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FEDERAL EX PARTE TEMPORARY RELIEF

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INTRODUCTION

The old equitable remedy of ex parte temporary relief has been resurrected recently in federal law. Although known to English law since the twelfth century,¹ temporary relief without notice has enjoyed only periodic acceptance in America. For nearly a century after the federal courts were created, ex parte injunctions were prohibited by statute.² More recently, their use was disfavored under procedural due process.³ During the last several years, however, the owners of intellectual property rights have rediscovered ex parte orders and, with the approval of many federal courts, have developed a formidable weapon to be used against infringers and counterfeiters.

Misappropriators, infringers, pirates, and smugglers have made millions of dollars by the unauthorized use of valuable intellectual property rights such as trademarks, copyrights, patents, and trade secrets. The increasing caseload of federal courts has created delays which may outlast the brief lifespan of advanced technological products, such as software and video games. The problem is further compounded by the ease with which some infringing merchandise can be hidden or destroyed. For example, suitcases which contain millions of dollars in counterfeit jewelry or integrated circuits can be removed from a court's jurisdiction in a matter of hours. Bootleg T-shirts and other promotional products can be inconspicuously sold by anonymous vendors shortly before rock concerts and football games.⁴ Valuable and highly sensitive trade secrets can be disclosed by an unfaithful employee to a competitor in mere minutes.

The losses attributed to product counterfeiting, passing off, and copyright and patent infringement have reached dramatic levels. During 1982 alone, domestic industries lost an estimated six to eight billion dollars in sales from unauthorized use of their intellectual property rights.⁵ The practice is as widespread as it is lucrative. Products are counterfeited in forty-three

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1. Whitelock, *Development of the Injunction in the United States*, 46 AM.L. REV. 725 (1912).

2. Judiciary Act of 1792, Ch. 23, § 5, 1 Stat. 334, 335 (1793).

3. Bainton, *Seizure Orders: An Innovative Judicial Response to the Realities of Trademark Counterfeiting*, 73 TRADEMARK REP. 459, 460 (1983).

4. Comment, *Rock Performers and the "John Doe" Temporary Restraining Order: Dressing Down the T-Shirt Pirates*, 16 J. MAR. L. REV. 101 (1982).

5. Figures for 1982 compiled by U.S. International Trade Commission. *ITC Report Focuses on Foreign Counterfeiting*, PAT. TRADEMARK & COPYRIGHT J. (BNA), No. 666, at 360 (Feb. 9, 1984).

countries, particularly in the Far East, for unauthorized sale in sixty-seven countries, including the United States.⁶ Over 150 different products are counterfeited, including computer hardware and software, jewelry, luggage, and handbags.⁷

Conventional requests for temporary injunctive relief require that notice be served on the defendants. Although the concept of notice is deeply ingrained in American notions of fundamental legal fairness, in the area of infringement of intellectual property rights, notice merely warns counterfeiters of impending legal action and hastens the concealment of infringing merchandise.⁸ As a result, the plaintiff is left without a remedy. Efforts to protect intellectual property are frustrated, defying the court's authority to provide relief.

Long ago, the English chancery and American state courts realized that swift, *ex parte* relief was justified when the defendants were likely to do serious mischief by destroying or concealing evidence.⁹ Federal courts, however, have been slow to recognize the situations in which the plaintiff will be deprived of a remedy if the defendant is notified. Fortunately, the federal courts in some circuits now appreciate the danger that serious mischief poses to intellectual property rights. They have responded by resurrecting *ex parte* temporary relief, such as injunctions and seizure orders under Rules 65(b)¹⁰ and 64¹¹ of the Federal Rules of Civil Procedure, as powerful legal

6. *Id.* at 361.

7. *Id.*

8. *See In re Vuitton et Fils S.A.*, 606 F.2d 1, 5 (2d Cir. 1979).

9. *See Shrewsbury & C. Ry. Co. v. Shrewsbury & B. Ry. Co.*, 1 SIM. N.S. 410, 61 E.R. 159 (1851); 17 HALSBURY'S LAWS OF ENGLAND § 480 (1911).

10. Temporary Restraining Order; Notice; Hearing; Duration. A temporary restraining order may be granted without written or oral notice to the adverse party or his attorney only if (1) it clearly appears from specific facts shown by affidavit or by the verified complaint that immediate and irreparable injury, loss, or damage will result to the applicant before the adverse party or his attorney can be heard in opposition, and (2) the applicant's attorney certifies to the court in writing the efforts, if any, which have been made to give the notice and the reasons supporting his claim that notice should not be required. Every temporary restraining order granted without notice shall be indorsed with the date and hour of issuance; shall be filed forthwith in the clerk's office and entered of record; shall define the injury and state why it is irreparable and why the order was granted without notice; and shall expire by its terms within such time after entry, not to exceed 10 days, as the court fixes, unless within the time so fixed the order, for good cause shown, is extended for a like period or unless the party against whom the order is directed consents that it may be extended for a longer period. The reasons for the extension shall be entered of record. In case a temporary restraining order is granted without notice, the motion for a preliminary injunction shall be set down for hearing at the earliest possible time and takes precedence of all matters except older matters of the same character; and when the motion comes on for hearing the party who obtained the temporary restraining order shall proceed with the application for a preliminary injunction and, if he does not do so, the court shall dissolve the temporary restraining order. On 2 days' notice to the party who obtained the temporary restraining order without notice or on such shorter notice to that party as the court may prescribe, the adverse party may appear and move its dissolution or modification and in that event the court shall proceed to hear and determine such motion as expeditiously as the ends of justice require.

FED. R. CIV. P. 65(b).

11. At the commencement of and during the course of an action, all remedies providing for seizure of person or property for the purpose of securing satisfaction of the judgment ultimately to be entered in the action are available under the circumstances and in the manner provided by the law of the state in which the district court is held, existing at the time the remedy is sought, subject to the following qualifications:

weapons to combat unfair profiteering. Although the current revival has occurred in the field of intellectual property, the principles of *ex parte* temporary relief have long been a part of general legal practice. Most of these decisions are unreported because the wrongful action often ends at the preliminary stages in district courts. Therefore, many lawyers and judges remain unfamiliar with the use of *ex parte* temporary relief. Unfortunately, some federal districts cling to the past and refuse to grant *ex parte* temporary relief despite accumulating precedent. These reluctant courts threaten to fragment and confuse legal practice and to encourage both forum shopping and illegal infringement of intellectual property rights.

The absence of reported case law and scholarly commentary on *ex parte* temporary relief has created a need for a comprehensive examination of the history and use of this ancient equitable remedy. This article will review the historical development of *ex parte* relief, including its origin in England, its abolition under early American federal law, its revival in the late nineteenth century, and its long period of disuse in the twentieth century stemming from nineteenth century abuses. This article will then examine the current resurrection of *ex parte* temporary relief in trademark, trade secret, and copyright disputes. Finally, it will discuss the various forms of temporary relief available under Rules 64 and 65(b), including injunctions, inspections, seizure and impoundment.

I. HISTORICAL DEVELOPMENT

A. *English Chancery Practice*

1. The Problem of Serious Mischief

It is not surprising that certain remedies which resemble modern interlocutory injunctions without notice have been known to the English legal system since the earliest times. For example, in the twelfth century, Norman kings regularly issued *ex parte de recto* writs to evict individuals who had wrongfully usurped the property of rightful tenants.¹² *De recto*¹³ writs were issued at the request of one party and commanded the king's vassal simply to do justice to the plaintiff. It was not until later that the writ *praecipe in capite*¹⁴ gave the defendant an opportunity to dispute the king's order.¹⁵

Centuries later, when the monarch's inherent judicial power had been relegated to the courts, such injunctions were granted when the chancery

(1) any existing statute of the United States governs to the extent to which it is applicable; (2) the action in which any of the foregoing remedies is used shall be commenced and prosecuted or, if removed from a state court, shall be prosecuted after removal, pursuant to the rules. The remedies thus available include arrest, attachment, garnishment, replevin, sequestration, and other corresponding or equivalent remedies, however designated and regardless of whether by state procedure the remedy is ancillary to an action or must be obtained by an independent action.

FED. R. CIV. P. 64.

12. F. MAITLAND, *THE FORMS OF ACTION AT COMMON LAW*, 20-24 (1909).

13. A writ of right, which lay to recover a person's full rights to property. BALLANTINE'S *LAW DICTIONARY* 339 (3d ed. 1969).

14. A writ of right which lay when one of the king's immediate chief tenants had possession usurped by another. BALLANTINE'S *LAW DICTIONARY* 972 (3d ed. 1969).

15. F. MAITLAND, *supra* note 12, at 23-24.

was satisfied that the delay accompanying ordinary proceedings might entail waste or "serious mischief."¹⁶

Other temporary injunctions were granted to prevent waste. A classic example of this practice can be found in *Vane v. Lord Barnard*,¹⁷ in which chancery issued an ex parte order enjoining the destruction of a castle. Lord Barnard gave Raby Castle to his eldest son in tail male for a wedding gift. Later, when Barnard was displeased with his son, he sent 200 workmen to Raby Castle and stripped it of its furnishings, including windows, doors, and floors. When Barnard failed to appear in court, his son obtained a temporary injunction,¹⁸ which prevented Barnard from tearing down the castle. Chancery later upheld this order to stay the commission of waste, and in fact decreed that Lord Barnard repair the damage he had done.¹⁹

"Serious mischief" included taking advantage of the delay between a hearing and the issuance of a decree to do the very act that was to be enjoined. The English Chancery addressed this problem in the classic case of *Skip v. Harwood*.²⁰ Skip and Harwood had been partners in the brewing trade. Several years later, Harwood was on the brink of bankruptcy and had not yet paid Skip his share of the partnership proceeds. Skip sued Harwood and obtained a decree that Harwood should not dispose of any inventory until the accounts could be settled. Even on the morning of entry of the decree, Harwood proved himself a man not to be trusted, for he, "removed no less than 250 butts of beer in a fraudulent collusive manner, in order to evade the decree he expected would be made in the cause."²¹ Lord Hardwicke found Harwood guilty of contempt (and committed him "to the Fleet"), even though Harwood acted before the decree was drawn up, because he knew of the pending injunction. Otherwise, Lord Hardwicke reasoned, "it would be extremely easy to elude decrees, some of which in their nature require a considerable length of time before they can be completely drawn up."²² Although the defendant had clear notice of the impending injunction, the interlocutory punishment of Harwood clearly recognized the harm to property rights caused by judicial delay and unscrupulous parties.

The reasoning of *Skip v. Harwood* is not reported in English law for another one hundred years, but there is no reason to believe it fell out of judicial favor. Nineteenth century cases relaxed the notice requirement to allow simple notice by telegram,²³ granted ex parte injunctions at the beginning of litigation and recognized the use of ex parte temporary orders to protect intellectual property rights.²⁴ In *Dalghish v. Jarvie*,²⁵ the plaintiff obtained an

16. 17 HALSBURY'S LAWS OF ENGLAND § 592 (1911). The early English treatises of Pomeroy, Bispham, Storey, and Ames provide little or no discussion on the source of the Chancery's authority for granting temporary injunctions. Note, *Ex Parte Injunctions*, 1 BROOKLYN L. REV., 101, 107 n.16 (1932).

17. 2 Vern. 738 (1716).

18. *Id.* at n.4.

19. *Id.*

20. 3 Atk. 564 (1747).

