

THE NEVER-ENDING SEIZURE ORDER:
HOW COURTS HAVE GRANTED IMMORTALITY TO
CONGRESS'S MAYFLY[♦]

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INTRODUCTION.....	370
I. THE “UNIQUELY PERNICIOUS” PROBLEM OF COUNTERFEITING.....	373
II. THE GOAL: EVIDENTIARY TOOL OR SUBSTANTIVE REMEDY?	376
III. SEVEN DAYS: THE END OR JUST THE BEGINNING.....	378
IV. THE NEVER-ENDING SEIZURE ORDER.....	382
V. MOVING FORWARD	388

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INTRODUCTION

The adult mayfly, living for mere days,¹ has come to symbolize all that is mortal, all that “returneth to dust.”² And yet there are some things that are so pugnacious that they simply refuse to die. It is true that in the natural world such things are rare. Even the aged Bristlecone Pine,³ alive when Socrates defended himself before an Athenian jury,⁴ must eventually expire. Not so, however, with things of our own creation.⁵

It may come as a disappointment to the reader that after such a lofty introduction this Article will focus on such base things as trademarks and seizure orders. I trust that the reader will forgive the author his musings when she grasps their import: certain things in life are blessed with longevity, while others are cursed with evanescence. When it comes to creations of Congress, the longevity of a particular matter is often the most controversial issue. Thus, Congress tends to give a great deal of thought to the lifespan of its offspring. Nowhere is this deliberation more apparent than in the Trademark Counterfeiting Act of 1984 (“the Act”).⁶

The Act was Congress’s response to what it saw as an “emboldened” counterfeiting industry that had “become increasingly callous towards the judicial process.”⁷ The Act provided new criminal and civil means for dealing with counterfeiters, chief among them a process for obtaining ex parte seizure orders.⁸ Some courts had already begun to grant similar orders prior to the Act’s passage,⁹ but there was considerable uncertainty “as to the circumstances that warrant granting [seizure] orders and as to what their terms and conditions should be.”¹⁰ Thus, the Act attempted to deal with this uncertainty, providing “certain defined circumstances” under which ex parte seizure orders could be issued, along with “numerous safeguards to ensure that [they] are

¹ Indeed, the scientific order for the mayfly is “Ephemeroptera,” which means “living a day.” LORUS MILNE ET AL., *FIELD GUIDE TO INSECTS AND SPIDERS* 355 (22nd ed. 2004).

² WILLIAM SHAKESPEARE, *THE TRAGEDY OF HAMLET* act 5, sc. 1.

³ The oldest specimen is the 4,789-year old “Methuselah” tree in the White Mountains of California. COLIN RIDSDALE ET AL., *TREES* 86 (2005).

⁴ See generally PLATO, *Apology*, in *PLATO COMPLETE WORKS* 17, 17-36 (John M. Cooper ed., G.M.A. Grube trans., 1997). Socrates’ defense is thought to have taken place around 399 B.C.

⁵ According to Chief Justice John Marshall, written law “is designed to approach immortality as nearly as human institutions can approach it.” *Cohens v. Virginia*, 19 U.S. (6 Wheat.) 264, 387 (1821) (specifically referring to written constitutions).

⁶ 15 U.S.C. §§ 1116-18 (2006).

⁷ S. REP. NO. 98-526, at 1 (1984), as reprinted in 1984 U.S.C.C.A.N. 3627, 3627-28.

⁸ 15 U.S.C. § 1116(d) (2006).

⁹ See *In re Vuitton et Fils S.A.*, 606 F.2d 1 (2d Cir. 1979).

¹⁰ Michael D. McCoy & James D. Myers, *Ex Parte Seizure Order Practice After the Trademark Counterfeiting Act of 1984*, 14 *AIPLA Q.J.* 237, 238-39 (1986).

not abused.”¹¹ This Article will focus on one of those safeguards in particular, the provision that an ex parte seizure order “shall end not later than seven days after the date on which such order is issued, during which the seizure is to be made.”¹² Commentators have suggested that this seven-day period can be expanded within the bounds of Federal Rule of Civil Procedure 65 in order to reach the full ten-day limit of a Temporary Restraining Order (“TRO”).¹³ While this is not clear from the statute,¹⁴ it is clear that in any event the period in which the plaintiff may conduct seizures under an ex parte seizure order is ten days or less. Despite this fact, and the fact that courts, quite correctly, have expressed the reservation that “[e]ven in infringement cases . . . a seizure order should not be granted lightly,”¹⁵ a number of courts have been willing to grant seizure orders that extend beyond seven, or even ten days, some of which appear to carry on in perpetuity. Perhaps more distressing is the fact that this number of cases with open-ended seizure orders may be quite large indeed.¹⁶ Counterfeiters are often “street vendors who peddle their goods at flea markets, city kiosks, and live entertainment events . . . [and that operate] on the fringe of

¹¹ S. REP. NO. 98-526, at 2.

¹² 15 U.S.C. § 1116(d)(5)(C) (2006).

¹³ See Lucas G. Paglia & Mark A. Rush, *End Game: The Ex Parte Seizure Process and the Battle Against Bootleggers*, 4 VAND. J. ENT. L. & PRAC. 4, 13 n.21 (2002) (“Although the Act prescribes a maximum duration for the order of seven days, a federal judge may in her discretion allow up to ten days, pursuant to FED. R. CIV. P. 65(b).”).

¹⁴ There is a fair argument that the extension to ten days was contemplated by the drafters of the Act, who referred often to Federal Rule of Civil Procedure 65 in the legislative history. S. REP. NO. 98-526, at 7, 16-17. For example, at one point the Senate Judiciary Committee stated that the seizure hearing would be conducted “in accordance with Rule 65 of the Federal Rules of Civil Procedure.” *Id.* at 17. In addition, a motion for an ex parte seizure order is “usually combined with a motion for a temporary restraining order (TRO), so that the applicant must satisfy the special statutory grounds as well as the traditional criteria for an ex parte temporary restraining order under Fed. R. Civ. P. 65(b).” J. THOMAS MCCARTHY, 5 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 30:38 (4th ed. 2007). However, this argument for an extension of § 1116(d)’s provisions under Rule 65 is not necessarily correct. At least one court has purposefully distinguished the procedures of § 1116(d) from Rule 65, holding that § 1116(d) “provided the only basis for issuance of an *ex parte* seizure order when federally registered trademarks are alleged to have been infringed.” *Major League Baseball Properties, Inc. v. Crump*, 11 U.S.P.Q.2d 1381, 1382 (D. Minn. 1989). In any event, this Article will, for simplicity’s sake, refer to the time limitation as a seven-day limitation.

¹⁵ *Time Warner Entm’t Co. v. Does Nos. 1-2*, 876 F. Supp. 407, 411 (E.D.N.Y. 1994); see also *Gen. Elec. Co. v. Speicher*, 676 F. Supp. 1421, 1436 (N.D. Ind. 1988) (“Ex parte seizures are dangerous weapons, which, if not carried out with utmost care and restraint create a potential for great abuse.”). Commentators have generally agreed that, because of their extraordinary power, ex parte seizure orders “are not routine.” Michael Coblenz, *How the Seizure of Counterfeit Goods Can Go Bad: Waco International v. KHK Scaffolding et al.*, 3 MINN. INTELL. PROP. REV. 59, 68 (2002); see also Gabrielle Levin, *Desperate Times, Desperate Measures? Reconceptualizing Ex Parte Seizure Orders to More Effectively Fight the War on Trademark Counterfeiting*, 14 U. BALT. INTELL. PROP. L.J. 171, 176 (2006) (“[Ex parte seizure orders] have been characterized as ‘drastic,’ ‘intrusive,’ and ‘extraordinary’ relief that should be ordered ‘only as a last resort.’”) (citations omitted).

