

---

# New Legislation: Presumption Resumption – Rebuttable Presumption of Irreparable Harm Reintroduced in Trademark Injunctive Relief Actions

By [Daniel M. Nuzzaci](#)

Buried deep within Congress's December 21, 2020, COVID-19 Relief and Omnibus Spending bill is the Trademark Modernization Act of 2020 (the "Trademark Act of 2020"). The Trademark Act of 2020 amends several provisions of the Lanham Act to streamline trademark litigation and address issues of abuse that have plagued the United States Patent and Trademark Office.[More](#)

By [Daniel M. Nuzzaci](#)

Buried deep within Congress's December 21, 2020, COVID-19 Relief and Omnibus Spending bill is the Trademark Modernization Act of 2020 (the "Trademark Act of 2020"). The Trademark Act of 2020 amends several provisions of the Lanham Act to streamline trademark litigation and address issues of abuse that have plagued the United States Patent and Trademark Office. Among these changes is an amendment to Section 34(a) of the Lanham Act, 15 U.S.C. Section 1116(a), which now states that a plaintiff seeking injunctive relief is entitled to a rebuttable presumption of irreparable harm upon a finding of infringement or likelihood of success on the merits.

For many years, plaintiffs seeking injunctive relief in trademark infringement litigations were entitled to a presumption of irreparable harm. The presumption was granted with good reason. It reflected the reality that a plaintiff is likely to suffer reputational harm and loss of goodwill as a result of the confusion

between its mark and the infringer's mark—a type of harm that cannot be remedied merely by monetary damages. Nevertheless, in 2006, the Supreme Court of the United States held that litigants seeking injunctive relief in patent actions were not entitled to a presumption of irreparable harm upon a finding of infringement or likelihood of success on the merits. See *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 393 (2006) (“[T]his Court has consistently rejected invitations to replace traditional equitable considerations with a rule that an injunction automatically follows a determination that a copyright has been infringed.”). Although *eBay Inc. v. MercExchange* was a patent infringement case, lower courts began to extend the holding to other contexts, including trademark infringement actions. The result was a split amongst the Circuit Courts—and an even deeper split amongst the District Courts within each Circuit—about whether a finding of trademark infringement or likelihood of success on the merits entitled a plaintiff to a presumption of irreparable harm. In those jurisdictions where the presumption was abandoned, brand owners faced a more costly and difficult uphill battle for obtaining injunctive relief against infringers.

The Trademark Act of 2020 resolves the Circuit split. Specifically, the act amends Section 34(a) of the Lanham Act, 15 U.S.C. Section 1116(a), to insert the following sentence: “A plaintiff seeking any such injunction shall be entitled to a rebuttable presumption of irreparable harm upon a finding of a violation identified in this subsection in the case of a motion for a permanent injunction or upon a finding of likelihood of success on the merits for a violation identified in this subsection in the case of a motion for a preliminary injunction or temporary restraining order.” Congress also bestowed the amendment with its very own rule of construction, which states that “[t]he amendment . . . shall not be construed to mean that a plaintiff seeking an injunction was not entitled to a presumption of irreparable harm before the date of enactment of this Act.” Importantly, because Section 34(a) of the Lanham Act provides injunctive relief “to prevent the violation of any right of the registrant of a mark registered in the Patent and Trademark Office or to prevent a violation under subsection (a), (c), or (d) of section 1125,” the rebuttable presumption of irreparable harm extends to litigants bringing claims not only for infringement of a registered mark, but also claims for infringement of an unregistered mark, unfair competition, false advertising, dilution, and cyber piracy.

The Trademark Act of 2020 delivers a message from Congress that is crystal clear—trademark plaintiffs are entitled to a rebuttable presumption of irreparable harm when seeking injunctive relief. While the presumption is rebuttable and may therefore be overcome by the infringer presenting

---

evidence of no injury or harm to the plaintiff, plaintiffs in trademark cases should nonetheless have an easier time securing injunctive relief to protect their valuable trademarks and brand identities. The amendment returns Lanham Act jurisprudence to a better time, at least from a plaintiff's perspective—a time before 2006, when the Supreme Court rendered its decision in *eBay Inc. v. MercExchange*.