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Amend the Lanham Act: Trademark Infringement Needs A Statute of Limitations

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AMEND THE LANHAM ACT: TRADEMARK INFRINGEMENT NEEDS A STATUTE OF LIMITATIONS

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ABSTRACT

Most torts have a statute of limitations, a time limit barring delayed lawsuits. Registered trademark infringement, however, has no statute of limitations, and defendants rely on laches to bar inexcusably delayed lawsuits.

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This ambiguous and complicated standard fails to notify litigants as to when an infringement claim is time-barred and leads to unnecessary and expensive litigation. Unlike laches, however, a statute of limitations is a bright-line rule that is easily adjudicated. This Comment examines the potential benefits of a bright-line statute of limitations in trademark infringement versus the current, ambiguous laches standard.

Trademark infringement litigants would likely see the same benefits as those realized in patent and copyright infringement. In recent decades, Congress has replaced laches with statutes of limitations for these torts. The length of permissible delay in bringing a suit is now clearer compared to laches. This clear notice means futile claims are never filed, and timely claims can be confidently pursued without fear of dismissal. The result is improved litigation efficiency and reduced legal costs. Trademark owners should have this same clear notice.

The ambiguity of laches was recently magnified by the Fourth Circuit's 2021 decision in *Belmora v. Bayer*.¹ For decades, courts had dealt with the laches time limit ambiguity by imputing on trademark infringement claims the statute of limitations from the most closely analogous state law tort. The Fourth Circuit in *Bayer*, however, declared this imputed statute of limitations to no longer be a "legal standard" in trademark infringement cases.² What, then, is the allowable delay in the Fourth Circuit? Will other circuits also reject the imputed statute of limitations? With these questions unanswered, the ambiguity of the laches defense in trademark infringement is worse than ever.

With this increased laches ambiguity, and the promise of the same litigation efficiencies as realized in patent and copyright, this Comment proposes a statute of limitations for trademark infringement. Congress should amend the Lanham Act governing trademark protection as the American Bar Association (ABA) recommended in 1971. With trademark registration numbers booming, now is the time to revisit the ABA's four-year statute of limitations proposal.

¹ *Belmora LLC v. Bayer Consumer Care AG*, 987 F.3d 284 (4th Cir. 2021).

² *Id.*

*Equity aids the vigilant, not those who sleep upon their rights. The neglect to do a thing in proper season is called laches and is one of the unpardonable sins in the sight of a Court of Equity.*³

INTRODUCTION

In 1971 the American Bar Association recommended that Congress amend the Lanham Act by adding a statute of limitations for trademark infringement.⁴ Congress never did.⁵ Today, more than fifty years later, with annual trademark registrations up an astounding twenty-fold,⁶ the need for a statute of limitations⁷ is significantly more pressing. The inadequate defense of laches remains the only bar to delayed trademark infringement suits. Laches, however, fails to give litigants notice of which delayed claims are allowed and fails to give judges a clear rule on when to time bar stale claims. The American Bar Association should renew its call for a statute of limitations, and Congress should take action.

The laches defense to trademark infringement is the throw-it-against-the-wall-and-see-if-it-sticks defense. It might work; it might not. Trial after trial, defendants claim the laches defense with occasional, but unpredictable, success. First, defendants, in asserting laches, claim the plaintiff inexcusably delayed in taking action to assert its trademark rights, and now the defendants would be unfairly prejudiced by the enforcement of such rights.⁸ Then, the judge tries to deliver justice with a “consideration of the circumstances of each

3. 1 HENRY R. GIBSON, *GIBSON’S SUITS IN CHANCERY* § 4.06 (8th ed. 2021).

4. 1971 *Summary of Proceedings*, A.B.A. SECTION OF PAT., TRADEMARK, AND COPYRIGHT L. Resol. 51, 104–05, 157–58; *See also infra* Conclusion.

5. David C. Stimson, *Statutes of Limitations in Trademark Actions*, 71 TRADEMARK REP. 605, 605 (1981) (“What is more surprising than the lack of a statute of limitations in trademark actions is the lack of discussion and consideration of the issue.”).