21. *Id.*

22. *Id.* at 565.

23. *In re Bryant*, L.R. 4 Ch. Div. 98 (1876).

24. *Dalghish v. Jarvie*, 2 Mac. & G. 178, 20 L.J. Chanc. 475 (1850).

ex parte injunction to prevent the defendant from selling textiles imprinted with a copy of the plaintiff's copyrighted design. The High Court of Chancery on review later dissolved the ex parte injunction, because it appeared that the plaintiff had abandoned its copyright by publishing the design before registration.²⁶ Lord Langdale believed that the plaintiff suppressed the material fact of prior publication. Thus, disregarding the actual merits, he dissolved the ex parte injunction. Lord Langdale emphasized, however, that ex parte injunctive relief, regardless of inconvenience to the defendant, would not be granted unless the facts indicate that it alone can provide the injured party with a remedy.²⁷

2. Standards for Ex Parte Relief

The chancery was willing to issue ex parte injunctions in exceptional situations, such as the threat of interference with or destruction of property.²⁸ This willingness was tempered by three considerations. First, the court was unlikely to grant an ex parte injunction if the defendant's actions would merely inconvenience or embarrass the plaintiff.²⁹ The second consideration is that the plaintiff must show a likelihood, rather than a mere possibility, that the defendant will interfere with or destroy the property prior to a decree.³⁰ The third consideration was based on how promptly the plaintiff sought ex parte relief. Because ex parte injunctions are extraordinary remedies, the chancery carefully considered the time at which the plaintiff first knew of the injury. If the plaintiff acquiesced for some time, the chancery would not grant relief without notice to the opposing party.³¹

25. *Id.*

26. *Id.* at 187.

27. Commissioner Langdale stated:

When a plaintiff comes for an injunction to restrain the defendant from the prosecution of his legal right, there are several things to be considered: not only is the amount of the injury which may be done to be taken into account, but, also the extent to which the decision at law upon the subject could go, and the degree of certainty, more or less, in reference to that decision. Taking these several matters into consideration, the Court will in some cases refuse to interfere at all, and in others refuse to interfere otherwise than by postponing the question for a time, and giving the opportunity of bringing an action in the mean while. *But in certain other cases, where justice cannot be done without it between the parties, the Court, notwithstanding the inconvenience, will grant the injunction in the first instance, and will not leave the party to any other course of proceeding to ascertain the legal right. Which of these courses is the proper one to be followed must depend on all the circumstances of each particular case.*

Id. (emphasis added). Lord Commissioner Rolfe concurred and stated:

[T]he application for a special injunction is very much governed by the same principles which govern insurances, matters which are said to require the utmost degree of good faith, "uberrima fides." . . . [I]f the party applying for a special injunction, abstains from stating facts which the Court thinks are most material to enable it to form its judgment, he disentitles himself to that relief which he asks the Court to grant.

Id.

28. *Shrewsbury & C. Ry. Co., v. Shrewsbury & B. Ry. Co.*, 1 SIM. N.S. 410, 61 E.R. 159.

29. *Id.*

30. *Hooper v. Broderick*, 11 Sim. 47 (1840). In *Hooper*, the owner of an inn obtained an ex parte order preventing his lessee from closing the inn or discontinuing its licenses. The inn was losing money for the lessee, who operated it, and the owner believed that the lessee would endanger its operating licenses. The court dissolved the injunction, because plaintiff could not show that the lessee intended to forfeit the licenses.

31. 17 HALSBURY'S LAWS OF ENGLAND § 592 n.1 (1911).

3. Modern English Practice

This tradition of granting *ex parte* relief in exceptional circumstances continues in England today. In fact, English courts expanded the use of *ex parte* relief to include inspection and seizure orders to protect intellectual property rights. In *Anton Piller KG v. Manufacturing Processes, Ltd.*,³² a West German manufacturer of computer equipment sued its English agent for disclosing copyrighted designs to competitors. The manufacturer obtained an *ex parte* order authorizing it to inspect the agent's premises and to seize documents and other evidence. This order was not a search warrant, for English courts have no power to issue search warrants.³³ Rather, the court ordered the agent to permit entry. If the agent refuses, the manufacturer cannot enter, but may inform the court of the refusal. Contempt charges and other unfavorable inferences may thus arise at trial.

In affirming the issue of the *Anton Piller* order, Lord Denning, Master of the Rolls, commented that:

(S)uch an order can be made by a judge *ex parte*, but it should only be made where it is essential that the plaintiff should have inspection so that justice can be done between the parties; and when, if the defendant were forewarned, there is a grave danger that vital evidence will be burnt or lost or hidden, or taken beyond the jurisdiction, and so the ends of justice be defeated; and when the inspection would do no real harm to the defendant or his case.³⁴

Ormrod, L.J., agreed with the decision, and elaborated that the issuance of such an *ex parte* order should require: 1) an extremely strong *prima facie* case; 2) serious damage to the plaintiff; 3) clear evidence that the defendant possesses incriminating evidence; and 4) a real possibility of its destruction should before-the-fact notice be given.³⁵ A recent House of Lords decision invokes the privilege against self-incrimination to reduce the scope of *Anton Piller* orders.³⁶

B. Early American Federal Practice

1. Prohibition of Ex Parte Injunctions

During the nineteenth century, American federal courts faced an insurmountable obstacle in developing *ex parte* relief. In accordance with its power to create and regulate lesser federal courts,³⁷ Congress flatly prohibited the first federal courts from issuing *ex parte* injunctions.³⁸ Although one

32. 1 All E.R. 779 (1976).

33. *Entick v. Carrington*, (1765) 2 Wils. 275, (1558-1774) All E.R. Rep. 41.

34. 1 All E.R. at 783.

35. *Id.* at 784.

36. *Rank Film Distributors, Ltd. v. Video Information Centre*, 2 All E.R. 76 (1981). Cases in Nigeria, South Africa, Hong Kong, and Canada adhere to the *Anton Piller* Doctrine. Bigger, *Notes from Other Nations*, 71 TRADEMARK REP. 257 (1981); Cohen, *Anton Piller to the Rescue—Ex Parte Seizure Order in Counterfeiting Action in Canada*, 71 TRADEMARK REP. 266 (1981).

37. U.S. CONST. art. III, § 1; Judiciary Act of 1793, 1 Stat. 333 (1793).

38. Section 5 of the Judiciary Act of 1793 provided that: "Nor shall a writ of injunction be granted in any case without reasonable previous notice to the adverse party, or his attorney, of

commentary maintains that the rule against ex parte orders was disregarded in practice,³⁹ only one decision supports this argument.⁴⁰ Although unreported cases may have ignored the rule against ex parte orders, reported cases follow the statute.⁴¹

The effect of the 1793 prohibition was to handicap federal courts, which were helpless to assist in emergencies. For example, in *Perry v. Parker*,⁴² the plaintiff, an upstream mill owner, requested an injunction without notice to prevent the defendant from destroying dams. These dams provided water to operate the plaintiff's mill, and defendants had already destroyed several of them. Although the plaintiff had maintained the dams for over sixty years and was threatened with immediate financial ruin, the court could not grant ex parte temporary relief because of the Judiciary Act.⁴³ Thus, the federal courts were essentially powerless against unscrupulous parties who would use the delay of giving notice to accomplish the very act which the plaintiff wanted enjoined.

By 1866, signs of judicial exasperation with the rule were obvious. In *Mowrey v. Indianapolis & Cincinnati R.R.*,⁴⁴ the court grudgingly dissolved an ex parte restraining order with these words:

Equity would seem to demand that, in cases of emergency, where irreparable injury would follow unless an immediate injunction were ordered, the national courts should have power to grant temporary injunctions without notice of the application for them to the party enjoined. But the act of congress of March 2, 1793, forbids (such relief).⁴⁵

In *Mowrey*, the district judge granted an ex parte injunction pending hearings on a temporary injunction. On the day of the hearing, he held that the ex parte injunction was premature, and dissolved it.⁴⁶ At the hearing, however, the plaintiff was granted a preliminary injunction. Therefore, even though the judge rescinded his order for a restraining order without notice, the order remained in place long enough to prevent the defendant from irreparably injuring the plaintiff.

2. Early Standards for Ex Parte Injunctions

By the early 1870's, Congress apparently decided that federal law should reflect the federal courts' needs for ex parte injunctions in certain areas. In 1870, for example, Congress revised the patent laws and conferred

the time and place of moving the same." 1 Stat. 333, 335 (1793). U.S. (4 Dall.) 1, 2 (1799). There was also no inherent equity power.

39. FRANKFURTER & GREENE, *THE LABOR INJUNCTION* 183 (1930).

40. In *Love v. Fendall's Trustees*, 15 F. Cas. 993 (C.C.D.C. 1801) (No. 8547), a circuit court granted an injunction without notice, but no explanation was given for the decision.

41. *See, e.g., Mowrey v. Indianapolis & C. R. Co.*, 17 F. Cas. 930 (C.C.D. Ind. 1866) (No. 9891); *Wynn v. Wilson*, 30 F. Cas. 751 (C.C.D. Ark. 1855) (No. 18,116); *Wilson v. Stolley*, 30 F. Cas. 226 (C.C.D. Ohio 1847) (No. 17,839) and *Perry v. Parker*, 19 F. Cas. 291 (C.C.D. Mass. 1846) (No. 11,010).

42. 19 F. Cas. 291 (C.C.D. Mass. 1846) (No. 11,010).

43. *Id.* at 292.

44. 17 F. Cas. 930 (C.C.D. Ind. 1866) (No. 9891).

45. *Id.* at 930.

46. *Id.*

general equity powers to the federal courts in patent matters.⁴⁷ Two years later, Congress extended this freedom to all actions and suits before the federal courts.⁴⁸

This important change in federal court powers was first recognized in *Yuengling v. Johnson*,⁴⁹ a patent infringement case. Relying on the revised patent law and section 7 of the Judiciary Act of 1872, the court granted a restraining order without notice. In *Yuengling*, the plaintiff, who owned rights to a patented invention, tried to prevent the state of Virginia from buying an infringing device for tallying drinks sold in barrooms. The circuit court granted an ex parte injunction because 1) the plaintiff had made a solid case based on an earlier ruling by the Patent Office that the new device infringed the patented invention, 2) the state government's intention to widely distribute the infringing device to tavern owners for liquor taxation would deprive the plaintiff of its exclusive right to exploit the invention and would cause irreparable injury, 3) the court had statutory power to grant the injunction without notice to the defendant, and 4) the plaintiff had posted \$10,000 bond should the injunction have been granted wrongly.⁵⁰ Although the court in *Yuengling* pronounced that "There is no doubt of the power . . . to instantly restrain in any urgent case,"⁵¹ the use of ex parte relief was still considered an exception to general federal practice in 1885.⁵²

Gradually federal courts developed standards for granting motions for ex parte restraining orders. One primary purpose in granting ex parte relief was to maintain the status quo between the parties until both sides could be considered at a preliminary injunction hearing.⁵³ Section 718 of the 1874 Revised Statutes specifically gave federal courts this equity power "to preserve the status quo when there is danger of irreparable injury from delay in giving notice."⁵⁴

The most important criterion in the evaluations of the status quo, however, was whether the defendant would use notice of the hearing to his own advantage. One court observed that the purpose of ex parte relief was to preserve the status quo between the parties "where notice of the application

47. 16 Stat. 206 (1872); *See* *Yuengling v. Johnson* 30 F. Cas. 896, 897 (C.C.E.D. Va. 1877) (No. 18,195).