¹⁶ See Jules D. Zalon, *Ex Parte Seizure Orders: Don’t Kill the Goose that Laid this Golden Egg!*, 23 COLUM.-VLA J.L. & ARTS 181, 191 (1999) (“There must be literally thousands of actions in which ex parte seizures have been authorized and have been executed without a hitch. Yet, there are relatively few reported cases which even discuss ex parte seizures.”).

society.”¹⁷ Such itinerant vendors are nomadic by nature and are highly unlikely to challenge an open-ended seizure order in court.¹⁸ Thus, seizure orders that appear to thwart Congress’s “certain defined circumstances” and “numerous safeguards”¹⁹ endure. The power to seize, which courts have described as an “awesome power”²⁰ and one that is often associated with the government, appears to have been extended beyond the limits Congress intended.

Lest there be any confusion, I make it clear that I am no friend of counterfeiters. Their business is a cheap and sleazy one, suited only for the back alleys in which they so often operate. And yet, under centuries of precedent from this nation’s courts and the courts of England before that, a court’s role is to “look to the statute before [it] and ask what Congress intended,”²¹ rather than moving beyond the statute to fashion its own, seemingly justified remedy. This principle of statutory construction can be traced back at least as far as Lord Coke and is well entrenched in our jurisprudence.²² To derive Congress’s intent, courts are to consider “the history of the subject matter involved, the end to be attained, the mischief to be remedied and the purpose to be accomplished.”²³ To ignore Congress’s intent and to forge a path that it did not intend is to fall victim to what John Stuart Mill called the “disposition of mankind,” which is “to impose [our] own opinions and inclinations as a rule.”²⁴ The late Chief Justice Rehnquist warned that “to go beyond the language of [the law], and the meaning that may be fairly ascribed to the language, and into the consciences of individual judges, is to embark on a journey that is treacherous indeed.”²⁵ Counterfeiters are undeserving of sympathy, and I offer them none, but trademark owners and the courts they appear before must operate within the law as they seek to protect intellectual property. Accordingly, this Article will address the history of counterfeit operations, Congress’s goal in providing

¹⁷ Paglia & Rush, *supra* note 13, at 5.

¹⁸ See, e.g., *Polo Ralph Lauren, L.P. v. 3M Trading Co., Inc.*, No. 97 Civ. 4824, 1999 WL 33740332, at *6 (S.D.N.Y. Apr. 19, 1999) (“[D]efendants have declined to participate in this lawsuit, and have thus deprived plaintiffs of the opportunity to make a meaningful assessment of the extent of their business, including volume of sales and profits earned.”).

¹⁹ See *McCoy & Myers*, *supra* note 10.

²⁰ *United States v. 2323 Charms Road*, 726 F. Supp. 164, 168 (E.D. Mich. 1989); see also *Warner Bros. Inc. v. Dae Rim Trading, Inc.*, 877 F.2d 1120, 1125 (2d Cir. 1989) (referring to the seizure of goods as a “drastic act”).

²¹ *Almendarez-Torres v. United States*, 523 U.S. 224, 228 (1998).

²² “[T]he office of all the judges is always to make such construction as shall . . . add force and life to [the law], according to the true intent of the makers of the act pro bono publico.” NORMAN J. SINGER, 2A SUTHERLAND STATUTORY CONSTRUCTION § 45:5 (7th ed., 2007) (quoting Lord Coke’s 1584 pronouncement).

²³ *Id.*

²⁴ JOHN STUART MILL, ON LIBERTY AND CONSIDERATIONS ON REPRESENTATIVE GOVERNMENT 12 (R.B. McCallum ed., 1947).

²⁵ WILLIAM H. REHNQUIST, THE SUPREME COURT 278 (2d ed. 2004).

seizure orders under the Act, and the means by which the Act allows for the attainment of that goal. It may be that Congress did indeed intend for seizure orders to be open-ended, a possibility that shall be discussed, but this Article takes the position that such a result was most likely not intended by Congress. If this is the case, a situation exists today in which trademark owners and courts, in what is surely a just desire to protect valuable trademarks, have overstepped the authority given to them by Congress.

I. THE “UNIQUELY PERNICIOUS”²⁶ PROBLEM OF COUNTERFEITING

When Congress passed the Trademark Counterfeiting Act of 1984, it had been presented with testimony that counterfeiters were defrauding consumers “out of billions of dollars each year in the United States alone.”²⁷ More recent calculations from the United States Customs Services have estimated the loss to be “in the neighborhood of two hundred billion dollars annually” with 750,000 lost jobs per year.²⁸ Fortune 500 companies estimate that they spend, on average, \$2 to 4 million per year fighting counterfeit operations, with some reporting spending of up to \$10 million.²⁹ In addition to these explicit losses in profit is the potential for reputational damage when the trademark owner’s “good name is injured through the sale of inferior products.”³⁰ Injuries such as these led to Congress’s description of counterfeiting as a “uniquely pernicious form of trademark infringement.”³¹ Congress went on to state that the “mushrooming traffic in counterfeit goods and services”³² was a “poison []”³³ to the “vital role [played by trademarks] in all but the most primitive societies.”³⁴ This poison was infecting all areas of commerce in the United States, including “automobile parts, cosmetics, fertilizers, chemicals, perfumes, watches, luggage, sporting goods, electronic equipment, computer components, medical devices, and umerous [sic] other items.”³⁵ The far-reaching effect of counterfeiting led Congress to conclude that “[n]o industry is immune to this form of fraud.”³⁶

These findings regarding the impact of counterfeiting led

²⁶ S. REP. NO. 98-526, at 2 (1984), as reprinted in 1984 U.S.C.C.A.N. 3627, 3628.

²⁷ *Id.* at 1. Gerald J. Mossinghoff, Assistant Secretary of Commerce and Commissioner of Patents and Trademarks, told the Senate Judiciary Committee that “several billion dollars of counterfeit goods are sold annually.” *Id.* at 4.

²⁸ Paglia & Rush, *supra* note 13, at 5.

²⁹ Heather J. McDonald, *What Every Litigator Must Know About Intellectual Property 2004*, 798 PLI/PAT 593, 597 (2004).

³⁰ S. REP. NO. 98-526, at 4 (1984), as reprinted in 1984 U.S.C.C.A.N. 3627, 3630.

³¹ *Id.* at 2.

³² *Id.*

³³ *Id.* at 4.

³⁴ *Id.* at 3.

³⁵ *Id.* at 4.

³⁶ S. REP. NO. 98-526, at 4 (1984), as reprinted in 1984 U.S.C.C.A.N. 3627, 3630.

Congress to act as it did in 1984. Prior to that date, however, trademark owners often found themselves without an adequate remedy. That is not to say that they did not try. Over the years, trademark owners tried any number of different methods to combat counterfeiting, including “cease-and-desist letters, undercover stings, and periodic retail sweeps.”³⁷ The problem has been described by two veteran trademark attorneys thusly:

The manner in which counterfeiters operate does not lend itself to standard civil remedies. The majority of counterfeiters are street vendors who peddle their goods at flea markets, city kiosks, and live entertainment events. These individuals and groups are usually not incorporated or otherwise formally organized. Instead, they tend to do business from remote, makeshift factories and storage centers. Their vans and trucks serve as 'moving warehouses' that travel from event to event, city to city, in search of unsuspecting consumers.

. . . If apprised in advance of a pending motion for injunction, counterfeiters invariably leave with their illicit merchandise and either relocate to a venue beyond the jurisdiction of the court or simply wait until their pursuers have abandoned the cause before restarting their illegal businesses.³⁸

This failure of traditional remedies to address the problems of counterfeiting led courts to fashion their own remedy: the *ex parte* TRO.