6. 21,021 trademarks were registered with the U.S. Patent Office in 1971. U.S. PAT. OFF., INDEX OF TRADEMARKS (1971). 434,810 trademarks were registered in 2021, a factor of 20.6 more than in 1971. *Trademarks Data Q1 2023 at a Glance*, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/dashboard/trademarks/> (last visited Jan. 6, 2022).

7. “Statute of limitations,” with an ‘s’ at the end, is preferred to “statute of limitation” and is “[a singular] statute establishing a [singular] time limit” *Statute of Limitations*, BLACK’S LAW DICTIONARY (7th ed. 1999) (containing no entry for “statute of limitation”); *See also* Harvard University, *Caselaw Access Project Historical Trends v.1.0*, Graph of “statute of limitations, statute of limitation,” <https://case.law/trends/?q=statute%20of%20limitations,%20statute%20of%20limitation&pa=absolute&ct=count&sf=9&ny=1890> (last visited Feb. 9, 2022) (showing a factor of twenty times more references to “statute of limitations” versus “statute of limitation” in U.S. legal opinions from 1998–2018, namely 372,000 references to 18,000).

8. 6 J. THOMAS MCCARTHY, *MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION* § 31:1 (5th ed. 2021) (quoting *Cuban Cigar Brands N.V. v. Upmann Int’l, Inc.*, 457 F. Supp. 1090, 1096 (S.D.N.Y. 1978), *aff’d*, 607 F.2d 995 (2d Cir. 1979)).

particular case and a balancing of the interests and equities of the parties.”⁹ This case-specific, equitable resolution sounds nice in theory, but in application differing views of the circumstances and how to balance the interests and equities leads to great uncertainty. Different circuits, and even different judges within a circuit, weigh the delay and prejudice differently. At the extremes, sometimes waiting a decade to assert infringement is not too long, and an infringement suit succeeds.¹⁰ Other times, waiting more than just a single year is an “inexcusable delay,” and an infringement suit is time-barred.¹¹ The laches defense is discretionary, unpredictable, lengthy, and expensive, and is no way to adjudicate thousands of trademark infringement cases each year.¹²

Trademark registration numbers are booming, and trademark infringement suits are increasing likewise.¹³ When a law addresses a common situation like this, a black-and-white rule is preferable to a discretionary, equitable remedy.¹⁴ With more than 3000 trademark infringement suits per year, a trademark infringement statute of limitations would serve the courts much better. Limiting infringement claims to a specified number of years would give litigants clear notice of when claims are time-barred and litigation is an expensive futility.¹⁵

To better appreciate how a quantitative rule can improve upon a standard, consider a speed limit versus negligent driving. Avoiding negligence while driving and the duty to take reasonable care to drive safely and avoid

9. *Id.*

10. *Belmora LLC v. Bayer Consumer Care AG*, 987 F.3d 284, 292 (4th Cir. 2021); *See also McLean v. Fleming*, 96 U.S. 245 (1877) (rejecting a laches argument for injunction after a twenty-year delay).

11. 3 ANNE GILSON LALONDE & JEROME GILSON, *GILSON ON TRADEMARKS* § 13.12 (2021) (“*Laches* means an inexcusable delay.”); *See, e.g., Worcester Brewing Corp. v. Rueter & Co.*, 157 F. 217, 218 (1st Cir. 1907) (“[I]t is difficult to understand how the complainant could have had knowledge of the facts to which we have referred, and have remained quiet for more than a year.”).

12. Larisa Ertekin et. al., *Hands Off My Brand! The Financial Consequences of Protecting Brands Through Trademark Infringement Lawsuits*, AM. MKTG. ASS’N (Sept. 9, 2018), <https://www.ama.org/2018/09/12/hands-off-my-brand-the-financial-consequences-of-protecting-brands-through-trademark-infringement-lawsuits/>.