48. Section 7 of the Judiciary Act of 1872 states that: [W]henever notice is given of a motion for an injunction out of a circuit or district court of the United States, the court or judge thereof may, if there appear [sic] to be danger of irreparable injury from delay, grant an order restraining the act sought to be enjoined until the decision upon the motion. Such order may be granted with or without security, in the discretion of the court or judge. Judiciary Act of 1872, Ch. 255, § 7, 17 Stat. 197 (1872), § 718 Rev. Stat. (1874). One federal court clarified this curious language by insisting that "'Whenever' means 'at' whatever time notice is given, and does not mean 'after' whatever time.'" *Yuengling v. Johnson*, 30 F. Cas. 896, 898 (C.C.E.D. Va. 1877) (No. 18,195).

49. *Yuengling v. Johnson*, 30 F. Cas. 896 (C.C.E.D. Va. 1877) (No. 18,195).

50. *Id.*

51. *Id.* at 898.

52. *Central Trust Co. v. Wabash, St. L. & P. Ry. Co.*, 25 F. 1, 2 (C.C.E.D. Mo. 1885).

53. *Industrial & Mining Guar. Co. v. Electrical Supply Co.*, 58 F. 732, 738 (6th Cir. 1893).

54. *Houghton v. Cortelyou*, 208 U.S. 149, 156 (1908); *Phillips v. Sager*, 276 F. 625, 627 (D.C. Cir. 1921); *Gring v. Chesapeake & Delaware Canal Co.*, 129 F. 996, 1000 (D. Del.), *cert. denied*, 212 U.S. 575 (1904); *Industrial & Mining Guar. Co. v. Electrical Supply Co.*, 58 F. 732, 738 (6th Cir. 1893).

would itself be productive of the mischief apprehended by inducing the defendant to accelerate the completion of the action sought to be enjoined before process could be served."⁵⁵ The Third Circuit used this principle to protect intellectual property rights in *Thullen v. Triumph Electric Co.*⁵⁶ Triumph Electric sought to compel an employee to honor a patent assignment contract for an electric motor controller he had developed. The company feared that the inventor was about to sell the patent rights to a competitor, and cause the company irreparable injury. Because notice to the employee would only hasten his attempts to sell the patent, leaving the company without a remedy, the court granted a restraining order without notice.⁵⁷ The court founded its action on Equity Rule 73 of the Supreme Court.⁵⁸

The Supreme Court had promulgated Equity Rule 73 in 1912 to regulate the use of ex parte orders. Included among the requirements of Rule 73 was proof of immediate and irreparable loss demonstrated by specific facts, shown by affidavit or verified motion.⁵⁹ Rule 73 also placed a ten day limit on ex parte temporary restraining orders and permitted the defendant to request its dissolution on two days notice.⁶⁰ The rule required two other conditions: 1) an apparent danger of irreparable injury from delay,⁶¹ and 2) notice to the restrained party of a motion for preliminary injunction.⁶²

Courts required a clear showing of irreparable injury to grant ex parte relief. The party requesting relief generally needed to submit documentary evidence, such as affidavits, of the threatened injury to persuade the court to use its extraordinary powers.⁶³ For example, an ex parte injunction would not issue if the injurious behavior had existed for years, for then it repre-

55. *Industrial & Mining Guar. Co. v. Electrical Supply Co.*, 58 F. 732, 738 (6th Cir. 1893).

56. 212 F. 243 (3d Cir. 1914).

57. *Id.* at 145.

58. The rule states:

No preliminary injunction shall be granted without notice to the opposite party. Nor shall any temporary restraining order be granted without notice to the opposite party, unless it shall clearly appear from specific facts, shown by affidavit or by the verified bill, that immediate and irreparable loss or damage will result to the applicant before the matter can be heard on notice. In case a temporary restraining order shall be granted without notice, in the contingency specified, the matter shall be made returnable at the earliest possible time, and in no event later than ten days from the date of the order, and shall take precedence of all matters, except older matters of the same character. When the matter comes up for hearing the party who obtained the temporary restraining order shall proceed with his application for a preliminary injunction, and if he does not do so the court shall dissolve his temporary restraining order. Upon two days notice to the party obtaining such temporary restraining order, the opposite party may appear and move the dissolution or modification of the order, and in that event the court or judge shall proceed to hear and determine the motion as expeditiously as the ends of justice may require. Every temporary restraining order shall be forthwith filed in the clerk's office.

226 U.S. 670.

59. *Id.* See also 212 F. at 145.

60. Rule 73 is nearly identical to section 17 of the Clayton Act, 28 U.S.C. § 381 (1982), which Congress passed in 1914 in a vain attempt to prevent the abuse of labor injunctions, see FRANKFURTER & GREENE, *THE LABOR INJUNCTION*, 184 n.196 (1930), and which resembles the current Federal Rule of Civil Procedure 65(b).

61. *Payne v. Kansas & A. V. Ry. Co.*, 46 F. 546, 552 (C.C.W.D. Ark. 1891).

62. See *Chicago, B. & Q. Ry. Co. v. Burlington, C.R. & N. Ry.*, 34 F. 481 (S.D. Iowa 1888), in which a motion for ex parte restraint was denied because of failure to give this notice.

63. *Central Trust Co. v. Wabash, St. L. & P. Ry. Co.*, 25 F. 1, 2 (C.C.E.D. Mo. 1885).

sented no immediate harm.⁶⁴

The application for ex parte relief also required a firm legal basis, i.e., a likelihood of success at the trial on the merits. If the moving party had no legal argument supporting the request for ex parte relief, then the restraining order would be dissolved immediately.⁶⁵ Also, the presence of many substantive legal questions, including the validity of a contract on which an obligation is asserted, defeated motions for ex parte restraining orders.⁶⁶

Federal courts also considered the balance of convenience and hardship between the parties. If little or no injury would be suffered by the restrained party, but great injury could be suffered by the moving party if the court did not act, then courts granted ex parte relief.⁶⁷ Under this balancing test, for example, a court restrained a businessman from selling property that was alleged to be undistributed partnership proceeds owed to the plaintiff. Because the delay could leave the plaintiff without a remedy, and the defendant would merely be inconvenienced by the delay, the court granted an ex parte restraining order.⁶⁸

3. Abuses During the Labor Period

Ex parte orders remained uncommon until shortly before the industrial warfare of the late nineteenth and early twentieth centuries.⁶⁹ It was here, in the use of restraining orders against organized labor, that the authority to grant ex parte injunctions was frequently abused.

During this period, the ex parte injunction became a favorite tool of both management and government to quash industrial strikes. Apparently, ex parte injunctions were issued on affidavits without comprehensive knowledge of the facts.⁷⁰ Under the legal pretense that strikers were in contempt of court orders, courts permitted police and government troops to rout and imprison strikers.

Perhaps the most famous strike in which an ex parte injunction was issued was the Pullman strike in 1894. The U.S. Supreme Court affirmed the ex parte injunction granted to the U.S. Attorney General to break the strike in *In re Debs*.⁷¹ Finding that the confusion caused to interstate commerce by a railroad strike was irreparable injury, the Supreme Court ruled that the issue of an injunction against the strikers without notice was justifi-

64. *Gring v. Chesapeake & Del. Canal Co.*, 129 F. 996, 1000 (C.C.D. Del. 1904), *cert. denied*, 212 U.S. 575 (1904); *Worth Mfg. Co. v. Bingham*, 116 F. 785, 789 (4th Cir. 1902).

65. *Central Trust Co. v. Wabash, St. L. & P. Ry. Co.*, 25 F. 1, 2 (C.C.E.D. Mo. 1885).

66. *Paine v. United States Playing Card Co.*, 90 F. 543, 544 (C.C.D.N.J. 1898).

67. *Phillips v. Sager*, 276 F. 625, 627 (D.C. Cir. 1921); *Gring v. Chesapeake & Del. Canal Co.*, 129 F. 996, 1000 (C.C.D. Del 1904), *cert. denied*, 212 U.S. 5757 (1904).

68. *Phillips v. Sager*, 276 F. 625, 627 (D.C. Cir. 1921).

69. The Judiciary Act of 1872, *supra* note 46, granted federal courts the power to issue ex parte injunctions. The federal courts made little use of the power before using it to quash industrial strikes. See note, *The Abolition of Ex Parte Injunctions in New York*, 30 COLUM. L. REV. 1184 (1930).

70. Note, *Ex Parte Injunctions*, 1 BROOKLYN L. REV. 101, 102 n.4 (1932) (quoting New York State Governor Smith's annual message of 1926).

71. 158 U.S. 564 (1895).

fied.⁷² A widespread belief arose that the federal courts were being used as the tools of employers.⁷³

Popular resentment of the federal courts and injunctions without notice quickly swelled, and soon they were under political attack. In 1896, political parties denounced "government by injunction" as a dangerous form of oppression by the quasi-aristocratic federal courts.⁷⁴ The cry was raised again in 1908, and one year later President Taft, a former Supreme Court Justice, urged that Congress more strictly regulate the use of *ex parte* injunctions. The plea was repeated in 1910. Several bills which would limit the power of federal courts to issue injunctions without notice, and thereby prevent the issuance of injunctions in labor disputes, were brought before Congress.⁷⁵ Although these efforts failed, the public outcry against *ex parte* injunctions did not subside, and the fight was carried to state legislatures. By the late 1920's, several states had passed laws prohibiting the use of injunctions without notice.⁷⁶

4. Limitations of Procedural Due Process

Although these states had misgivings about the issuance of orders without notice, federal courts exhibited no uncertainty about continuing the use of their comparatively new power. During the World War II era the Supreme Court endorsed the use of *ex parte* orders to enforce administrative action. Court orders without notice were considered in *Fahey v. Mallonee*,⁷⁷ and *Ewing v. Mytinger & Casselberry*.⁷⁸ In *Fahey*, the Supreme Court reiterated that it would dissolve *ex parte* temporary restraining orders if irreparable injury is not threatened to the moving party,⁷⁹ but emphasized that federal courts had the clear authority to issue such orders on behalf of administrative agencies.⁸⁰

In *Ewing*, the Supreme Court addressed the validity of *ex parte* seizure orders grounded in statute. A food supplement company contested, as a violation of due process, the Food and Drug Administration's (FDA) statutory power to seize misbranded foods and drugs without notice. The Supreme

72. *Id.* at 599-600.

73. Note, *supra* note 71, at 102 n.4 (1932). Although much of the legal community defended the actions of federal courts during this time, *see, e.g.*, Whitelock, *supra* note 1, the American Federation of Labor had another viewpoint and alleged that judicial power had been abused in twenty-three strikes. *Id.* at 733. A study by the Columbia School of Business determined that, of 441 applications for labor injunctions in New York State between 1880 and 1930, 303 or 68.7% were immediately granted *ex parte*. Of these 303 orders, 70 or 23% were vacated at hearings. Many others were probably never brought to a hearing to have their validity contested. Note, 30 COLUM. L. REV. 1184, 1187 n.24 (1930). By the time an order was vacated, however, the strike usually would be broken. FRANKFURTER & GREENE, THE LABOR INJUNCTION, 183 n.189 (1930).

74. Whitelock, *supra* note 1, at 732.

75. *See, e.g.*, Pearre Bill, Beveridge Bill, and Gilbert Bill in Whitelock, *supra* note 1, at 738-40 (1912).