In 1979, Vuitton et Fils S.A. (“Vuitton”) filed a complaint in federal court seeking an injunction against counterfeiters of its goods, including luggage, handbags, wallets, and jewelry cases.³⁹ Vuitton also sought an *ex parte* TRO, stating that, in its experience after eighty-four actions and hundreds of investigations, giving notice to counterfeiters allowed them to “dispose of [the counterfeit] merchandise with relative impunity.”⁴⁰ The district court denied the *ex parte* TRO because Vuitton was capable of providing notice to defendants.⁴¹ Vuitton appealed this decision, and the United States Court of Appeals for the Second Circuit reversed.⁴² The Second Circuit held that an *ex parte* order was “the sole method of preserving a state of affairs in which the court can

³⁷ Paglia & Rush, *supra* note 13, at 5.

³⁸ *Id.*; see also McCoy & Myers, *supra* note 10, at 240 (“Traditional procedures and remedies provided little real relief for injured trademark owners since ‘in and out’ infringers played fast and loose with the Federal Rules of Civil Procedure and were often judgment-proof.”).

³⁹ *In re Vuitton et Fils S.A.*, 606 F.2d 1, 1-2 (2d Cir. 1979).

⁴⁰ *Id.* at 2.

⁴¹ *Id.* at 3.

⁴² *Id.* Although the denial of a TRO is not appealable, a fact the Second Circuit recognized, the court nonetheless granted Vuitton relief under the All Writs Act, 28 U.S.C. § 1651(a). *Id.* at 3 n.5.

provide effective final relief.”⁴³ Other courts agreed and began to issue *ex parte* seizure orders under various legal theories.⁴⁴

Congress apparently agreed with trademark owners such as Vuitton. The legislative history of the Act reflects Congress’s sentiment that “once given warning that a trademark owner has discovered their illegal operation, many counterfeiters will simply destroy or conceal their illegal merchandise before any court can examine it.”⁴⁵ Thus, in its desire to “provide trademark owners with an effective means of combating this lawless behavior,”⁴⁶ Congress created the *ex parte* seizure process. It stated that “under certain defined circumstances, a private party may obtain a court order to seize counterfeit goods without giving advance notice to the defendant.”⁴⁷ It also stated that the Act would provide “numerous safeguards to ensure that *ex parte* seizures are not abused.”⁴⁸ In short, the Act allows a court, “upon *ex parte* application, [to] grant an order . . . providing for the seizure of goods and counterfeit marks involved in [violation of the Lanham Act] and the means of making such marks, and records documenting the manufacture, sale, or receipt of things involved in such violation.”⁴⁹

The *ex parte* seizure process would quickly become “the best weapon in the fight against counterfeiters,”⁵⁰ largely because it enabled trademark owners to excise counterfeit products from the marketplace, “providing the immediate benefits of increased per capita merchandise sales as well as preserving (for another day) the reputation and good will the mark embodies.”⁵¹ But is this result, the deputizing of private trademark owners so that they can remove counterfeit products from the marketplace, what Congress intended with the *ex parte* seizure process?

⁴³ *Id.* at 4.

⁴⁴ One such theory was a court’s “traditional equitable powers.” *Swatch Watch, S.A. v. Aste Trading Corp.*, No. 85 Civ. 7726, 1986 WL 734, at *3 (S.D.N.Y. Jan. 3, 1986) (“Prior to enactment of the new counterfeit statute, 15 U.S.C. § 1116(d)(2), this Court issued *ex parte* seizure orders under its traditional equitable powers, upon appropriate showings, in order to protect mark holders from knock-offs and confusingly similar goods.”). Another theory was the All Writs Act, found at 28 U.S.C. § 1651, and used by the *Vuitton* court itself. *Vuitton*, 606 F.2d at 3 n.5 (“As is amply demonstrated by the persistent factual pattern in the *Vuitton* cases, this case is not only ‘extraordinary,’ it approaches the bizarre; we believe we are fully justified in assuming jurisdiction under 28 U.S.C. § 1651(a).”).

⁴⁵ S. REP. NO. 98-526, at 1-2 (1984), as reprinted in 1984 U.S.C.C.A.N. 3627, 3628.

⁴⁶ *Id.* at 2.

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ 15 U.S.C. § 1116(d)(1)(A) (2006).

⁵⁰ Paglia & Rush, *supra* note 13, at 6; see also McCoy & Myers, *supra* note 10, at 244 (calling the *ex parte* seizure order “the major weapon in the anti-counterfeiting war”).

⁵¹ Paglia & Rush, *supra* note 13, at 5.

II. THE GOAL: EVIDENTIARY TOOL OR SUBSTANTIVE REMEDY?

Obviously, Congress created the *ex parte* seizure process to combat counterfeiting operations, which, as we have seen, were successfully evading the judicial process. But in what way, exactly, did Congress intend for the seizure order to assist trademark owners? Was it a method by which trademark owners could cull the marketplace of contraband, thereby preserving the rightful place of their own goods, or was it a means of preserving evidence that could later be used at trial in seeking damages against counterfeiters themselves? The legislative history of the Act, in several places, states the purpose Congress had in mind with the creation of the seizure process. The following are representative: “The reason for this provision is that many counterfeiters, once given notice that their fraudulent operations have been discovered, will immediately dispose of the counterfeit goods and make it impossible for the trademark owner ever to bring them to justice.”⁵² “The purpose of this provision is to ensure that the injured party is in fact made whole by the relief he or she is granted, and to discourage dilatory tactics in litigation under this Act.”⁵³ Both of these formulations imply that the seizure order is directed to future action against the counterfeiter in order to “bring them to justice,” “ensure that the injured party is made whole,” and “discourage dilatory tactics in litigation.” The legislative history also evidences Congress’s belief that

[i]t would not be appropriate to order such a seizure against a reputable merchant, absent unusual circumstances – such as when the applicant can make a particularized showing that the merchant would be likely to defy a court order to maintain the status quo. A reputable businessperson would not be likely to conceal or destroy evidence when notified of a pending lawsuit, and the issuance of an *ex parte* seizure order against such a person would therefore be wholly inappropriate, absent the unusual circumstances just mentioned.⁵⁴

This portion of the history explains that seizure orders are inappropriate where there is no likelihood that a party will “conceal or destroy evidence.” This reading of the seizure order as a means to prevent the destruction of evidence is reflected in the statute itself, which states that a court shall not grant an application for an *ex parte* seizure order unless “the person against whom seizure would be ordered, or persons acting in concert with such person, would destroy, move, hide, or otherwise make such matter inac-

⁵² S. REP. NO. 98-526, at 2-3 (1984), as reprinted in 1984 U.S.C.C.A.N. 3627, 3629.

⁵³ *Id.* at 14.

⁵⁴ 130 CONG. REC. H12081 (1984), reprinted in 2-5 GILSON ON TRADEMARKS § 5.19(4)(b)(i)(A)(VIII) (Lexis 2007).

cessible to the court, if the applicant were to proceed on notice to such person.”⁵⁵ All of these passages support the idea of the seizure order as an evidentiary mechanism, seeking to preserve issues for trial to ensure the trademark owner’s ultimate recovery, rather than as a substantive remedy in and of itself.