13. David Gooder, *What a Huge Surge in Trademark Filings Means for Applicants*, U.S. PAT. & TRADEMARK OFF.: DIR.’S F.: A BLOG FROM USPTO’S LEADERSHIP (June 23, 2021, 1:17 PM), <https://www.uspto.gov/blog/director/entry/what-a-huge-surge-in> (“[T]rademark applications from U.S. and foreign applicants have surged to unprecedented levels.”); *Trademark Infringement on the Rise, as Is the Potential for “Reputational Damage,” per New Report*, FASHION L. (Jan. 15, 2020), <https://www.thefashionlaw.com/trademark-infringement-on-the-rise-as-is-the-potential-for-reputational-damage-per-new-report/> (“[N]ot only is the number of trademarks growing (there are nearly 100 million marks currently in use), instances of infringement are steadily mounting, as well, as part of a ‘definite upward trend.’”).

14. Noël B. Cunningham & James R. Repetti, *Textualism and Tax Shelters*, 24 VA. TAX REV. 1, 56 (2004–2005).

15. Ertekin, *supra* note 12.

injury to others already prohibits excessive speed. Negligent driving has been codified in most jurisdictions and is commonly known as “driving too fast for conditions.”¹⁶ Is also having a numeric speed limit redundant and unnecessary? No, speed limit is a black-and-white rule that drivers can easily understand and obey. A speed limit can be consistently and objectively enforced by the police and judges. Everyone understands what the law is and the line between compliance and noncompliance. In contrast, there may be a whole range of views as to what “too fast for conditions” means.¹⁷ Is a costly trial necessary to determine if a particular speed on a particular day was prudent or imprudent? No. Speed limits, despite the annoyance of speeding tickets, are a good thing. If speed limits did not exist, states and cities would be well advised to implement them.

The same goes for trademark infringement. Derived from the maxim “equity aids the vigilant, not those who sleep upon their rights,” the nebulous laches standard requires a party to assert trademark rights when they are infringed, within a reasonable time that is not prejudicial to the defendant.¹⁸ Unfortunately, there is a whole range of views as to what this reasonable time is and when a delay becomes prejudicial.¹⁹ Just as driving speeds are more consistently and objectively enforced by speed limits, time bars to trademark infringement suits would be more consistently and objectively enforced by a statute of limitations.

This Comment explains why a statute of limitations in trademark infringement is needed now more than ever. Part I starts with a whirlwind tour of five centuries of laches, statutes of limitations, and the evolution of trademark law. While trademark law has steadily evolved into a forward-looking body of law protecting abstract property rights,²⁰ it still carries the vestigial, Renaissance-era laches defense against improperly delayed infringement claims.²¹

Part II justifies a statute of limitations replacing laches in trademark infringement with a “what’s good for the goose is good for the gander” argument. Like trademarks, copyrights and patents were originally protected by common law, then by statutes, and, after multiple revisions, by the modern

16. *E.g.*, WIS. STAT. § 346.57 (“No person shall drive a vehicle at a speed greater than is reasonable and prudent under the conditions.”); 49 C.F.R. § 392.14 (2021) (“Speed shall be reduced when [hazardous conditions] exist.”); U.K. Road Traffic Act 1991 § 1 (specifying the offence of “dangerous driving” as driving in a way “far below what would be expected of a competent and careful driver”).

17. Cunningham, *supra* note 14.

18. 1 GIBSON, *supra* note 3, § 2.16.

19. 3 GILSON LALONDE, *supra* note 11.

20. BRAD SHERMAN & LIONEL BENTLY, *THE MAKING OF MODERN INTELLECTUAL PROPERTY LAW: THE BRITISH EXPERIENCE, 1760–1911* 3 (2004).

21. *See infra* note 47 and accompanying text.

and sophisticated statutes of today.²² Improperly delayed infringement claims in all three categories—trademark, copyright, and patent—were barred by laches for centuries.²³ But in the twentieth century, patents and copyrights modernized with statutes of limitations.²⁴ Trademark did not.²⁵ The statutes of limitations added to copyright and patent laws heralded litigation efficiencies and peace of mind for owners and users.²⁶ Trademark law, however, is still in the laches era. Come on in, the water’s fine! Statutes of limitations work well in copyright and patent infringement, and they will work just as well in trademark infringement.

