to show that the mark was counterfeit and, if it was, there was no need for a separate showing of likelihood of confusion. *Id.* at 1078. This argument was rejected. *Id.* at 1079.

¹⁷⁷ *Id.* at 1080-81.

parties' products themselves must be substantially indistinguishable; other cases limit their analysis to marks themselves. This confusion has led some practitioners to refrain from asserting the use of a counterfeit mark, even in cases where a competitor has applied an identical mark to the identical type of product simply because the mark is displayed in a different font and/or because the products, although identical in type, differ in appearance.

But much of the confusion seems unwarranted given that the statutory language is reasonably straightforward. Congress did not simply say that the special remedies for counterfeiting are available in “egregious cases” and leave courts to figure out what “egregious” meant. It could have; it has provided similar guidance in other parts of the Lanham Act.¹⁷⁸ Instead, it provided specific criteria for courts to follow. A “counterfeit mark” is a mark that is (1) identical with or substantially indistinguishable from a registered mark that is in use and (2) used in connection with the same goods or services that are in the registration.¹⁷⁹ Statutory damages are available in *any* case of infringement that involves the use of a counterfeit mark.¹⁸⁰ Enhanced statutory damages are available only in infringement cases where use of the counterfeit mark was willful.¹⁸¹ Mandatory trebling of damages and awards of attorney fees are available only in cases of infringement where the infringer intentionally uses the counterfeit mark knowing that it was counterfeit.¹⁸²

In our view, a straightforward interpretation of the statutory language is that, excluding cases involving registered product design or product packaging trade dress, there is no requirement that, for two marks to be “identical or substantially indistinguishable,” the products or packaging on which those marks appear must also be identical. And, where the registered mark is a word mark, there is no requirement that, for two marks to be “identical or substantially indistinguishable,” the marks be displayed in identical size, style, or color font. To be sure, the similarity in the appearance of the parties' products or packaging and the manner in which their marks are displayed is certainly relevant to the question of whether a likelihood of confusion exists—a prerequisite to accessing special remedies for counterfeiting. It also may be relevant to issues of knowledge and intent—prerequisites to mandatory awards of treble damages and attorney fees. It may also be relevant to the question of willfulness—a prerequisite to enhanced statutory damages. It is simply not

¹⁷⁸ See, e.g., 15 U.S.C. § 1117(a) (attorney fees are available only in “exceptional cases”).

¹⁷⁹ 15 U.S.C. §§ 1116(b)(1), 1117(b) & (c), 1127.

¹⁸⁰ 15 U.S.C. § 1117(c).

¹⁸¹ *Id.*

¹⁸² 15 U.S.C. § 1117(b).

relevant to the question of whether an infringing mark is a “counterfeit mark.”

Let us consider again the products we examined in the Introduction:



Party A's Product



Party B's Product

Party A owns a registration for the STOMP ROCKET word mark for “flying winged tubes and structural parts therefor.” And Party B is clearly using an identical mark—STOMP ROCKET—in connection with a flying winged tube toy. Application of the statutory framework leads to the conclusion that Party B’s mark is a counterfeit mark and, therefore, if there is infringement, Party A should be able to access, at a minimum, non-enhanced statutory damages. But neither Party’s B product or its packaging are “stitch-for-stitch” copies of Party A’s, nor are the products themselves or their packaging substantially indistinguishable. Application of these standards bars Party’s A access to non-enhanced statutory damages, which is contrary to the statute.

Congress defined the universe of cases in which special remedies for counterfeiting are allowed, and it is not defined as “egregious cases,” nor is it limited to cases involving “stitch-for-stitch” copies or cases in which the parties’ products and/or packaging are identical or substantially indistinguishable. If Congress concludes that availability of the special remedies should be restricted to a narrower class of cases, for example, “egregious cases,” cases involving “stitch-for-stitch copies,” or cases where the parties’ products and/or packaging are substantially indistinguishable, it can do so by amending the statute. Barring such amendment, however, it is not appropriate for courts to impose requirements for

obtaining those special remedies beyond those found in the statute, even if done in an effort to serve a perceived Congressional intent that the special remedies for counterfeiting be available in only the most egregious cases.