At least one court has agreed with this reading of the seizure order as an evidentiary tool rather than a substantive remedy. In the case of *In re Lorillard Tobacco Co.*,⁵⁶ the United States Court of Appeals for the Ninth Circuit addressed the issue of whether a district court’s denial of an application for a § 1116(d) seizure order was appealable (as the denial of an injunction would be under 28 U.S.C. § 1292(a)).⁵⁷ This issue led the court to delve into the history and purpose of § 1116(d) to determine the nature of the Act’s seizure order. After discussing certain elements of the Act’s legislative history, the court concluded, “The purpose of the seizure order is to preserve the evidence necessary to bring trademark counterfeiters to justice.”⁵⁸ Based upon this reading of the seizure order’s purpose, the court stated that § 1116(d) “is thus more like an order ‘concerning the conduct of the parties . . . while awaiting trial’ than one giving any ‘of the substantive relief sought by a complaint.’”⁵⁹ Thus, seizure was not a substantive remedy, but “simply protects the integrity of the evidence in pending civil action.”⁶⁰

Despite the language from the statute and legislative history cited above, commentators have disagreed on the purpose of the ex parte seizure order. Some have come to the same conclusion as the court in *Lorillard*, that “the purpose of the ex parte seizure is to protect materials from destruction or concealment.”⁶¹ Others, however, have argued that the seizure process gives trademark owners the ability to “excise [counterfeit] products from the marketplace,” which leads to increased sales for the trademark owner.⁶² Under this alternative theory, the “primary objective of the counterfeiting victim [is] to remove the infringing materials from the marketplace.”⁶³ Having accomplished this objective, the trademark owner “may wish to terminate the litigation,”⁶⁴ never having used the seized items as evidence to definitively establish a violation of the Lanham Act. Still other commentators would have

⁵⁵ 15 U.S.C. § 1116(d)(4)(B)(vii) (2000).

⁵⁶ 370 F.3d 982 (9th Cir. 2004).

⁵⁷ *Id.* at 983.

⁵⁸ *Id.* at 987.

⁵⁹ *Id.* (quoting *Int’l Prods. Corp. v. Koons*, 325 F.2d 403, 406 (2d Cir.1963)).

⁶⁰ *Id.*

⁶¹ 2-5 GILSON ON TRADEMARKS § 5.19(4)(b)(i) (Lexis 2007).

⁶² Paglia & Rush, *supra* note 13, at 5.

⁶³ *Id.* at 10.

⁶⁴ *Id.*

it both ways, arguing that *ex parte* seizure orders “enable[] a counterfeiting victim to protect her trademark rights by immediately removing the allegedly infringing goods from commerce *and* by preserving evidence of counterfeiting.”⁶⁵

The precise goal of the Act is relevant for the following reason: if the seizure order is intended merely as an evidentiary tool, allowing trademark owners to preserve evidence that counterfeiters would have destroyed had they been given notice, the seven-day limitation is not burdensome. A trademark owner need only obtain evidence sufficient to establish a violation of the Lanham Act in order to recover (1) defendant’s profits, (2) any damages sustained by plaintiffs, and (3) the costs of the action.⁶⁶ In such an action, the plaintiff is only required to prove the defendant’s sale of counterfeit merchandise.⁶⁷ Indeed, by statute, this showing usually entitles the plaintiff to treble damages.⁶⁸ Under the alternate theory, however, the seven-day limitation is much more onerous. As two commentators have put it, “The victim of counterfeiting must have an organized, well-conceived plan for enforcing any seizure order, as he will have, at most, seven to ten days to carry it out.”⁶⁹ But what about the case where the counterfeiting occurs not during a limited time frame, but over a much longer period of time? Take, for example, the case of *S.K.S. Merch, LLC v. Barry*,⁷⁰ where plaintiffs presented evidence that there would be bootleggers at each and every Toby Keith concert.⁷¹ In *S.K.S. Merch*, the court was satisfied that bootleggers had sold or would sell counterfeit merchandise at all of Mr. Keith’s concerts, covering a period of nearly two years and in almost every state.⁷² Did Congress intend for one seven-day seizure period to gather evidence against these counterfeiters, which could later be used at trial, or did it intend for a seizure period to extend for the rest of Mr. Keith’s tour so that his trademarks would be protected throughout the season? As we shall see, the court took the latter course, but in doing so did not reconcile the seven-day time limitation that Congress had provided.

III. SEVEN DAYS: THE END OR JUST THE BEGINNING?

As stated earlier, the Act states that any *ex parte* order “shall set forth . . . the time period, which shall end not later than seven

⁶⁵ Levin, *supra* note 15, at 175-76 (emphasis added).

⁶⁶ 15 U.S.C. § 1117(a) (2006).

⁶⁷ *Id.*

⁶⁸ *Id.* § 1117(b)

⁶⁹ Paglia & Rush, *supra* note 13, at 10.

⁷⁰ 233 F. Supp. 2d 841 (E.D. Ky. 2002).

⁷¹ *Id.* at 843, 850-51.

⁷² *Id.* at 850-51.

days after the date on which such order is issued, during which the seizure is to be made.”⁷³ Clearly, during these seven days the trademark owner may carry on seizure operations with the scope of the court’s ex parte seizure order. But does the ability to seize end with those seven days? The same commentators who were cited above as saying that trademark owners have at most seven to ten days in which to affect seizure have also stated that “a successful seizure of counterfeit goods need not be the end of the story. The [Act] expressly provides for the conversion of temporary seizure orders into preliminary injunctions.”⁷⁴ This section of the Article will examine this claim to determine if, in fact, the Act provides for the conversion of the ex parte order into a preliminary injunction. Even further, if such conversion is contemplated, is it the TRO that converts into a preliminary injunction, leaving the seizure order to expire, or does the seizure order accompany the preliminary injunction beyond its initial seven-day life span?

The Act provides that within ten to fifteen days after the seizure the court is to hold a post-seizure hearing.⁷⁵ At that hearing, the trademark owner has the burden of proving that the findings of fact and conclusions of law supporting the seizure “are still in effect.”⁷⁶ If the trademark owner is unable to do so, “the seizure order shall be dissolved or modified appropriately.”⁷⁷ It is apparently this language that has led to the implication that the Act provides for the conversion of the TRO and seizure order into a preliminary injunction.⁷⁸ This implication has some surface appeal. Why would Congress state that the seizure order is subject to being “dissolved or modified appropriately” if it must naturally expire in any event?⁷⁹

Although there is no case law directly confirming this interpretation, several courts have impliedly followed just such a reading. In *Compaq Computer Corp. v. Hardware 4 Less, Inc.*,⁸⁰ the court determined that a previously granted seizure order was deficient because it did not include “a date for a hearing to determine whether the seizure order should remain in effect.”⁸¹ Again, the implication is that something susceptible to remaining in effect must not, by definition, necessarily expire. In *Gucci America, Inc. v. Accents*,⁸² the court found sufficient evidence to convert an ex parte

⁷³ 15 U.S.C. § 1116(d)(5)(C) (2006).

⁷⁴ Paglia & Rush, *supra* note 13, at 10.

⁷⁵ 15 U.S.C. § 1116(d)(10)(A) (2006).

⁷⁶ *Id.*

⁷⁷ *Id.*

⁷⁸ Paglia & Rush, *supra* note 13, at 10 n.77.

⁷⁹ See *infra* note 97 for another possible interpretation of these clauses.

⁸⁰ 184 F. Supp. 2d 128 (D.N.H. 2002).

⁸¹ *Id.* at 131 n.5.

⁸² 955 F. Supp. 279 (S.D.N.Y. 1997).