Part III examines the failings of the laches defense. There are uncertainties and unpredictable outcomes in applying both the unreasonable delay and undue prejudice elements.²⁷ In an attempt to deal with one major source of uncertainty—just how long of a delay is too long—courts gravitated toward the delay length of the statute of limitations of the most analogous tort in the state statutes.²⁸ With the Sixth Circuit’s *Tandy Corp. v. Malone & Hyde, Inc.*²⁹ decision in 1985, adopting the statute of limitations of the analogous statute became a national standard under which thousands of cases were decided.³⁰ Trademark infringement then had thirty-six years of relative predictability.³¹ That is until the Fourth Circuit rejected the analogous statute approach in *Belmora LLC v. Bayer Consumer Care AG*³² in 2021 and declared it not a “legal standard.”³³ The resulting circuit split in the application of the analogous statute approach, the multiple other ways laches is unpredictable, and the astounding growth in trademark registrations make amending the Lanham Act with a statute of limitations now more important than ever.³⁴

22. SHYAMKRISHNA BALGANESH, *Introduction: Exploring an Unlikely Connection, in INTELLECTUAL PROPERTY AND THE COMMON LAW* 1, 3 (Shyamkrishna Balganesh ed., 2013).

23. Cody M. Carter, *Filling the Gap Left by SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC: The Role of Equitable Estoppel in Patent Law*, 72 BAYLOR L. REV. 695, 696-698 (2020).

24. *See infra* notes 101, 121 and accompanying text.

25. *See supra* note 5 and accompanying text.

26. *See infra* notes 113–117, 141–142 and accompanying text.

27. *See infra* Section III.A.

28. *See infra* note 200 and accompanying text.

29. *Tandy Corp. v. Malone & Hyde, Inc.*, 769 F.2d 362 (6th Cir. 1985).

30. *See infra* note 203 and accompanying text.

31. *See infra* note 209 accompanying text.

32. *Belmora LLC v. Bayer Consumer Care AG*, 987 F.3d 284 (4th Cir. 2021).

33. *Id.* at 294.

34. *See infra* Section III.B.2.

A statute of limitations would give plaintiffs, defendants, and judges the guidance of an objective time limit.³⁵ If someone had been using a trademark for several years, it would then be too late for the true owner to recover damages or lost profits for infringement that occurred more than a specified number of years prior. The owner would have lost their chance. Sometimes judges could dispose of cases like this on summary judgment.³⁶ Other times the scope of allowable infringement recovery would be limited to only the most recent years where evidence is most available and witness memories are freshest.³⁷ A statute of limitations would lead to shorter, less complicated lawsuits.³⁸

A statute of limitations would also lead to *fewer* lawsuits.³⁹ With trademark owners on notice of when an infringement claim is time-barred, they will not even attempt a lawsuit if it is futile. While under current, ill-defined, laches time limits, a delayed and stale lawsuit with a potentially big payday is often worth a try. If these marginal lawsuits are not even filed when it is obvious a statute of limitations bars them, courts will see fewer trademark infringement cases. With the prospect of fewer and less costly lawsuits, Congress should amend the Lanham Act to add a statute of limitations.

LACHES IN TRADEMARK LAW: A COMMON LAW DEFENSE TO A STATUTORY TORT

Trademark rights, and the consequences for infringing those rights, have largely been defined by statute. As a statutory tort, it is then quite unusual for defendants to have to rely on laches, an equitable defense, to time bar stale infringement claims. But with laches specifically mentioned in the Lanham

35. See generally *Tandy*, 769 F.2d at 366 “A [statute of limitations] enhances objectivity and clear analysis in decision making. It clarifies and broadens the protection of the public from confusion and deception.”).