76. Among these were New York, Wisconsin, Minnesota, Kansas, and Massachusetts. Note, *supra* note 73 at 1186-87.

77. 322 U.S. 245 (1947).

78. 339 U.S. 594 (1950).

79. *Fahey v. Mallonee*, 332 U.S. 245, 257-58 (1947).

80. *Id.*

Court upheld the FDA's use of ex parte seizures and decided that due process is not violated if a hearing is held before the administrative order becomes final. Perhaps more importantly, the majority opinion by Justice Douglas discussed the probability that ex parte seizures could irreparably injure the business reputation of defendants, but concluded that due process does not require a full judicial hearing before the government can take action in administrative matters.⁸¹ Douglas stated that when property rights are involved due process requires only an opportunity for a hearing and a judicial determination at some stage of the proceedings.⁸²

This case ushered in an era of due process attacks on the granting of ex parte relief. One commentator observed that the procedural due process developments of the early 1970's, which restricted many traditional ex parte remedies, created a judicial prejudice against the use of temporary restraining orders and seizure orders in intellectual property disputes.⁸³ Admittedly, procedural due process requirements have restricted the opportunities for obtaining ex parte relief. The leading cases on procedural due process, however, still recognize the need in some circumstances for court orders without notice.⁸⁴

In a 1972 landmark case, *Fuentes v. Shevin*,⁸⁵ the Supreme Court invalidated a state replevin law which permitted ex parte seizures. The Court limited its holding by stating that "There are 'extraordinary situations' that justify postponing notice and opportunity for a hearing."⁸⁶ This sentiment was forecast in *Carroll v. President and Comm's of Princess Anne*,⁸⁷ and echoed in *Mitchell v. W.T. Grant Co.*⁸⁸ In *Mitchell*, the Supreme Court upheld the validity of a state statute permitting creditors to seize the property of recalcitrant debtors. The presence of procedural safeguards protecting the debtor, and the "real risk that the buyer, with possession and power over the goods, will conceal or transfer the merchandise to the damage of the seller were critical to the decision."⁸⁹ Faced with such a situation, the Court observed that, "the danger of destruction or alienation cannot be guarded against if notice and a hearing before seizure are supplied. The notice itself may furnish a warning to the debtor acting in bad faith."⁹⁰

Fuentes identifies three circumstances that justify ex parte relief consistent with procedural due process: 1) important governmental or general public interests; 2) a special need for very prompt action; or 3) the seizure is initiated by a government official, acting under a narrowly drawn statute, who believes that the seizure was necessary and justified.⁹¹ These circum-

81. *Ewing v. Mytinger & Casselberry*, 339 U.S. 594, 599 (1950).

82. *Id.*

83. Bainton, *supra* note 3, at 460.

84. *See Carroll v. President & Comm'rs of Princess Anne*, 393 U.S. 175 (1968) and *Granny Goose Foods, Inc. v. Local 70, Bhd. of Teamsters*, 415 U.S. 423 (1974).

85. 407 U.S. 67 (1972)

86. *Id.* at 90.

87. 393 U.S. 175 (1968).

88. 416 U.S. 600 (1974).

89. *Id.* at 608-09.

90. *Id.* at 609.

91. 407 U.S. at 91.

stances qualify the use of ex parte remedies to protect property rights. Serious mischief creates a special need for prompt action if the intellectual property owner is to have any relief at all. In addition, important public interests are served by the use of injunctions and seizure orders issued without notice. In trademark infringement disputes, for example, the Lanham Act⁹² provides for relief when there is a likelihood of public confusion. In copyright and patent actions, ex parte orders serve an important governmental interest. The copyright and patent clause of the Constitution provides that Congress shall promote the "Progress of Science and Useful Arts."⁹³ Infringers violate this statutory plan and its constitutional basis by trading on the efforts of others.

As *Fuentes* identified the circumstances which deserve ex parte relief, so *Mitchell* suggested the procedures required to legitimate the relief. First, the ex parte order should be personally issued by a judge, rather than a clerk. Second, there must be a substantial risk of irreparable injury to a property interest. Third, the plaintiff must establish the probability of success on the merits. Fourth, the plaintiff must present documentary proof of the defendant's wrongdoing. Fifth, the plaintiff must post bond to compensate the defendant for wrongful restraint. Finally, a full hearing must be permitted after the seizure to determine the rights between the parties.⁹⁴ In intellectual property disputes, temporary relief without notice can easily accommodate these procedural requirements. Judges should carefully scrutinize seizure orders, especially those requesting assistance from federal marshalls. Irreparable injury occurs, by statutory definition, whenever copyright, trademark, or patent rights are infringed. At ex parte hearings, judges may consider documentary evidence, such as affidavits, to determine the probability of success on the merits. The Federal Rules of Civil Procedure require bonds to protect the innocent defendant from the overzealous plaintiff.⁹⁵ Finally, Rule 65(b) requires that a full hearing be held within two days of the issuance of an ex parte temporary restraining order.⁹⁶

II. CONTEMPORARY EX PARTE TEMPORARY RELIEF

A. Overview

Despite the specific authorization and procedural safeguards of Rule 65(b), many federal district courts are still extremely reluctant to grant temporary restraining orders unless notice is first provided.⁹⁷ Some of this reluctance may be attributed to healthy judicial skepticism. When immediate and irreparable injury is threatened, however, the unwillingness of some courts to issue ex parte orders in these situations can only be attributed to misunderstanding, lassitude, ignorance, or even outright hostility.⁹⁸ In *Na-*

92. 15 U.S.C. §§ 1051-1127 (1982).

93. U.S. CONST. art. I, § 8, cl. 8.

94. *Mitchell v. W.T. Grant Co.*, 416 U.S. 600, 608-10 (1974).

95. FED. R. CIV. P. 65(b). See *supra* note 10.

96. *Id.*

97. See Katz and Cohen, *Obtaining Ex Parte Injunctions and Impoundment Orders*, MERCHANDISING REP. Nov. 1983, at 6.

98. Comment, *supra* note 4 at 116 n.111; see also *Vuitton et Fils, S.A.*, 606 F.2d 1, 3 n.5 (2d

tional Football League Properties, Inc. v. Coniglio,⁹⁹ for example, a district court judge believed that merely frightening bootleggers from the immediate area would relieve threatened injuries and denied plaintiff's request for an ex parte seizure order. The judge did not consider the possibility that bootleggers would merely regroup elsewhere.

The use of ex parte temporary relief is rapidly expanding in the field of intellectual property, where infringers and counterfeiters threaten the property rights of inventors, artists, and businesses with irreparable injury to reputation and profits. When notice is given, these covert dealers are more often encouraged to flee than to account for their activities. Therefore, ex parte temporary restraining orders, inspections, and seizure orders must be permitted in intellectual property disputes to preserve the status quo and to prevent irreparable injury until a hearing can take place.¹⁰⁰

B. *Statutory Bases for Relief*

Several federal statutes authorize ex parte temporary relief, including the Lanham Act¹⁰¹ for trademarks, the Copyright Act,¹⁰² and the Patent Act.¹⁰³ This article will discuss each of these statutes as well as the Uniform Trade Secret Act.¹⁰⁴

1. Trademarks

The Lanham Act¹⁰⁵ protects intellectual property rights in trademarks. The Act permits federal courts to issue injunctions "according to the principles of equity" to prevent trademark infringement.¹⁰⁶ Any unauthorized use of a registered trademark is infringement if it "is likely to cause confusion, or to cause mistake, or to deceive."¹⁰⁷ Federal courts have consistently ruled that a likelihood of confusion between registered trademarks and infringing marks threatens irreparable injury to trademark owners and entitles them to injunctive relief.¹⁰⁸ Seizure of infringing merchandise is authorized by section 36 of the Lanham Act.¹⁰⁹

Ex parte temporary relief is primarily used to combat counterfeit and

Cir. 1979), (writ of mandamus directed a district court judge to stop considering motions for ex parte temporary relief as "vexatious").

99. 554 F. Supp. 1224 (D.D.C. 1983).

100. See *Granny Goose Foods, Inc. v. Brotherhood of Teamsters*, 415 U.S. 423, 439 (1974).

101. 15 U.S.C. §§ 1051-1127 (1982).

102. 17 U.S.C. §§ 1-810 (1982).

103. 35 U.S.C. §§ 1-293 (1982).

104. 14 U.L.A. 539-51 (1980). In addition, three special situations are found in 28 U.S.C. relating to temporary restraining orders, 28 U.S.C. §§ 2281-2282 restrain the operation of the state or federal statute, 28 U.S.C. § 2283 restrains state court proceedings and 28 U.S.C. § 2284 provides for three-judge court injunction procedures. It is not the purpose of this section to set forth and discuss the prima facie proof required of the ex parte movant. References are provided which discuss these requirements in detail.

105. 15 U.S.C. §§ 1111-1127 (1982).

106. 15 U.S.C. § 1116 (1982).

107. 15 U.S.C. § 1114 (1982).

108. *E.g.*, *Franklin Mint, Inc. v. Franklin Mint, Ltd.*, 331 F. Supp. 827, 830 (D.C. Pa. 1971).

109. The elements of proof including irreparable injury and the procedural aspects necessary for proving entitlement in trademark cases are discussed in Dorr & Duft, *Trademark Preliminary Injunctive Relief*, 62 J. PAT. OFF. SOC'Y 3 (Jan. 1980). See Bainton, *supra* note 3; Purcell, *Use*

“gray market” goods. Counterfeit goods are goods of generally low quality sold as genuine merchandise to the unsuspecting public. Gray market goods are genuine merchandise, imported illegally to the United States without authorization by the trademark owner.¹¹⁰

2. Copyrights

Copyright protection applies to literature, computer software, music, drama, motion pictures, sound recordings, business documents, fine arts, and any other original work “fixed in a tangible medium of expression.”¹¹¹ Copyright owners are entitled to the exclusive rights to reproduce, display, perform, and distribute the work, as well as to prepare derivative works based on the copyrighted material.¹¹² Any violation of these exclusive rights is a copyright infringement¹¹³ which may be restrained by temporary or permanent injunction¹¹⁴ and is subject to a suit for damages.¹¹⁵ Infringing articles may be impounded and destroyed by court order.¹¹⁶ The Special Rules of Practice, promulgated by the U.S. Supreme Court under the Copyright Act of 1909, permit the U.S. Marshall to seize allegedly infringing materials, including the materials used for making the infringing copies.¹¹⁷

Ex parte temporary relief has increased in copyright counterfeiting situations involving video games, software, and toys.¹¹⁸

3. Patents

Patents have the attributes of personal property, and give patent owners the exclusive rights to develop, market, license, or sell the invention to others.¹¹⁹ Anyone who makes, sells, or uses the invention without authorization from the patent owner has infringed the patent.¹²⁰ Federal courts have been empowered since 1870 to protect patent rights by issuing injunctions.¹²¹ In unusual situations, infringing articles may be destroyed by court

of “John Doe” TRO’s Against Counterfeiters, *Merchandising Rep.*, Oct. 1983, at 16; Comment, *supra* note 4, at 701.

110. See Dorr and Traphagen, *Lurking in the Shadows: The Gray Market Threat to Trademark Owners*, *MERCHANDISING REP.*, Dec.-Jan. 1983-84, at 33.

111. 17 U.S.C. § 102 (1982).

112. 17 U.S.C. § 106 (1982).