TRO with accompanying seizure order into a preliminary injunction.⁸³ Among its findings, the court stated “the need for continuation of the original orders.”⁸⁴ The orders in that case were twofold: the TRO and the seizure order. The court’s use of the plural “orders” apparently means that it found that both the TRO and the seizure order would endure in the form of a preliminary injunction. In another case, a court held that a TRO may be “enlarged” into a preliminary injunction, but said nothing of similarly enlarging the seizure order.⁸⁵ Yet another court explicitly dissolved the seizure order upon granting a preliminary injunction.⁸⁶

Turning to treatises and other commentary offers little clarification to the questions posed. *McCarthy on Trademarks* appears to answer the question when it says, rather clearly, “Seizure orders are limited in duration to seven days.”⁸⁷ But then, in the same section, the treatise states, “To convert the counterfeit seizure order TRO into a preliminary injunction, the trademark owner must prove the traditional elements of a preliminary injunction.”⁸⁸ But is it the TRO, the seizure order, or both that are converted into the preliminary injunction? Unfortunately, the treatise remains silent on this issue. Some commentators, however, seem to believe that courts have the power to extend a seizure order along with the preliminary injunction. One such source states that the trademark owner, at the post-seizure hearing, “has the burden of proving that the seizure order was justified and continues to be justified. The seizure order will be dissolved if that burden is not met”⁸⁹ Again, the implication is that the seizure order may continue if the court feels that it is justified, despite the eclipse of its seven-day limitation.

Let us return to the statute, however, to determine if this is really what Congress meant when it said that the seizure order could be modified or dissolved. The very first paragraph of § 1116(d) states that a court may grant “an order under subsection (a) of this section [1116(a)] pursuant to this subsection [1116(d)] for the seizure of goods.”⁹⁰ Section 1116(a) is the general section vesting the courts with jurisdiction to enjoin activity that violates the Lanham Act. An injunction under § 1116(a) may only be granted “upon hearing, after notice to the defendant.”⁹¹ What §

⁸³ *Id.* at 283.

⁸⁴ *Id.*

⁸⁵ *Gen. Motors Corp. v. Gibson Chem. & Oil Corp.*, 786 F.2d 105, 108, 111 (2d Cir. 1986).

⁸⁶ *Beltronics USA, Inc. v. Midwest Inventory Distrib. LLC*, No. 07-2240, 2008 WL 489317, at *1 (D. Kan. Feb. 20, 2008).

⁸⁷ MCCARTHY, *supra* note 14, at § 30:38.

⁸⁸ *Id.*

⁸⁹ McCoy & Myers, *supra* note 10, at 251.

⁹⁰ 15 U.S.C. § 1116(d) (2006).

⁹¹ § 1116(a).

1116(d) adds is the additional authority to, in limited situations, enter an order under § 1116(a), but one that also contains seizure authority and that can be accomplished in an *ex parte* fashion. Nowhere does § 1116(d) mention that the trademark owner must obtain a TRO in order to obtain an *ex parte* seizure order. So why is it that “[t]he motion for an *ex parte* seizure order is usually combined with a motion for a temporary restraining order”?⁹²

One possible explanation is that the seven-day time limitation given in § 1116(d)(5)(C) roughly corresponds to the ten-day time limitation provided in Federal Rule of Civil Procedure 65(b).⁹³ A more likely explanation, however, lies in the fact that § 1116(d) expressly refers to orders under § 1116(a), which are injunctive orders. Thus, an order under § 1116(d) is one of seizure, but it also has an injunctive component. The *ex parte* nature of this “injunction” means that it must, necessarily, be a TRO, as other forms of injunctive relief require notice and opportunity to be heard.⁹⁴ So, it appears as if Congress contemplated that the seizure order would be accompanied by a TRO, the only form of injunctive relief that can be *ex parte*. From this, it follows that Congress may have contemplated that the TRO, and not the seizure aspect of the order, be converted into a preliminary injunction. This reading allows for the seven-day limitation in § 1116(d)(5)(C) to be more than a dead letter while making sense of the “dissolved or modified” language of § 1116(d)(10)(A).⁹⁵ The injunctive aspect of the order, in the form of a TRO—e.g., “Defendants are hereby enjoined from manufacturing, selling, or distributing any goods bearing Plaintiff’s trademarks”—therefore continues on in the form of a preliminary injunction “during the pendency of the case, at the end of which the court may consider whether to enter a permanent injunction”⁹⁶ as contemplated by § 1116(a). The seizure aspect of the order, however, would expire as per Congress’s express limitation.

No court or commentator, at least as far as this author has been able to discover, has attempted to reconcile the apparently disparate meanings of the seven-day time limitation on one hand

⁹² MCCARTHY, *supra* note 14, at § 30:38.

⁹³ FED. R. CIV. P. 65(b)(2) (“Every temporary restraining order issued without notice . . . expires at the time after entry—not to exceed 10 days—that the court sets . . .”). If this were the case, however, one wonders why Congress would not simply have provided for a ten-day limitation.

⁹⁴ *See, e.g.*, FED. R. CIV. P. 65(a)(1) (“The court may issue a preliminary injunction only on notice to the adverse party.”).

⁹⁵ To the more cynical reader there is, of course, the possibility that Congress created a remedy with express inconsistencies. However, this is not necessarily the case, as indicated by this section and *infra*, note 97.

⁹⁶ STEVEN F. BAICKER-MCKEE, WILLIAM M. JANSSEN & JOHN B. CORR, FEDERAL CIVIL RULES HANDBOOK 1079 (2008).

and the “dissolved or modified” language on the other.⁹⁷ Without solving this conundrum, or otherwise explaining under what authority they are acting, courts are extending seizure orders beyond the seven-day time limitation, sometimes for a foreseeable period of time, but other times well into the indefinite future.

IV. THE NEVER-ENDING SEIZURE ORDER

In the case of *SKS Merch* mentioned previously,⁹⁸ the court described defendants as bootleggers who “essentially follow[] [country singer Toby] Keith on his nationwide concert tour and to other performances.”⁹⁹ The court, having found that all of the requirements under § 1116(d) were satisfied, had previously granted an ex parte TRO and seizure order against the defendants.¹⁰⁰ Mr. Keith and SKS, the authorized dealer of his merchandise, then sought to convert this order into a preliminary injunction.¹⁰¹ The court concluded, no doubt correctly, that “the Defendants’ nomadic nature and refusal to identify themselves would make any collection of damages by the Plaintiffs exceedingly improbable.”¹⁰² Thus, having found that the necessary elements for a preliminary injunction were satisfied,¹⁰³ the court issued a nationwide preliminary injunction against violations of the Lanham Act.¹⁰⁴ The court then issued a permanent injunction against similar violations within the Eastern District of Kentucky.¹⁰⁵ Significantly, the court’s order provided that “the Order and Preliminary Injunction *may be enforced by the seizure of any [counterfeit] merchandise.*”¹⁰⁶ The court’s

⁹⁷ Although not explicitly addressing this issue, one court has ruled in such a way as to make the clauses potentially compatible. In *Beltronics USA, Inc. v. Midwest Inventory Distribution LLC*, the court dissolved its previously entered seizure order, ordered that the seized property be returned, but then granted the plaintiff’s motion for a preliminary injunction. 522 F. Supp. 2d 1318, 1321, 1330 (D. Kan. 2007). The court’s analysis seems to suggest a framework under which “continuation” of a seizure order does not mean that plaintiff could continue to seize goods, but rather that the already seized goods could be retained by plaintiff as evidence. Thus, dissolution was not an end to the seizure order’s efficacy, which as an active remedy had already expired, but was simply dissolution of plaintiff’s authority to retain the property. The court felt that the preliminary injunction, along with an admonition to not destroy evidence, was enough deterrent to the defendants and that continuation of the seizure order—i.e., plaintiff’s authority to keep the goods—was unnecessary. *Id.* at 1229-30.

⁹⁸ See *supra* notes 70-72.

⁹⁹ *S.K.S. Merch, LLC v. Barry*, 233 F. Supp. 2d 841, 842 (E.D. Ky. 2002).