36. *Id.* at 365 (“[A statute of limitations] enhances the stability and clarity of the law by applying neutral rules and principles in an evenhanded fashion rather than making the question purely discretionary.”); See also FED. R. CIV. P. 56(c) (“The court shall grant summary judgment if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.”).

37. A trademark infringement statute of limitations could be modeled on the statute of limitations in the Patent Act. The Patent Act statute of limitations does not bar lawsuits, but rather *recoveries* from infringement that occurred before the specified time limit. 35 U.S.C. § 286 (“[N]o recovery shall be had for any infringement committed more than six years prior to the filing of the complaint or counterclaim for infringement in the action.”).

38. Randall R. Bovbjerg & Joel M. Schumm, *Judicial Policy and Quantitative Research: Indiana’s Statute of Limitations for Medical Practitioners*, 31 IND. L. REV. 1051, 1058; See, e.g., *infra* notes 113–117 and accompanying text.

39. See, e.g., *Id.* at 1059 (“[I]f the Indiana statute of limitations is judicially [lengthened], then claims will rise . . .”).

Act,⁴⁰ this odd combination of an equitable defense to a statutory tort appears to be what Congress intended.⁴¹ To understand why this combination is a poor choice and the potential advantages of a statute of limitations in trademark law, it is necessary to understand both the statute of limitations and laches, how they time bar stale claims, and their broader application to intellectual property law. Finally, it is important to understand the evolution of trademark infringement and the historical roots of Congress's endorsement of laches in the Lanham Act.

Laches Versus Statutes of Limitations

Laches and statutes of limitations are two ways to deal with the same legal concern—a desire to avoid untimely lawsuits. While barring some suits will, unfortunately, leave some victims without redress, it is vital: “Statutes of limitation, like the equitable doctrine of laches, in their conclusive effects, are designed to promote justice by preventing surprises through the revival of claims that have been allowed to slumber until evidence has been lost, memories have faded, and witnesses have disappeared.”⁴² Barring untimely claims also encourages plaintiffs to act diligently and not intentionally delay in bringing suit. Barring untimely claims gives potential defendants “repose” by allowing peace of mind.⁴³ It would be unfair to subject individuals to the threat of being sued indefinitely.⁴⁴ Barring untimely claims has economic advantages as well. It reduces court dockets and the cost of lawsuit protective measures such as reserve funding and insurance.⁴⁵ Untimely tort claims are barred by either laches, a statute of limitations, or both, for good reason.

Courts in the United States inherited laches, a common law tort defense, from the English courts of equity.⁴⁶ As early as the 1500s, during the reign of Henry VIII, English Parliament enacted legislation implementing a

40. 15 U.S.C. § 1115(b)(9) (“[E]quitable principles, including laches, estoppel, and acquiescence, are applicable.”).

41. Brad Powers, Note, *A Crisis in Equity: Laches Doctrine and the Lanham Act*, 57 DRAKE L. REV. 547, 554.

42. *Order of R.R. Telegraphers v. Ry. Express Agency, Inc.*, 321 U.S. 342, 348–49 (1944).

43. *Brown v. Cnty. of Buena Vista*, 95 U.S. 157, 161 (1877) (“The law of laches, like the principle of the limitation of actions, was dictated by experience, and is founded in a salutary policy. The lapse of time carries with it the memory and life of witnesses, the muniments of evidence, and other means of proof. The rule which gives it the effect prescribed is necessary to the peace, repose, and welfare of society.”).

44. Tyler T. Ochoa & Andrew J. Wistrich, *The Puzzling Purposes of Statutes of Limitation*, 28 Pac. L.J. 453, 460 (1997).

45. Gail L. Heriot, *A Study in the Choice of Form: Statutes of Limitation and the Doctrine of Laches*, BYU L. REV. 917, 940 (1992) (“A bright-line rule allows a person who has been tying up resources in anticipation of being sued to release those resources into productive use.”); Bovbjerg, *supra* note 38, at 1058–59.