113. 17 U.S.C. § 501 (1982).

114. 17 U.S.C. § 502 (1982).

115. 17 U.S.C. § 504 (1982).

116. 17 U.S.C. § 503 (1982).

117. See The Rules of Practice for Copyright Cases 3-13 (Annots. of 17 U.S.C.A. § 501). These rules are considered applicable under the Copyright Act of 1978. Sugarman & Miller, *Preliminary Temporary Restraining Orders*, in *LITIGATING COPYRIGHT, TRADEMARK & UNFAIR COMPETITION CASES*, 271 n.4 (R. Sugarman, ed., 1983). They have also been found constitutional. *Jondora Music Publishing Co. v. Melody Recordings, Inc.*, 362 F. Supp. 494, 499-500 (D.N.J.), *vacated on other grounds*, 506 F.2d 392, *cert denied*, 421 U.S. 1012 (1973).

118. See Katz and Cohen, *supra* note 97 at 6; Dorr and Eagles, *Resolving Claims to Ownership of Software and Computer-Stored Data—The Importance of Temporary Restraining Orders and Preliminary Injunctions*, *COMPUTER L. REV.* (1984).

119. 35 U.S.C. § 261 (1982).

120. 35 U.S.C. § 271 (1982).

121. 35 U.S.C. § 283 (1982).

order.¹²²

Ex parte relief in patent cases, although clearly based in history, is rarely granted by a court. The reason appears to be the technical complexity of the subject matter and the high rate with which litigated patents are invalidated.¹²³

4. Trade Secrets

At present, there is no federal statutory law for the protection of trade secrets. Trade secret protection is primarily based on the states' common law of unfair competition.

The Uniform Trade Secrets Act,¹²⁴ has been enacted in Kansas, Arkansas, Louisiana, Minnesota, Idaho, North Carolina and Washington.¹²⁵ Section 2 of the Act provides that "actual or threatened misappropriation may be enjoined. . . . (c) In appropriate circumstances, affirmative acts to protect a trade secret may be compelled by court order."¹²⁶

It is unknown whether "affirmative acts" would extend to ex parte seizures, impoundments, and inspections. One commentator with respect to this provision states:

Among the "affirmative acts" that may be ordered are surrender of physical embodiments of the trade secret and the taking of definitive steps by the misappropriator to prevent further illegal disclosure of the trade secret to others. This could sometimes entail extraordinary measures, such as special directives to employees and agents or a substantial revision of operations incorporating the misappropriated trade secret.¹²⁷ (citations omitted).

C. Federal Court Standards for Ex Parte Temporary Relief

Rule 65 of the Federal Rules of Civil Procedure sets forth the rule for granting of temporary restraining orders.¹²⁸ This rule is taken from 28 U.S.C. § 381, which was based upon former Equity Rule 73. This rule does not confer the power to grant injunctive relief, but rather sets stringent procedural requirements for the court's use of equity powers. Most states have

122. See *American Caramel Co. v. Thomas Mills & Bro.*, 162 F. 147 (C.C.A. Pa. 1907); *Lion Mfg. Corporation v. Chicago Flexible Shaft Co.*, 106 F.2d 930 (7th Cir. 1939).

123. See Dorr and Duft, *Patent Preliminary Injunctive Relief*, 60 J. PAT. OFF. SOC'Y 597-635 (Oct. 1978). One commentator has called for the increased use of temporary injunctions in patent cases and has challenged the new Federal Circuit Court of Appeals to clarify its requirements. See Duft, *Patent Preliminary Injunctions and the United States Court of Appeals for the Federal Circuit*, 65 J. PAT. OFF. SOC'Y 131-52 (March, 1983).

124. 14 U.L.A. 537-51 (1980).

125. La Fuze, *The Uniform Trade Secrets Act*, Oregon-Washington Patent Law Seminar, Feb. 26, 1982. The Commission on Uniform Laws is now considering whether the Act is so seriously flawed that it needs amendment. Telephone interview with William LaFuze, Chairman of the Intellectual Property Section of the Texas Bar Association (May 7, 1984).

126. 14 U.L.A. 544 (1980).

127. Klitzke, *The Uniform Trade Secret Act*, 64 MARQ. L. REV. 277, 303-304 (1980). See also Berryill, *Trade Secret Litigation: Injunctions and other equitable remedies*, 48 U. COLO. L. REV. 189 (1977).

128. FED. R. CIV. P. 65(b), *supra* n.10.

statutes or civil practice rules similar to Federal Rule 65.¹²⁹ Local practices for temporary restraining orders must be studied on a court-by-court basis before seeking *ex parte* temporary relief.

1. Duties of Movant Prior to Ex Parte Hearing

Rule 65(b) specifically permits the granting of a temporary restraining order without written or oral notice to either the adverse party or to his attorney provided:

- a. An affidavit or verified complaint sets forth specific facts indicating that immediate and irreparable injury, loss, or damage will result if the defendant or his attorney receives notice. The affidavit must be free of hearsay, should not contain conclusory statements, and should be free from obvious evidentiary problems. A statement by the plaintiff that he "fears" that irreparable harm will occur or affidavits based on "information and belief,"¹³⁰ are clearly not sufficient and,
- b. The applicant's attorney certifies in writing his reasons that notice should not be required. These reasons include the destruction or secreting of evidence, or the removal of items from the jurisdiction of the court.¹³¹

From a practical viewpoint, the attorney faces a considerable amount of activity in preparing the verified complaint, the support affidavits, the proposed order, and any other documents required by the court. Time is of the essence and all preparation must be completed in a matter of hours. There is simply not enough time for carefully considered decisions. Spur-of-the-moment decisions may lead to fatal mistakes. In this "pressure cooker" environment, the movant's attorney must take great pains to state the facts in the affidavit and verified complaint with painstaking accuracy and truthfulness.

In extreme emergencies, filing the verified complaint may be delayed and the entire proceeding commenced by an order to show cause supported solely by the affidavit. The complaint, however, must be filed before the court's order issues.¹³²

129. *E.g.*, Illinois Injunctions Act, ILL. REV. STAT. 1983, Ch. 69, § 3 and Colo. Rules of Civ. Pro., Rule 65.

130. *Marshall Durbin Farms v. National Farmers Organization*, 446 F.2d 353, 354 (5th Cir. 1971). *See* Nussbaum, TEMPORARY RESTRAINING ORDERS AND PRELIMINARY INJUNCTIONS - THE FEDERAL PRACTICE, 26 S.W. L.J. 265, 266-67 (1972), for practical suggestions in drafting affidavits.

131. *Wallace Berrie & Co. v. Custom Style Toys*, COPYRIGHT L. REP. (CCH) ¶ 25,492 (D.C.N.Y. 1982). The requirement of attorney certification resulted from criticisms of the "formal notice requirement" found in *Pennsylvania R.R. Co. v. Transport Workers Union*, 278 F.2d 693, 694 (3d Cir. 1960); *Arvida Co. v. Sugarman*, 259 F.2d 428, 429 (2d Cir. 1958); and *Lumms Company v. Commonwealth Oil Refinery Co.*, 297 F.2d 80, 83 (2d Cir. 1961) *cert. denied*, 368 U.S. 986 (1962). However, the comments to the 1966 amendment to Rule 65b incorporating the certification requirement concluded by stating that "The amended subdivision continues to recognize that a temporary restraining order may be issued without any notice when the circumstances warrant." Federal Rules 146 (West 1983).

132. *Studebaker Corp. v. Gittlin*, 360 F.2d 692, 694 (2d Cir. 1966).

2. Proof Requirements

Under Rule 65, temporary restraining orders and seizure orders are, like preliminary injunctions, forms of extraordinary relief that potentially can seriously injure the defendant. For this reason, the plaintiff's burden of obtaining an ex parte order is heavy and the standards for granting preliminary injunctions are often instructive. One clear purpose of granting a temporary restraining order is to preserve the status quo until the court can consider a preliminary injunction motion.¹³³ Therefore, at the temporary hearing, the court ordinarily will not apply those standards determinative of entitlement for a preliminary injunction, but will be concerned primarily with preserving the status quo and preventing irreparable injury.¹³⁴

The following cases are typical of the requirements for obtaining ex parte temporary orders. In *Murphy v. Society of Real Estate Appraisers*,¹³⁵ the court required the plaintiff to prove the following four elements:

1. Irreparable harm to the plaintiff in absence of the temporary restraining order,
2. The balance of public interest favored the temporary order,
3. Harm to other interested parties if the temporary restraining order was not granted, and
4. Likelihood of success on the merits at trial.

The decision of the Second Circuit Court of Appeals in *Vuitton et Fils, S.A.*,¹³⁶ stated that Rule 65(b):

[B]y its very terms allows for the issuance of an ex parte temporary restraining order when (1) the failure to issue it would result in "immediate and irreparable injury, loss, or damage" and (2) the applicant sufficiently demonstrates the reason that notice "should not be required." In a trademark infringement case such as this, a substantial likelihood of confusion constitutes, in and of itself, irreparable injury sufficient to satisfy the requirements of Rule 65(b)(1).¹³⁷

The court also observed that it would be unfair to require trademark owners to give notice to counterfeiters because:

[N]otice all too often appears to serve only to render fruitless further prosecution of the action. This is precisely contrary to the normal and intended role of "notice", and it is surely not what the authors of the rule either anticipated or intended.¹³⁸

Attorneys must emphasize the clear irreparable harm to the plaintiff

133. *United States v. Washington Post Co.*, 446 F.2d 1322 (D.C. Cir. 1971); *Weyenberg v. Town of Menasha*, 401 F. Supp. 801 (E.D.Wis. 1975); and *Davis v. Emerson Ins. Agency*, 423 F. Supp. 561 (D.Neb. 1976).

134. *Dow Chemical Co. v. Blum*, 469 F. Supp. 892, 901 (E.D. Mich. 1979); *Black v. Transport Workers Union*, 454 F. Supp. 813, 816 (S.D.N.Y.) *aff'd*, 594 F. 2d 851 (2d Cir. 1978); *Uneda Doll Co. v. Regent Baby Products Corp.*, 355 F. Supp. 438, 445 (E.D.N.Y. 1972).

135. 388 F. Supp. 1046, 1049 (E.D.Wis. 1975), *vacated*, 544 F.2d 521 (7th Cir. 1976). Although the district court denied the motion because of failure to show probability of success on the merits, the court of appeals disagreed.

136. 606 F.2d 1 (2d Cir. 1979).

137. *Id.* at 4.

138. *Id.* at 5.

and why notice must not be given in a particular case. Failure to fully present the facts to the court on these two issues will result in denial of ex parte requests. Only after satisfying these two requirements will the court weigh the potential harm to the parties and the public, and consider the likelihood of success on the merits. The court should not place too much emphasis on the evidence at this stage in evaluating the likelihood of success, but rather reserve this matter for the preliminary injunction hearing.