¹⁰⁰ *Id.* at 844.

¹⁰¹ *Id.*

¹⁰² *Id.* at 847-48.

¹⁰³ *Id.* at 844-45 (“A motion for a preliminary injunction requires this Court to consider and balance four factors: (1) whether the movant has a strong likelihood of success on the merits; (2) whether the movant would suffer irreparable injury without the injunction; (3) whether issuance of the injunction would cause substantial harm to others [and balancing the harm to the moving party if the injunction is denied against the harm to others if the injunction is granted]; and (4) whether the public interest would be served by the issuance of the injunction.”).

¹⁰⁴ *Id.* at 848.

¹⁰⁵ *Id.* at 852.

¹⁰⁶ *Id.* (emphasis added).

order further provided that “the Permanent Injunction *may be enforced by the seizure of any [counterfeit] merchandise.*”¹⁰⁷ As previously noted, a preliminary injunction lasts as long as the case does.¹⁰⁸ The judiciary’s statistics from last year (2007) show that it took an average of 24.6 months for a civil case in a United States district court to go to trial.¹⁰⁹ Thus, assuming *SKS Merch* was anything like the average case, the court’s seizure order gave Toby Keith and SKS the power to seize counterfeit goods on a nationwide basis for over two years. Beyond that, the court’s order gave them that authority for much longer within the Eastern District of Kentucky, an area of Kentucky that consists of sixty-seven counties.¹¹⁰ Not to point out the obvious, but a permanent injunction, unless modified at some later date, is permanent. Thus, the court gave Mr. Keith and SKS the power to seize counterfeit goods in the Eastern District of Kentucky in perpetuity.

In *Gucci America, Inc. v. Accents*,¹¹¹ Gucci presented evidence that defendants were selling counterfeit Gucci handbags and that they “would destroy or otherwise dispose of these items if notified.”¹¹² Based on this presentation, the court granted an initial seizure order that resulted in the immediate seizure of counterfeit goods and incriminating documents.¹¹³ After considering this evidence, the court granted a second seizure order that was used to seize more goods and documents.¹¹⁴ The court then granted a third seizure order, this time extending it to the seizure of counterfeit Chanel goods.¹¹⁵ Still further goods and documents were seized. At this point, the court granted a fourth seizure order to encompass new defendants.¹¹⁶ Finally, the court granted Gucci a preliminary injunction, noting “the need for continuation of the original orders and of preliminary injunctive relief against defendants to prevent irreparable harm.”¹¹⁷ The original orders were, of course, the seizure orders. Thus, after granting four seizure orders, the court allowed for the continuation of the seizure orders along with the preliminary injunction.

In *North Face Apparel Corp. v. TC Fashions, Inc.*,¹¹⁸ North Face

¹⁰⁷ *Id.* at 853 (emphasis added).

¹⁰⁸ *See supra* note 96 and accompanying text.

¹⁰⁹ U.S. District Court – Judicial Caseload Profile, <http://www.uscourts.gov/cgi-bin/cmsd2007.pl> (last visited Mar. 12, 2008).

¹¹⁰ United States District Court for the Eastern District of Kentucky, <http://www.kyed.uscourts.gov> (last visited Mar. 12, 2008).

¹¹¹ 955 F. Supp. 279 (S.D.N.Y. 1997).

¹¹² *Id.* at 282.

¹¹³ *Id.*

¹¹⁴ *Id.*

¹¹⁵ *Id.*

¹¹⁶ *Id.* at 282-83.

¹¹⁷ *Id.* at 283.

¹¹⁸ No. 05-civ-9083, 2006 WL 838993 (S.D.N.Y. Mar. 30, 2006).

and Ralph Lauren presented evidence that defendants were manufacturing and distributing counterfeit clothing items.¹¹⁹ Based on this showing, the court granted a TRO and seizure order, which plaintiffs used to seize more than 28,000 counterfeit Polo Ralph Lauren shirts and 7,000 counterfeit North Face jackets.¹²⁰ The court apparently felt that this showing was more than sufficient for an extension of the TRO and seizure order. The court did not stop at one extension, however, but “[a]fter several extensions, the Court ordered . . . that ‘the terms of the TRO shall remain in place in full until such time as the Court rules on Plaintiff’s request for a preliminary injunction.’”¹²¹ The court granted the original TRO and seizure order on October 25, 2005.¹²² The order extending these orders until the preliminary injunction was entered on January 18, 2006,¹²³ and the eventual preliminary injunction was not granted until March 30, 2006.¹²⁴ This means that the court allowed the TRO and seizure order to be in effect for over five months.¹²⁵ The court, after converting the TRO into a preliminary injunction, made no mention of the seizure order’s fate.¹²⁶

In *Polo Ralph Lauren, L.P. v. 3M Trading Co., Inc.*,¹²⁷ the court recounted the numerous unsuccessful attempts that plaintiffs¹²⁸ had made to shut down defendants’ counterfeit operations. These attempts included no fewer than eighteen injunctive orders and sixteen seizures.¹²⁹ These seizures began on December 10, 1992, and occurred periodically until July 27, 1997, a period of roughly four and half years.¹³⁰ The court apparently felt that such a record of seizures was justified by the magnitude of the problem, observ-

¹¹⁹ *Id.* at *1.

¹²⁰ *Id.*

¹²¹ *Id.* at *1 n.2. At least one other court has similarly extended a TRO until such time as the preliminary injunction could be granted. See *Tommy Hilfiger Licensing, Inc. v. Tee’s Ave., Inc.*, 924 F. Supp. 17, 18-19 (S.D.N.Y. 1996) (extending the TRO, which was originally granted on November 3, 1995, “until such time as a dispositive motion was decided, or the Court decided a motion for preliminary injunction,” which eventually occurred on April 29, 1996, more than five months later).

¹²² *North Face Apparel Corp.*, 2006 WL 838993, at *1.

¹²³ *Id.* at n.2.

¹²⁴ *Id.*

¹²⁵ As shall be discussed, regardless of the propriety of granting such lengthy seizure orders, this was in clear violation of Federal Rule of Civil Procedure 65. See *infra* notes 150-53 and accompanying text.

¹²⁶ *North Face Apparel*, 2006 WL 838993, at *7.

¹²⁷ No. 97 Civ. 4824, 1999 WL 33740332 (S.D.N.Y. Apr. 19, 1999).

¹²⁸ Plaintiffs were a large group of well-known companies, including Ralph Lauren, Rolex, Louis Vuitton, Oakley, Sara Lee, Nautica, Tommy Hilfiger, Guess?, Timberland, and Calvin Klein. *Id.* at *1 n.1.

¹²⁹ *Id.* at *1, *6.

¹³⁰ Although the court at one point stated that the seizures took place between December 10, 1992, and July 27, 1992, this is clearly a typographical error, as the court then went on to list the seizure dates for all sixteen seizures in detail. *Id.* at *1-2. There was one seizure in 1992, three seizures in 1993, five seizures in 1994, three seizures in 1995, two seizures in 1996, and one seizure in 1997. *Id.* at *2.

ing that, “despite the extensive history of raids, seizures and injunctive orders issued by this court, defendants have not been deterred from their infringing business.”¹³¹ Rather disturbingly, the court made no mention of the authority under which it continued to allow plaintiffs to seize property for well over four years.¹³²

While these cases might not represent a court-driven revolution in trademark law, they almost certainly represent a much larger body of unreported court action. It is well known that there is an “overall dearth of reported opinions dealing with *ex parte* seizure orders.”¹³³ Considering this paucity in the case law, along with the noticeable lack of any case law either criticizing these cases or otherwise reconciling the statutory conundrum here detailed, can anyone really say how many courts have granted, and are currently granting, open-ended seizure orders? It seems a fair assumption that other courts, perhaps a significant number, currently find such seizure orders within their authority.