46. See Ochoa, *supra* note 44, at 460.

time bar to certain suits due to the “great danger” of trying cases in the face of fading memories.⁴⁷ The 1500s Parliament also recognized the need for repose—giving potential defendants respite from a “long season” of “vexacion” over whether they will be sued.⁴⁸

Just as with laches, the United States also inherited statutes of limitations from England.⁴⁹ American statutes of limitation permeate federal and state laws⁵⁰ and descend directly from the 1623 English Act of Limitation.⁵¹ In 1623, English Parliament passed this law providing specific lengths of time for numerous real property and personal actions.⁵² The statute included, for example, a twenty-year limitation on land repossession against adverse possession.⁵³ Not only has the U.S. inherited this tradition of statutes of limitations, but many states still use the same twenty-year adverse possession time limit.⁵⁴

Most torts in the modern world have been created by statutes that simultaneously created statutory time limits or “statutes of limitations.” Statutes of limitations are now the rule rather than the exception.⁵⁵ For example, a jurisdiction might have a one-year time limit for libel suits⁵⁶ and a six-year time limit for property damage suits.⁵⁷

While both laches and statutes of limitations deal with the same problem of untimely lawsuits, they act differently. Statutes of limitations focus on how tardy the lawsuit is. The only consideration is “the period of time between the date a cause of action arises and the last day on which an individual may seek to commence a cause of action under the applicable law.”⁵⁸ Conversely, laches focuses much more on the individual circumstances of the case and the fairness of allowing an untimely lawsuit. Laches requires a finding “both that the plaintiff delayed inexcusably or unreasonably in filing suit and

47. Heriot, *supra* note 45, at 925 (quoting 32 Hen. 8, ch. 2 (1540) (Eng.)).

48. *Id.*

49. *Id.* at 926.

50. Ochoa, *supra* note 44, at 454.

51. Wood v. Carpenter, 101 U.S. 135, 139, 25 L.Ed. 807, 808 (1879).

52. Heriot, *supra* note 45.

53. By order of Geo. 3, *Statutes of the Realm*, Vol. 4, pt. 2, 1222–23, London, Dawsons of Pall Mall, reprinted 1963 (1713); WILLIAM FRANCIS WALSH, A TREATISE ON THE LAW OF REAL PROPERTY 818 (1915).

54. Emily Doskow, *State-by-State Rules on Adverse Possession*, NOLO, <https://www.nolo.com/legal-encyclopedia/state-state-rules-adverse-possession.html> (last visited Dec. 12, 2021).

55. Ochoa, *supra* note 44, at 454.

56. *E.g.*, 42 PA. CONS. STAT. § 5523 (2021).

57. *E.g.*, IND. CODE § 34-11-2-7 (2021).

58. Wheat v. Kinslow, 316 F. Supp. 2d 944, 949 (D. Kan. 2003).

that the delay was prejudicial to the defendant.”⁵⁹ The duration of the delay is just one of the factors considered in this discretionary standard.

While laches is a discretionary standard, a statute of limitations is a bright-line rule, clearly showing compliance or lack thereof. Rules, as opposed to standards, are easy to apply and turn on a very limited set of easily ascertainable facts.⁶⁰ If those facts are found to exist and the line is crossed, “the legal outcome prescribed by the law will be a certainty.”⁶¹ Standards and rules both have pros and cons, but the primary advantage of a standard is also its Achilles heel: “[S]tandards allow . . . individualized judgments[.] [T]he distinction between permissible and impermissible conduct is not fixed, but is case-specific.”⁶² A standard allows for consideration of all the unique factors in a particular case. However, these custom, one-off judgments prolong litigation, depend on the vagaries of the decision maker’s judgment on that day, and are not very useful in signaling how future cases will be decided. With no clear set of factors to be considered, “decision makers in borderline cases are likely to reach erratic results, producing confusion about what is or is not permissible.”⁶³