From a practical point of view, the movant's attorneys have little time to present their case to the court because most courts will hear ex parte requests only during breaks between pending litigation, before normal court hours, and sometimes even on Saturdays. Understandably, the court will not be in the mood to read lengthy documents, to listen to long oral presentations, or to decide complex factual or legal issues. Sometimes courts, especially those with new judges, are unfamiliar with the law itself. Therefore, the plaintiff's attorneys must present the case cogently, and succinctly.¹³⁹

Increasingly, district court judges have granted ex parte orders. Today, these extraordinary remedies have become a standard weapon to protect intellectual property rights. As ex parte orders become routine, however, the danger increases that fundamental civil rights will be trampled in the zeal to quash counterfeiters. For example, in *National Football League Properties, Inc. v. Coniglio*,¹⁴⁰ plaintiffs were denied seizure orders against suspected bootleggers of football souvenirs during the Super Bowl.¹⁴¹ Although the court mistakenly applied the law,¹⁴² the court's decision can be supported in its result because the plaintiff requested relief that was offensive to civil rights. A "John Doe" TRO and seizure order, in which the defendants remain unnamed, was requested. Also, the plaintiff intended to use its own private security force, rather than U.S. Marshalls,¹⁴³ to enforce the proposed order. Understandably, the court may have resented the plaintiff's desire to use its own security guards to confiscate bootleg gifts throughout Washington, D.C.

This marked the boundary of acceptable ex parte orders until *United States v. Karen Bags*,¹⁴⁴ in which a federal court authorized a private undercover operation against businessmen who allegedly sold counterfeit Vuitton handbags. In *Karen Bags*, U.S. District Court Judge Morris Lasker appointed Vuitton's attorney, Joseph Bainton, special prosecutor to conduct a "sting" operation with Melvin Weinberg, who assisted the FBI with the infamous ABSCAM investigation.¹⁴⁵ Using many of the investigation's techniques, Bainton and Weinberg videotaped meetings with suspected

139. As one commentator has said:

An attorney has about four sentences to get the judge's attention and explain why the temporary restraining order must be granted now. Regretably, the attorney must use the first sentence to tell the judge who he and his clients are. That leaves about three sentences. They should not be wasted on boring details. Bainton, *supra* note 3, at 470.

140. 554 F. Supp. 1224 (D.D.C. 1983).

141. *Id.* at 1226.

142. See Bainton, *supra* note 3.

143. 554 F. Supp. at 1225.

144. 83 Cr. Misc. 1; see Nat'l L.J., May 21, 1984, at 3, 44.

145. 83 Cr. Misc. 1, slip. op. at 3-6 (S.D.N.Y. April 9, 1984).

infringers, who believed Weinberg to be an entrepreneur interested in counterfeit manufacturing. One of the suspected infringers, Sol Klayminc, had been convicted earlier of criminal contempt for violating an injunction against the sale of counterfeit goods. The Vuitton operation resulted in an Order to Show Cause against Klayminc and six other defendants.¹⁴⁶

This case was the first in which a federal court authorized a private attorney to conduct an undercover investigation, and its ramifications are worrisome. The prospect of plaintiffs enforcing their property rights by methods which border on unconstitutional entrapment is unpleasant for counterfeiters, but it should also concern intellectual property owners themselves. Ex parte orders have been accepted because plaintiffs have a good reputation for scrupulous investigation. Vuitton, for example, established itself by conducting over eighty ex parte actions in New York alone.¹⁴⁷ Other owners may not be so scrupulous and may ride roughshod over individual rights. This type of "cowboy" legal action endangers the willingness of courts to grant ex parte orders when they are needed. Just as ex parte orders were abused against labor unions, so they may be abused against counterfeiters and other infringers. The result of such overenthusiastic enforcement can only be judicial disenchantment with a useful legal tool. The ex parte order will fall into disuse until resurrected again.

3. Duties of Court

Requests for ex parte relief "take precedence of all matters except older matters of the same character," and the court shall promptly set a hearing on the request under Rule 65(b).¹⁴⁸ If a temporary restraining order is granted under this rule, the court must follow certain procedures such as:

- a. Endorsement of the date and hour of issuance on the order,
- b. Filling the order in the clerk's office for entry in the record,
- c. Specifically defining plaintiff's injury and its irreparable harm in the order,
- d. Precisely stating why the order was granted without notice,
- e. Setting the motion for preliminary injunction for hearing at the earliest possible time,
- f. Setting forth in the order the reasons for its issuance,
- g. Describing in specific terms, and not by reference to another document, the act or acts sought to be restrained, and
- h. Binding only the parties to the action, their officers, agents, servants, employees and attorneys and those persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise.¹⁴⁹

The order can last no longer than ten days after entry. The ten day

146. *Id.* at 6-7.

147. *Matter of Vuitton et Fils, S.A.* 606 F.2d 1, 2 (2d Cir. 1979); Nat'l L.J., May 21, 1984 at 3, 44.

148. FED. R. CIV. P. 65(b).

149. FED. R. CIV. P. 65(b). Temporary restraining orders represent relief which is granted only in the most compelling circumstances. Hence, such orders require these strict limitations. *See, e.g., Ultra-cashmere House Ltd. v. Madison's of Columbus, Inc.*, 534 F. Supp. 542, 544 n.7 (S.D.N.Y. 1982).

period can be extended for good cause shown or by consent of the restrained party. The reasons for the court's extension must be stated and entered in the record. Also, the temporary restraining order automatically terminates when the court rules on the motion for preliminary injunction. Defendants are not bound by an *ex parte* order until they receive actual notice, although this notice may be informal, as a telephone call.¹⁵⁰ Therefore, plaintiff must notify defendant of the order and what it forbids for the *ex parte* order to be effective.¹⁵¹ If any ambiguities, omissions, or errors exist in the order, they will be resolved in favor of the defendant.¹⁵²

4. Posting of Bond

Rule 65(c) further requires that the movant give security "in such sum as the court deems proper"¹⁵³ in the event that the defendant is wrongfully enjoined or restrained in order to cover his costs and damages that may be incurred or suffered. In copyright cases, the bond must be at least twice the reasonable value of the infringing copies.¹⁵⁴ The bond required for the temporary restraining order does not carry over to the bond requirements for the preliminary injunction.¹⁵⁵ From a practical viewpoint, the movant must arrange for surety before requesting relief, if the movant does not wish to risk delaying the order. It is important to check court rules for local practice since some courts have an "emergency" hearing provision.¹⁵⁶

6. Rights of Nonmovant

Rule 65(b) entitles the restrained party to appear before the court on two days notice and move for the dissolution or for the modification of the *ex parte* order. In its discretion, the court may permit less than two day's notice. The court shall "hear and determine such motion as expeditiously as the ends of justice require."¹⁵⁷

C. Appealability of *Ex Parte* Orders

Generally, rulings by district courts on *ex parte* motions for temporary restraining orders under Rule 65(b) are not appealable unless permission of

150. *Baines v. City of Danville*, 337 F.2d 579, 598-99 (4th Cir. 1964), *aff'd*, 384 U.S. 890 (1966).

151. *See Walker v. City of Birmingham*, 270 Ala. 53, 181 So. 2d 493 (1965), *aff'd*, 388 U.S. 307 (1967). Copies of the order are routinely served on defendant. *D. DOBBS, REMEDIES* § 2.10 at 107 (1973).

152. *Ford v. Krammerer*, 450 F.2d 279 (3d Cir. 1971).

153. *FED. R. CIV. P.* 65(c).

154. *Rules of Practice* 4, 17 U.S.C.A. foll. § 501.

155. *Steinberg v. American Bantam Car Co.*, 173 F.2d 179, 181 (3d Cir. 1949).

156. For example, the Local Rules of Practice Rule 104 for the United States District Court for the District of Colorado (December, 1983) set forth the following requirement for bonds:

a. An attorney in any case or a party in a civil case, or the spouse of a party in a civil case, shall not be accepted as a personal surety on any bond filed in that case.

b. Where the surety on a bond is a surety company approved by the United States Department of Treasury, a power of attorney showing the authority of the agent signing the bond shall be on file with the clerk.

c. No person, firm, association or corporation may act as his, her or its own surety in a civil case.

157. *FED. R. CIV. P.* 65(b).

the Court is obtained and then only under certain guidelines set by the appellate court.¹⁵⁸ These rulings generally cannot be appealed because temporary restraining orders are neither "final decisions,"¹⁵⁹ nor appealable interlocutory orders.¹⁶⁰

In exceptional circumstances, however, parties may appeal temporary restraining orders as interlocutory orders.¹⁶¹ Because the substantial effect of the order, and not its terminology, controls,¹⁶² the parties may appeal the order if it more greatly resembles a preliminary injunction than a temporary restraining order.¹⁶³ This resemblance can be determined from the length of the order or from the relief granted.

First, an order which continues longer than the ten day limit established by Rule 65(b) can be appealed.¹⁶⁴ A temporary restraining order which issued or extended with the consent of all parties cannot, however, be appealed.¹⁶⁵ Failure to file a motion to dissolve the order can indicate consent.¹⁶⁶ Second, the non-movant may appeal an interlocutory order that grants a major part of the permanent injunctive relief sought by the claimant.¹⁶⁷ For example, in a 1979 sixth circuit case, a district court granted an interlocutory order which halted an administrative investigation. The order granted a substantial measure of the permanent relief and thus was appealable.¹⁶⁸

D. *Mandamus*

In *Vuitton et Fils S.A.*,¹⁶⁹ the Second Circuit Court issued a writ of mandamus to the district court after the plaintiff could not obtain an ex parte temporary restraining order from the Southern District of New York. Although this is a rare procedure, it is appropriate when district courts ignore a movant's rights under Rule 65(b). As such, writs of mandamus should not be overlooked as a viable procedure until reluctant federal district courts cast aside their unwillingness to grant ex parte relief when appropriate.

E. *Contempt*

A party commits contempt when it violates an ex parte temporary re-

158. *Fernandez-Roque v. Smith*, 671 F.2d 426, 429 (11th Cir. 1982); *Clarkson Co. v. Shaheen*, 544 F.2d 624, 627 n.4 (2d Cir. 1976); *Dilworth v. Riner*, 343 F.2d 226, 229 (5th Cir. 1965). For special rules in arbitration, see Bainton, *Temporary Restraining Orders and Preliminary Injunctions: It's Largely in the Lawyering*, in R. SUGARMAN, *LITIGATING COPYRIGHT, TRADEMARK, AND UNFAIR COMPETITION CASES*, 111-130 (1982).

159. 28 U.S.C. § 1291 (1982).

160. 28 U.S.C. § 1292(a)(1) (1982).

161. *Id.*

162. *Ettelson v. Metropolitan Life Ins. Co.*, 317 U.S. 188 (1942).

163. 7 MOORE'S FEDERAL PRACTICE § 65.07 (1983-84).

164. *Sampson v. Murray*, 415 U.S. 61, 86-88 (1974); *Telex Corp. v. International Business Machines Corp.*, 464 F.2d 1025 (8th Cir. 1972); *Sims v. Greene*, 160 F.2d 512 (3d Cir. 1947).

165. *Fernandez-Roque v. Smith*, 671 F.2d 426, 427-30 (11th Cir. 1982).

166. *Id.* at 430.

167. *American Motors Corp. v. F.T.C.*, 601 F.2d 1329, 1331-2 (6th Cir.), *cert. denied*, 444 U.S. 941 (1979).

168. 601 F.2d at 1331.

169. 606 F.2d 1 (2d Cir. 1979).

straining order. The movant has the burden to show by clear and convincing evidence that the alleged action is in violation of the order.¹⁷⁰ Once contempt is proven, the court is obligated to restore the plaintiff to the position it would have held had the injunction been obeyed.¹⁷¹ The court can impose civil or criminal penalties.¹⁷² Recently, a federal court broke new ground when it authorized a private attorney to conduct an "Abscam" type undercover operation. The judge appointed two of plaintiff's attorneys as special federal prosecutors. After the undercover investigation, the judge issued the defendants show-cause orders for criminal contempt.¹⁷³

III. TYPES OF EX PARTE TEMPORARY RELIEF AVAILABLE

Ex parte relief takes various forms such as injunctive, seizure, and impounding. This section will discuss each of these forms.