So, why is it that United States district courts, presided over by some of the most respected members of the profession, are granting these open-ended seizure orders? After granting an *ex parte* seizure order on behalf of music group The Who, a district court judge complained about The Who’s attorneys’ methods. He said:

I am somewhat disturbed about the timing of the plaintiff’s request. The suit was filed on Wednesday, December 1, and the concert is scheduled for December 7. The short time between the two events contributed to an aura of emergency to this proceeding that should not have been necessary. The plaintiff has asked me to literally drop what I am doing and give attention to this case because an order, to protect it, must be entered before tomorrow night. . . . The Who and its souvenir hawkers knew they were going to be here over two months ago. They could have filed their lawsuit at that time and requested an orderly placement on the calendar a week or two in advance of the concert date. In future cases of this type I will look for good reasons why such a procedure was not utilized before I hear

¹³¹ *Id.* at *3.

¹³² According to the court’s figures, plaintiffs seized or otherwise acquired 2070 items from defendants over this period of time. *Id.* at *7 n.7.

¹³³ Levin, *supra* note 15, at 201; *see also* Zalon, *supra* note 16, at 191 (“Ironically, the very ease with which these orders are granted probably explains the dearth of cases upholding the procedures. When caught with their hands in the cookie jar, so to speak, bootleggers and counterfeiters are more likely to run for the hills—or to quickly sue for peace—than to mount sober, and expensive, defenses. The quite natural result is that the only time defendants mount a challenge is when they perceive some actual impropriety in the plaintiff’s actions. There must be literally thousands of actions in which *ex parte* seizures have been authorized and have been executed without a hitch. Yet, there are relatively few reported cases which even discuss *ex parte* seizures.”).

one of these cases on an emergency rush-rush basis.¹³⁴

It is, of course, always within counsel's interest to describe her case in terms that convey the case's vital importance to her client. In the case of an application for an ex parte TRO and seizure order, Congress has already expressly found that the ill effects from counterfeiting are in the billions of dollars.¹³⁵ Thus, it is not difficult for trademark owners to describe the great harm they will suffer without court intervention. Indeed, this very harm is what justifies the extreme measures that are the ex parte TRO and seizure order. Given these justifiable concerns, one can almost picture the tone of the seizure application and the inevitable phone calls to chambers that lead to the "aura of emergency" that the above-quoted judge found so offensive. It does not stretch credulity to say that such "emergency" filings are made rather frequently on behalf of trademark owners. Nor is it inconceivable that this counsel-imbued sense of urgency has led many district court judges to act in such a way that they might not have had they been given adequate time to fully research the issue. Because counsel should be able to predict in advance the forum at which counterfeit merchandise will be sold¹³⁶ and request the calendaring of the ex parte TRO and seizure order accordingly, there seems to be little reason, other than strategy, for counsel to delay filing until the last minute.

In addition to the sense of urgency with which these cases are often presented, the equities of counterfeiting cases strongly favor relief.¹³⁷ Injunctive relief is, after all, an equitable remedy.¹³⁸ The fact is that the defendants in these cases are never sympathetic figures. They are counterfeiters; criminals, thieves, and cheats, plain and simple.¹³⁹ As discussed earlier, Congress described

¹³⁴ *Brockum Int'l, Inc. v. Various John Does*, 551 F. Supp. 1054, 1055 (E.D. Wis. 1982). Although this case took place before the Act's passage, it is still relevant to trademark owners' tactics when seeking an ex parte TRO and seizure order.

¹³⁵ See *supra* note 27 and accompanying text.

¹³⁶ And, indeed, must do so under 15 U.S.C. §§ 1116(d)(4)(B)(v) and (d)(5)(B) (2006).

¹³⁷ See Zalon, *supra* note 16, at 190 ("Most judges are very receptive to applications for ex parte seizure orders. If the case is shown to involve a 'counterfeiter' or 'bootlegger,' basic equitable principles virtually demand this sort of relief. Plaintiffs' attorneys thus generally go into court with the judge already predisposed to granting relief."); see also *id.* at 199 ("When judges feel they are doing the 'right thing' by issuing an ex parte seizure order, the lawyer should be more than half way home As long as judges continue to believe that, they will have a welcome mat out to the next lawyer seeking similar relief.").

¹³⁸ *Pulliam v. Allen*, 466 U.S. 522, 529 (1984) ("At the common law . . . [i]njunctive relief was an equitable remedy . . ."). The injunction provided for in § 1116(a) is no different, referring to "principles of equity" and allowing the court to grant injunctions "upon such terms as the court may deem reasonable." 15 U.S.C. § 1116(a) (2006); see also *Reebok Int'l, Ltd. v. Marnatech Enters., Inc.*, 970 F.2d 552, 559 (9th Cir. 1992) (stating that relief under the Lanham Act is "explicitly 'subject to the principles of equity'" (quoting *Playboy Enters. v. Baccarat Clothing Co.*, 692 F.2d 1272, 1275 (9th Cir. 1982))).

¹³⁹ See *Vuitton v. White*, 945 F.2d 569, 571 (3d Cir. 1991) ("Consistent with their calling,

counterfeiters and their profession with such terms as “uniquely pernicious,” a “poison,” and a fraud from which “no industry is immune.”¹⁴⁰ Courts have picked up where Congress left off, calling counterfeiting a “consistent and pervasive problem throughout the nation,”¹⁴¹ and “a greater evil than ordinary [trademark] infringement.”¹⁴² In addition, commentators seem to agree that the problem of counterfeiting is getting worse, not better.¹⁴³ With such despicable characters and such a need for action, and given a remedy for which courts have historically weighed the equities of the situation, it may come as no surprise that courts have sought to expand the powers given to them by Congress. But are counterfeiting defendants any more despicable than the drug dealers, rapists, murderers, etc. for whom our district courts routinely supply the Exclusionary Rule as a means of deterring violations of the Fourth Amendment?¹⁴⁴ Certainly judges who are called upon almost daily to make such decisions are capable of ruling on the law without letting their judgment be clouded by prejudice against a party.

Perhaps most importantly, the fact is that counterfeiting cases are often carried out without the benefit of the adversarial process. The initial order is, by definition, *ex parte*. But even after this initial phase of the proceeding, defendants are unlikely to appear in court to contest the seizure order or its terms because they are very often itinerant street vendors, nomadic by nature and more likely to hope for better luck next time than to contest the order.¹⁴⁵ In the case of *Joel v. Various John Does*,¹⁴⁶ the court noted that it was troubled by “the propriety of the remedy sought . . . insofar as it requires the court to enjoin the activities of persons whose

professional counterfeiters and dealers in counterfeit goods generally are not upstanding citizens.”).

¹⁴⁰ See *supra* notes 31, 33, 36, and accompanying text.

¹⁴¹ *SKS Merch, LLC v. Barry*, 233 F. Supp. 2d 841, 845 (E.D. Ky. 2002).

¹⁴² *Diane Von Furstenberg Studio v. Snyder*, No. 1:06cv1356, 2007 WL 1835276, at *2 (E.D. Va. June 25, 2007); see also *Playboy Enters., Inc. v. Universal Tel-A-Talk, Inc.*, No. 96-6961, 1999 WL 285883, at *2 (E.D. Pa. Apr. 26, 1999).

¹⁴³ See McDonald, *supra* note 29, at 597 (“The size and scope of counterfeiting has dramatically increased over the past decade. The economy of this country, as well as those of companies around the world, are suffering huge losses in the form of tax revenue and unemployment due to the manufacture and sale of counterfeit products.”); see also Levin, *supra* note 15, at 171-72 (“It is clear that the problem presented by trademark counterfeiting has significantly worsened since the *ex parte* seizure remedy was introduced in 1984 The problem of trademark counterfeiting has reached epic proportions.”).