To further emphasize the advantages of a rule versus a standard, consider the speed limit example from the Introduction. A speed limit is a rule, and the prohibition against driving “too fast for the conditions” is a standard. While a rule has the advantage of being objective, predictable, uniform, and easy to apply, rules have their disadvantages also. A one-size-fits-all speed limit rule is not optimal in every situation. Set too high, a speed limit will permit unsafe driving on bad-weather days. Set too low, it will prohibit desirable, safe, higher-speed driving on dry, sunny days.⁶⁴ But the advantages more than outweigh this disadvantage. Imagine if only the “too fast for conditions” standard existed. Many unique factors would need to be considered for each traffic ticket. With tens of millions of speeding tickets issued in the United States each year, the situation would be unworkable.⁶⁵ While a speeding ticket is not a tort, the same weighing of pros and cons of a rule versus a standard long ago led to statutory torts having statutes of limitations. Statutes of limitations are ubiquitous; state statutes contain them by the thousands.⁶⁶ In

59. *Rozen v. District of Columbia*, 702 F.2d 1202, 1203 (D.C. Cir. 1983).

60. *Heriot*, *supra* note 45, at 927.

61. *Id.* at 927–28.

62. Pierre Schlag, *Rules and Standards*, 33 *UCLA L. Rev.* 379, 385 (1985).

63. *Id.*

64. *See Heriot*, *supra* note 45, at 919 (“Like all rules, it is both overinclusive and underinclusive.”).

65. Leslie Kasperowicz, *Speeding Ticket Statistics*, AUTOINSURANCE.ORG, (July 16, 2021), <https://www.autoinsurance.org/speeding-tickets/> (“34 million speeding tickets are issued in the US each year.”).

66. *Ochoa*, *supra* note 44, at 454.

general, a rule is preferable to a standard where a situation occurs repeatedly and the severity is quantifiable (e.g., by speed, or time).

Trademark Law Evolves from Common Law to Statute

What could be more valuable than a symbol that singlehandedly causes consumers to trust a merchant, reach for a familiar product amid dozens of competitors, or pay a premium for a service? Once a trademark is familiar and potential customers use it as a shortcut in making purchases, the trademark owner has something of value. When backed by a good reputation, a distinctive trademark can be worth millions.

Trademarks are property with a valuable right of exclusion—the right to exclude others from use or face legal consequences.⁶⁷ Since medieval times in Europe, owners of hijacked trademarks have been able to turn to the courts for redress from infringers.⁶⁸ Showing both how serious the French are about wine and the importance of trademarks, a fourteenth-century French edict declared that “the sale of spurious wine was the most outrageous form of deceit, punished by hanging any innkeeper who sold ordinary wine as Rudesheimer.”⁶⁹

The United States inherited a common law regard for trademarks from the English. In an 1837 Massachusetts case between two makers of medicine created from “vegetable substances,” the court declared that if one wanted to foster a good reputation for his product and have legal recourse against inferior knockoffs, he needed to pick a unique name, i.e., a trademark, for his medicine.⁷⁰ Citing an English trademark case, that Massachusetts court articulated common law trademark infringement: If the plaintiff has a unique name, the “imposition, falsehood, and fraud on the part of the defendant, in passing off his medicines as those of the plaintiff, would be a ground of action.”⁷¹

Trademarks were protected solely under common law until 1870 when Congress passed the first federal trademark law.⁷² This statute provided for

67. Trademarks are protected by statutes at both the state and federal levels and under common law at the state level. 87 C.J.S. Trademarks, Etc. § 82. Federal trademark infringement is defined in 15 U.S.C. § 1115. *See infra* note 84 and accompanying text. The legal consequences of federal trademark infringement are a recovery by the plaintiff of any quantifiable damages, the infringer’s ill-gotten profits, and legal expenses. 15 U.S.C. § 1117(a). These amounts are tripled for intentional, fraudulent infringement. 15 U.S.C. § 1117(b).

68. IRINA KIREEVA, *IPR Issues in Agricultural Microbiology*, in INTELLECTUAL PROPERTY ISSUES IN MICROBIOLOGY 121, 126 (Harikesh Bahadur Singh et. al. eds., 2019).