A. *Ex Parte Injunctions*

Perhaps the most common form of temporary relief is injunction. Indeed, Rule 65 is entitled "injunctions." For trademark infringement, injunctions usually prevent wrongdoers from using the infringing mark, trade dress, or counterfeit goods. In copyright cases, injunctions may enjoin infringing works, the performance of the infringing work (such as playing a video game), or the continued use of the infringing material (such as computer software). In trade secret cases, injunctions prevent any disclosure of the alleged trade secrets by the wrongdoer. In patent cases, injunctions prevent further infringement of the patent by enjoining manufacture, use, or sale of the invention. Injunctions can be limited geographically, by time, by specific goods, by specific persons, or by any other device to precisely define the extent of relief.¹⁷⁴

170. *Hart, Schaffner & Marx v. Alexander's Department Stores, Inc.*, 341 F.2d 101, 102 (2d Cir. 1965).

171. *Vuitton & Fils S.A. v. Carousel Handbags*, 592 F.2d at 130.

172. For criminal contempt, see, *Smotherman v. United States*, 186 F.2d 676 (10th Cir. 1950).

173. *Nat'l L.J.*, May 21, 1984, at 3, 44.

174. An example of a trademark clause in a temporary restraining order enjoining trademark infringement is:

Defendants, their agents, servants, employees, attorneys, officers and those persons in active concert or participation with them [enjoined] from using in any unauthorized manner the name CALVIN KLEIN or any terms confusingly similar thereto, in connection with the buying, offering for sale, selling or holding for sale, tops, jeans or other merchandise, or buying or selling any related goods or of any merchandise bearing unauthorized or counterfeit labels, printings or hang tags bearing the name CALVIN KLEIN; and from unfairly competing with plaintiffs in connection with the use of the name CALVIN KLEIN, or otherwise unfairly competing with Plaintiffs, or in connection with the use of the name CALVIN KLEIN otherwise interfering with plaintiffs' businesses.

Calvin Klein Co. v. Filippa Menswear, No. 82 Cn. 6060 (S.D. Fla. Feb. 2, 1982).

Ex parte seizure orders may be enforced by the courts, or infrequently, by private parties. The Lanham Act, 15 U.S.C. § 1118 (1982), specifically authorizes a U.S. District Court to order the U.S. Marshal's Office to seize and impound all infringing merchandise as well as all other infringing material in the alleged infringers possession, custody or control:

In any action arising under this chapter, in which a violation of any right of the registrant of a mark registered in the Patent and Trademark Office shall have been established, the court may order that all labels, signs, prints, packages, wrappers,

B. *Ex Parte Seizure*

Authority for issuing seizure orders on an ex parte and temporary basis is found in Rule 64 of the Federal Rules of Civil Procedure which provides for: "Seizure of personal property for the purpose of securing satisfaction of the judgment ultimately to be entered in the action." The Rule further provides: "Arrest, attachment, garnishment, replevin, sequestration and other . . . equivalent remedies [are available] at the commencement of and during the course of an action . . . under the circumstances and in the manner provided by the law of the state in which the district court is held."¹⁷⁵ It is interesting that with respect to this rule, the peculiar law of each state must be adhered to. In any event, courts use seizure orders in both trademark (especially against counterfeiters) and copyright cases even though the power to issue the orders is based upon separate federal statutes.

Ex parte relief has been used by state courts to quell unfair trade practices since the turn of the century. For example, in 1911 the Colorado Supreme Court endorsed the use of ex parte relief to prevent railroad ticket scalpers from continuing their unauthorized business.¹⁷⁶ In language remarkably similar to that used in *Vuitton et Fils S.A.*,¹⁷⁷ the Colorado court recognized that irreparable injury would result from ticket scalping, and that the great delay required to notify sixty five defendants throughout the state would permit them to, "as has been done under similar circumstances in like cases, assign their business to others, not parties to the suit, and would dispose of the tickets acquired by them to third persons, many of them beyond the jurisdiction of the court."¹⁷⁸

Counterfeiters display an adroitness once reserved to the drug trade and make their operations covert. They typically use cash exclusively, maintain few records, conceal counterfeit merchandise, and conceal their identities from buyers. Although trademark owners could use ex parte temporary restraining orders to enjoin the sale of counterfeit merchandise, these surreptitious methods used by counterfeiters still prevent trademark owners from estimating damages.¹⁷⁹

receptacles, and advertisements in the possession of the defendant, bearing the registered mark or any reproduction, counterfeit, copy, or colorable imitation thereof, and all plates, molds, matrices, and other means of making the same, shall be delivered up and destroyed.

15 U.S.L. § 1118 (1982).

Some "novel" ex parte seizure orders have permitted the use of private investigators or attorneys rather than U.S. Marshalls, to conduct the search and seizure. See Bainton, *supra* note 3, at 462-63; Johnson, *supra* note 4; and Appleson, "John Doe TROs" Stem Illegal T-Shirt Sales, 68 A.B.A.J. 30 (1982).

175. FED. R. CIV. P. 64.

176. Kirby v. Union Pacific R.R. Co., 51 Colo. 509, 119 P. 1042 (1911); Kirby v. Colorado & Southern R.R. Co., 51 Colo. 545, 119 P. 1056 (1911).

177. 606 F.2d 1 (2d Cir. 1979).

178. Kirby v. Union Pacific R.R. Co., 51 Colo. 509, 544, 119 P. 1042, 1055 (1911).

179. Bainton has stated:

[O]nce a counterfeiter is caught and sued, a trademark owner cannot prove the volume of the counterfeiter's undocumented cash sales and, therefore, has no realistic hope of recovering the counterfeiter's profits in civil litigation.

Bainton, *supra* note 3, at 462. See *Vuitton et Fils, S.A. v. Crown Handbags*, 492 F. Supp. 1071 (S.D.N.Y. 1979), *aff'd*, 622 F.2d 577 (2d Cir. 1980), in which the trademark owner collected

In response to *Vuitton*, federal courts began issuing ex parte temporary restraining orders supplemented by seizure orders, which permit trademark owners to seize infringing merchandise and business records to assess the injury suffered from counterfeit sales. Business records are also helpful in discovering the counterfeit "pipeline" through which the merchandise has traveled. Although the Lanham Act does not authorize the seizure of business records, most federal courts now routinely issue such orders.¹⁸⁰

Two commentators suggest that the legal basis for court orders permitting trademark owners to seize business records may be the little-known All Writs Act,¹⁸¹ which confers broad power to the federal courts to issue any order considered "necessary or appropriate in aid of their respective jurisdictions."¹⁸²

Numerous district courts have issued ex parte seizure orders in trademark counterfeiting cases.¹⁸³ Ex parte seizure and impoundment orders in copyright cases are also frequently granted.¹⁸⁴ The United States Supreme Court has specifically provided rules for the ex parte seizure of allegedly infringing copyrighted works and related materials.¹⁸⁵ These rules allow the impoundment of goods and insure the eventual destruction of the infringing articles. Defendants have attacked these copyright rules using constitutional arguments under the first, fourth, and fifth amendments. All such attacks, however, have not prevailed.¹⁸⁶ Plaintiff must file and sign an affidavit of

damages from the sale of no more than six counterfeit articles because no other counterfeit merchandise could be found at defendant's premises.

180. *See, e.g., Fimab-Finanziaria Maglifico, Etc. v. Kitchen*, 548 F. Supp., 248 (S.D. Fla. 1982). *See Bainton, supra* note 3 at 463 & n.11; Katz and Cohen, *Obtaining Ex Parte Injunctions and Impoundment Orders*, MERCHANDISE REP. 6, 8 n.12 (November 1983) (numerous citations).

181. 28 U.S.C. § 1651. *See Bainton, supra* note 3; Katz and Cohen, *supra* note 97 at 10.

182. *Id.*; *see Bainton, supra* n.3, at 465. In *United States v. New York Telephone Co.*, 434 U.S. 159, 172 (1977), the court interpreted the inherent powers in the act:

This statute has served since its inclusion, in substance, in the original Judiciary Act as a legislative approved source of procedural instruments designed to achieve the rational ends of law. . . . Unless appropriately confined by Congress, a federal court may avail itself of all auxiliary writs as aids in the performance of its duties, when the use of such historic aids is calculated in its sound judgment to achieve the ends of justice entrusted to it. The power conferred by the Act extends, under appropriate circumstances, to persons who, though not parties to the original action or engaged in wrongdoing, are in a position to frustrate the implementation of a court order or the proper administration of justice. . . and encompasses even those who have not taken an affirmative action to hinder justice. (citations omitted).

Accord Bally Midway Mfg. Co. v. Paul Mazzilli 82 C. 2490, (E.D.N.Y. April 3, 1983), as reported in Katz and Cohen, *supra* note 165, at 8.

183. *See Bainton, supra* note 3 at 463, n.11; Katz and Cohen, *supra* note 97 at 6. *Vuitton et Fils S.A. v. Crown Handbags*, 492 F. Supp. 1071 (S.D.N.Y. 1979) *aff'd* 622 F.2d 577 (2d Cir. 1980) explicitly recommended that such orders should be narrow in scope. *But see NFL Properties, Inc. v. Coniglio*, 554 F. Supp. 1224 (D.D.C. 1983), which allows plaintiff's request to take a shotgun approach.

184. Under 17 U.S.C. § 503(a) (1982):

At any time while an action under this title is pending, the court may order the impounding, on such terms as it may deem reasonable, of all copies or phonorecords claimed to have been made or used in violation of the copyright owner's exclusive rights, and of all plates, molds, matrices, masters, tapes, film negatives, or other articles by means of which such copies or phonorecords may be reproduced.

185. The Rules of Practice for Copyright Cases 3-11 (Annots. of 17 U.S.C.A. § 501).

186. *See, e.g., Bally Midway Mfg. Co. v. Paul Mazzilli*, 82 C. 2490, slip op. (E.D.N.Y. April 6, 1983); *Universal City Studios, Inc. v. Film Ventures Int'l, Inc.*, 543 F. Supp. 1134, 1142 (C.D.Calif. 1982). *Cassidy v. Bowlin*, 540 F. Supp. 901, 905 (W.D.Mo. 1982); *Stern Electronics*

"value and location" of the infringing articles and must file a bond for at least twice the value of the infringing material.¹⁸⁷

The ex parte temporary restraining order, when combined with the seizure order, is a formidable weapon against trademark and copyright counterfeiting. It is also a drastic remedy which deserves stringent safeguards. The ex parte seizure order permits trademark, copyright, and trade secret owners to conduct unannounced searches and to impound whatever they find that may bear on the infringement. Unlike the Anton Piller orders of the English Commonwealth, in which the defendant may refuse to permit the search at the risk of suffering adverse evidentiary presumptions, the American seizure order is mandatory; courts may enforce them with their criminal contempt power.¹⁸⁸ In certain circumstances, the order will direct the United States Marshal to use reasonable force as the circumstances warrant to gain entrance to defendant's premises in order to seize and impound the infringing articles.¹⁸⁹

In *Calvin Klein Company and Centerfold Industries, Inc. v. Filipppe Mens Wear*,¹⁹⁰ the court, in part, ordered:

That the U.S. Marshal seize and impound, before 3:00 P.M. this day, all labels, signs, prints, packages, wrappers, receptacles, apparel and advertisements at Defendants' place of business [precise address set forth] and in the possession of defendants bearing the name CALVIN KLEIN, or duplications of other of Plaintiffs indicia; and all plates, molds, matrices and other means of making the same; and all business records, checkbooks, check registers and the like relating to the foregoing; and allow Plaintiffs' attorneys to immediately inspect and copy same, but Plaintiffs are to return all records by Noon of the following day and take possession of only one sample of each type of garment seized herein.