¹⁴⁴ “Evidence obtained by means of illegal search and seizure methods or as a result of a coerced confession is generally not admissible in criminal or quasi-criminal actions where a timely application is made to suppress or exclude the evidence.” 29 AM. JUR. 2D *Evidence* § 589 (West 2008); see also *Stone v. Powell*, 428 U.S. 465, 486 (1976) (“The primary justification for the exclusionary rule then is the deterrence of police conduct that violates Fourth Amendment rights.”).

¹⁴⁵ See *supra* note 38 and accompanying text.

¹⁴⁶ 499 F. Supp. 791 (E.D. Wis. 1980).

identities are unknown at this time.”¹⁴⁷ The caption of that case is instructive. If the counterfeiters simply run from authorities, as they surely often do, it may be that an entire case proceeds against “Various John Does.”¹⁴⁸ A trademark owner in such a case will never succeed in an action for damages under 15 U.S.C. § 1117 (who would pay?), but the case might already have served its real purpose—the removal of counterfeit goods from the marketplace.¹⁴⁹ The breakdown of the adversarial process means that there is no one to contest open-ended seizure orders, no one to point out that the court may have gone beyond the scope Congress provided in 15 U.S.C. § 1116(d). This lack of an adversarial check, the equities in play and the need to act, along with the “aura of emergency” these cases typically exude has led to a situation in which trademark owners are being given all they ask for and more.

V. MOVING FORWARD

Assuming that the above analysis is correct, and that courts have extended the ability to seize counterfeit goods beyond the limits provided by Congress, what options are available to a court wishing to stay within the parameters of the Act? At first, the method taken by the court in *Gucci America* seems tempting.¹⁵⁰ Before granting a preliminary injunction in that case, the court extended the TRO and seizure order three times, for a total of four orders. Why not simply allow a trademark owner to present a case for seizure and then grant seven-day seizure orders as necessary? By way of example, could the court in *SKS Merch* have granted a series of seven-day orders to correspond with all of Toby Keith’s concerts? Under this proposed method, courts could provide the remedy trademark owners desire and, arguably, need, all the while staying with the seven-day time limitation of § 1116(d)(5)(C). There is, however, a fatal problem to this reasoning. As stated earlier, a seizure order is almost always accompanied by a TRO, a fact that makes sense given the structure of the statute.¹⁵¹ Although Federal Rule of Civil Procedure 65(b)(2) expressly provides that a TRO may be judicially extended,¹⁵² such an extension may “in no event [be] more than ten additional days.”¹⁵³ Thus, a trademark

¹⁴⁷ *Id.* at 792.

¹⁴⁸ See *infra* note 155 and accompanying text.

¹⁴⁹ See *supra* notes 62-64 and accompanying text.

¹⁵⁰ See *supra* notes 111-17 and accompanying text.

¹⁵¹ See *supra* notes 90-96 and accompanying text.

¹⁵² “The [TRO] expires at the time after entry—not to exceed 10 days—that the court sets, unless before that time the court, for good cause, extends it for a like period” FED. R. CIV. P. 65(b)(2).

¹⁵³ BAICKER-MCKEE, JANSSEN & CORR, *supra* note 96, at 1086; see also 11A CHARLES ALAN WRIGHT, ARTHUR R. MILLER & MARY KAY KANE, FEDERAL PRACTICE AND PROCEDURE § 2953

owner would have gone from a seven-day limitation to an only slightly less onerous twenty-day limitation. It is difficult to see how these extra thirteen days could make much of a difference.

Another option, of course, is to simply allow courts to grant the kinds of orders granted in *SKS Merch*, *Gucci America*, and other cases. No one seems to be complaining about these orders, so why not? The first and simplest answer is because Congress never intended for the seven-day seizure order to become a substantive remedy unto itself. Rather, it was to be an evidentiary tool—a process by which trademark owners could prove infringement without the theretofore inevitable destruction of evidence.¹⁵⁴ To use the seizure order as a substantive remedy unto itself is, to borrow a phrase, to use it as a sword, rather than a shield. In addition, the fact that no one is complaining is no reason to celebrate. In many cases, there is no one to complain. If the entire case proceeds as simply *Trademark Owner v. John and Jane Does*, where is the adversarial process necessary to protect the law?¹⁵⁵ Unfortunately, our system is not designed for this eventuality, and it is the court that must provide the necessary balance to the trademark owner's understandable exuberance. Finally, and perhaps most importantly, courts should not simply extend the seven-day limitation because to do so is to deny the rule of law. While at least one commentator has argued for a “new judicial approach”¹⁵⁶ in which courts have the power to “reconceptualize”¹⁵⁷ ex parte seizure orders, such an approach strikes the author as judicial hubris at best. To embark on such a treacherous journey¹⁵⁸ would indeed, as Hamlet observed, make sheep and calves out of those who sought assurance in the law.¹⁵⁹

The final option, then, is for courts to cease their granting of open-ended seizure orders. This result will no doubt be heartily denounced by the intellectual property bar as contrary to the strong legislative history of the Act, which unequivocally expresses the problem of counterfeiting and the need to provide for new

(2d ed. 1995) (“The text of Rule 65(b) seems to exclude any possibility that a temporary restraining order can remain in force beyond twenty days.”). Any attempt to extend a TRO beyond this period is treated on appeal as the grant of a preliminary injunction. *See, e.g.*, *Casey v. Planned Parenthood of Se’ern Pa.*, 14 F.3d 848, 855 (3d Cir. 1994).

¹⁵⁴ *See supra* notes 52-60 and accompanying text.

¹⁵⁵ *See, e.g.*, *NBA Props. v. Various John Does and Jane Does*, No. 97-4069, 1997 WL 271311 (10th Cir. May 21, 1997); *Time Warner Entm’t Co., L.P. v. Does Nos. 1-2*, 876 F. Supp. 407 (E.D.N.Y. 1994); *Brockum Int’l, Inc. v. Various John Does*, 551 F. Supp. 1054 (E.D. Wis. 1982); *Joel v. Various John Does*, 499 F. Supp. 791 (E.D. Wis. 1980).

¹⁵⁶ Levin, *supra* note 15, at 196.

¹⁵⁷ *Id.* at 171. This power is apparently based in the age-old justification that “desperate times . . . call for desperate measures.” *Id.* at 172. While Ms. Levin might feel it appropriate for courts, given such desperation, to “look beyond the limited scope of precedent and legislative history,” this author must heartily disagree. *Id.* at 202.

¹⁵⁸ *See supra* note 25.

¹⁵⁹ WILLIAM SHAKESPEARE, *THE TRAGEDY OF HAMLET* act 5, sc. 1.

and more powerful remedies. However, that very legislative history, along with the statute as Congress passed it, is clear about the nature of, and limitations placed upon, the seizure order. No amount of creative construction can change the words, clearly expressed, placing a seven-day limitation upon seizure orders and explaining that the purpose of such orders is to preserve evidence for eventual trial. Trademark owners and the courts may wish that Congress had been more expansive in the Act, and it may be true that “[m]ore aggressive enforcement techniques are desperately needed.”¹⁶⁰ Courts, however, simply do not have the power to modify or abandon a specific limitation created by Congress. Trademark owners and the intellectual property bar are free, of course, to do as all parties with an interest in the law have always done: lobby for a change in the law. Nothing short of such a change can legitimate the present practice of extending seizure orders into the foreseeable future and beyond.

¹⁶⁰ Levin, *supra* note 15, at 178.