This order contains important restrictions: 1) only the U.S. Marshal is permitted to seize and impound suspected goods and 2) the plaintiff must return confiscated business records by noon of the following day. Therefore, plaintiff's attorney must be prepared to rapidly copy a large number of records in little time.

Inc. v. Amusement Consultants, Inc., No. 81-2581 (E.D.N.Y. Aug. 10, 1981); *DollCraft Industries Ltd v. Well-Made Toy Mfg. Co.*, 479 F. Supp. 1105, 1118 (E.D.N.Y. 1978); *Dealer Advertising v. Barbara Allen Financial Advertising, Inc.*, 197 U.S.P.Q. 611, 614 (W.D.Mich. 1977); *Universal Film Mfg. Co. v. Cooperman*, 206 F. 69, 70 (S.D.N.Y. 1913).

187. The Rules of Practice for Copyright Cases 3-13 (Annots. of 17 U.S.C.A. § 501). See, e.g., *Piaget Watch Corp. v. International Confirmers & Financiers, Inc.*, No. 83-2058, (S.D. Fla., Aug. 15, 1983). Where the order read: "Failure to comply with this order may result in a finding of criminal contempt and penalty of jail."

188. While the orders are mandatory, as pointed out by Katz and Cohen, *supra*, note 165 at page 10, in *Bally Midway Mfg. Co. v. Mischok Toy Co.*, 82 C 2490, slip op., (E.D.N.Y. April 3, 1983) the defendant's counsel successfully prevented the entry of the police officers serving the ex parte order because the seizure bond was not attached to the papers. As in *Skip v. Harwood*, 3 Atk. 564 (1747), the defendants then removed business records during the night, destroyed infringing evidence, and minimized the available evidence.

189. One commentator has indicated that it is impossible to obtain such an order in certain jurisdictions. Bainton, *Temporary Restraining Orders and Preliminary Injunctions: It's Largely in the Lawyering*, in *LITIGATING COPYRIGHT, TRADEMARK AND UNFAIR COMPETITION CASES*, 77, 84 (R. Sugarman, ed., 1982).

190. No. 828-6060-Civ.-JAG (S.D. Fla. Feb. 2, 1982).

Later that year, the same court lifted both the restrictions and the stipulation that counterfeit goods must be seized at a specific location:

1. That the U.S. Marshal for this district, and persons acting under his supervision or persons acting under the supervision of plaintiffs' attorneys, shall at any time from September 22, 1982 at 12:30 P.M. through September 23, 1982 at 6:00 P.M. at or in the vicinity of 115 South Miami Avenue, Miami, Florida, or anywhere in the State of Florida, seize and impound any and all infringing and counterfeit watches bearing the mark CARTIER in the aforesaid defendants' possession or control including any cartons or containers in which the said watches are packaged, and deliver up same to the care and custody of this Court or to plaintiffs' attorneys pending the further order of this Court; and it is further ordered, that the U.S. Marshal or persons acting under plaintiffs' attorneys' supervision, be directed to seize any documents relating in any manner to the purchase, offering for sale or sale of counterfeit CARTIER watches by the aforesaid defendants, and allow plaintiffs or their attorneys to inspect and copy same immediately.¹⁹¹

There is no denying entry to plaintiffs and their use of photographers, copying machines, and U.S. Marshals. In this respect, the *ex parte* seizure order is fundamentally a civil search warrant. Substantial injury to business and to reputation is likely to result from such intrusions and, therefore, the courts must be vigilant to protect the defendant from the excesses of errant plaintiffs but equally vigilant in protecting the plaintiff's constitutional and statutory rights.

C. *Ex Parte Inspections*

Akin to seizing the infringing goods and business records is the order permitting the plaintiff or its representative to enter the defendant's premises to inspect documents relating to the infringing activities, to inspect the articles for purposes of identification, and to inspect other information pertaining to the alleged wrongdoing. For example, the court may authorize a person with suitable "technical qualifications" to inspect these documents, articles, and information. This approach merits further consideration as it appears to protect the rights of the defendant. Examples of typical inspection language follow:

Plaintiff may enter upon the business premises of defendants, in the company of the U.S. Marshal, or other suitable individuals for the sole purpose of photographing and inventoring (sic) the quantity of counterfeit chemist's solvent upon the premises of the defendants, and that the plaintiff will report and make available all the information gathered to the court at the hearing on the Motion for Preliminary Injunction.¹⁹²

191. *Cartier Inc. v. Lottie's Jewelry, Inc.*, No. 82-0666-Civ.-WMH (S.D. Fla. Sept. 22, 1982).

192. *NEA Enterprises, Inc. v. American Horse Enterprises, Inc.*, 211 U.S.P.Q. 109, 111-112 (N.D. Cal. 1980).

D. *Ex Parte Sealing of File*

In view of frequent roving news reporters at federal court houses, many movants for ex parte relief now consider sealing the file pending service of the complaint, service of the order and a hearing on the preliminary injunction both to prevent the nonmovant from informing other wrongdoers or members of the public about movant's enforcement action and to prevent unnecessary and perhaps improper publicity concerning the defendant from occurring.¹⁹³ In the latter case, such action by the movant may well prevent a counterclaim of libel, slander or disparagement.

F. *Ex Parte Acceleration of Discovery*

Because of the propensity of defendants in counterfeit situations to leave the jurisdiction of the court, because of their tendency to remove evidence, and because of the other urgent necessities of these types of cases, it may become imperative to accelerate discovery under Rule 26(b) of the Federal Rules of Civil Procedure. For example, in *Cartier, Inc. v. Lotties Jewelry, Inc.*,¹⁹⁴ the district court looked at the tendency of defendants in similar counterfeiting cases to remove or destroy evidence and granted accelerated discovery along with a temporary restraining order and seizure.¹⁹⁵ The acceleration of discovery may include an accelerated answer from the defendant, and the court may set specific standards for the service of process.¹⁹⁶

CONCLUSION

The current situation between intellectual property owners and infringers is anything but fair. Undeniably, the infringer has the upper hand and the trademark owner needs extraordinary measures to protect his property rights. One commentator at the turn of the century wrote that "It has been observed that 'the modern uses of the writ [i.e., ex parte temporary injunctions] bear no more resemblance to its ancient uses than the milky way bears

193. *Cartier Inc. v. Lottie's Jewelry, Inc.*, No. 82-0666-Civ.-WMH (S.D. Fla. Sept. 22, 1982) provides an example of such an order:

Plaintiffs' Motion for Order Temporarily Sealing the File is granted. The Clerk shall seal the file until plaintiffs' attorneys notify the clerk that the file may be re-opened.

194. No. 82-0666-Civ.-WMH (S.D. Fla. Sept. 22, 1982).

195. The order for accelerated discovery read:

Plaintiffs' Motion for Expedited Discovery is granted. The aforesaid individual defendant and representatives of the aforesaid corporate defendant are instructed to appear for depositions at the office of plaintiffs' counsel on September 30, 1982 at 9:00 A.M. Each defendant or representative of a corporate defendant is instructed to bring to the deposition all documents, invoices, correspondence, or other materials referring or relating in any way to the manufacture, sale, advertisement, or distribution of watches or other items of jewelry bearing the mark CARTIER or "intertwined C".

Id. at 4-5.

196. The *Cartier* order gave defendants six days to answer:

FURTHER ORDERED that personal service on the aforesaid defendants shall be made at the time of seizure by the U.S. Marshall, plaintiffs' attorneys and/or their authorized representatives, and that such service shall be deemed sufficient. Copies of all the other previously-served pleadings shall be made available to defendants or their counsel upon request. Answering papers, if any, are to be served upon the attorneys for plaintiffs on or before 5 P.M. September 28, 1982, and that they be ready without fail to respond to this Order to Show Cause on the return date set forth herein;

Id. at 5.

to the sun.'"¹⁹⁷ In contrast, this brief historical review of the more important developments in ex parte relief provide a firm basis for understanding and properly using the modern law. From the viewpoint of honest business practices, there is little difference between cutting down a dam, as in *Perry v. Parker*,¹⁹⁸ and the intentional disclosure of a company's valuable trade secrets to competitors. The anti-competitive harm is the same, the injury is just as irreparable, and the response of the court must be swift and ex parte. Pirates, infringers, and unfair competitors fully appreciate the limitations of the law, and if the courts do not respond with ex parte orders, then truly "serious mischief" will occur, just as it did in 1747 in *Skip v. Harwood*.¹⁹⁹

Two hundred fifty years after *Skip v. Harwood*,²⁰⁰ courts and plaintiffs must continue to deal with defendants who use delay to frustrate any chance for relief. Serious mischief has in fact provided impetus for the current revival of ex parte temporary relief in the federal courts. After years of ineffectual efforts, plaintiffs realize that ex parte orders are essential to policing property rights and preventing some unscrupulous parties from using the delay of notice to their own advantage. In intellectual property disputes, for example, counterfeiters and infringers often use the delay between notice and hearing, just as Harwood did, to conceal their inventories, which will eventually reappear and plague the rightful owner. The development of ex parte orders to prevent serious mischief was a response to situations similar to those in *Skip v. Harwood*,²⁰¹ in which the right to notice has been subverted to serve illegal purposes.

Ex parte relief in the United States has had a roller coaster history. In the early 1800's, federal courts were simply not authorized to grant ex parte relief in any case. This federal statute was repealed and, by the turn of the century, ex parte relief was commonly used, if not fully abused, in handling labor strikes. With the advent of procedural due process arguments, ex parte relief became so rare in many federal district courts that even today many such courts simply refuse to grant ex parte relief.

This article has set forth the entirely necessary procedural guidelines for ex parte relief clearly indicated by historical precedence. Ex parte relief often provides the only viable legal remedy to owners of intellectual property against pirates, counterfeiters, and smugglers. If uniform application of ex parte relief does not occur, such wrongdoers will quickly profit and capitalize on this type of legal confusion.

It is clear that this problem is not confined to the territorial limits of the United States of America, but finds application, upon similar just grounds, in England and its former colonies.²⁰² Hopefully, the present prevalent use of ex parte relief in counterfeiting cases will not be overused and cause a cyclical return to an era of non-use, as was the case after the use of ex parte orders to quell labor strikes. Rather, the courts should view ex parte tempo-

197. Whitelock, *supra* n.1.

198. 19 F.Cas. 291 (C.C.D.Mass. 1846) (No. 11, 010).

199. 3 Atk. 564, 26 Eng. Rep. 1125 (1747).

200. *Id.*

201. *Id.*

202. See Bigger, *Notes From Other Nations*, 71 TRADEMARK REP. 257, 259-60 (1981).

rary relief according to well established judicial principles, discussed above, and grant or deny such requests based on these principles as they have dispensed with justice under other legal principles.