69. EDWARD S. ROGERS, GOOD WILL TRADE-MARKS AND UNFAIR TRADING 39 (The Lawbook Exchange, Ltd. 2002) (1914).

70. Thomson v. Winchester, 36 Mass. (19 Pick.) 214, 216–17 (1837).

71. *Id.* (citing Sykes v. Sykes, 107 Eng. Rep. 834 (K.B. 1824)).

72. Powers, *supra* note 41, at 551; An Act to Revise, Consolidate, and Amend the Statutes Relating to Patents and Copyrights, ch. 230, 16 Stat. 198, 210–12, §§77–84 (1870).

trademark registration very similar to patent registration,⁷³ and just as registered patents are protected from infringement, registered trademarks were also protected. Trademark infringement became a statutorily defined tort:

[A]ny person or corporation who shall reproduce, counterfeit, copy, or imitate any such recorded trade-mark, and affix the same to goods of substantially the same descriptive properties and qualities as those referred to in the registration, shall be liable to an action in the case for damages for such wrongful use of said trade-mark . . . and the party aggrieved shall also have his remedy according to the course of equity.⁷⁴

Although trademark infringement had become a statutorily defined tort, with the words “according to the course of equity,” Congress retained the common law equitable remedies and the laches defense.⁷⁵

A 1905 update of the trademark statute specifically listed remedies for the first time: “[T]he several courts . . . shall have the power to grant injunctions, according to the course and principles of equity . . . [and] the complainant shall be entitled to recover, in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained.”⁷⁶ The remedies were still “according to the principles of equity,” but Congress had now added some restrictions. The remedies were now specifically injunctions and damages based on defendant’s profits and plaintiff’s losses.⁷⁷ The statute still said nothing about defenses or time bars to delayed claims and made no mention of a statute of limitations.⁷⁸ With the words “nothing in the Act shall prevent, lessen, impeach, or avoid any remedy at law or in equity,” the statute impliedly left the laches defense intact.⁷⁹

73. An Act to Revise, Consolidate, and Amend the Statutes Relating to Patents and Copyrights § 77 (specifying the trademark registration fee is to be paid “in the same manner and for the same purpose as the fee required for patents”).

74. *Id.* § 79.

75. *Id.*

76. An Act to Authorize the Registration of Trade-marks Used in Commerce with Foreign Nations or Among the Several States or with Indian Tribes, and to Protect the Same, ch. 592, 33 Stat. 724, § 19 (1905).

77. *Id.*

78. Powers, *supra* note 41, at 552–53.

79. An Act to Authorize the Registration of Trade-marks Used in Commerce with Foreign Nations or Among the Several States or with Indian Tribes, and to Protect the Same, § 23.

The Lanham Act: A Modern Statute with a Renaissance Defense

Trademark law went through several iterations, culminating in the most recent Lanham Act overhaul in 1946.⁸⁰ Like prior trademark laws, the Lanham Act provides for a national system of trademark registration and protections for the owners of trademarks.⁸¹ In the Act, Congress defined a trademark as any word, name, or symbol used by a person to distinguish his or her goods from those of others.⁸² Product names as well as business names can be trademarks.⁸³ The updated version of trademark infringement in the Lanham Act states that “[a]ny person who shall, without the consent of the registrant, use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark . . . shall be liable in a civil action.”⁸⁴ The Act goes into great detail about how to apply the injunction and damages remedies but still specifies that they are “according to the principles of equity and upon such terms as the court may deem reasonable.”⁸⁵ Interestingly, these are the only references to common law and equity that were retained in the Lanham Act as the authors attempted to codify and remove other common law doctrines in a burst of formalism.⁸⁶

With dwindling reliance on common law doctrines and no mention of a time bar defense—either laches or a statute of limitations—the 1946 Lanham Act did not give courts clear guidance as to the availability of the equitable laches defense. At the heart of the confusion, § 33(b) gave a definitive list of seven defenses allowed in challenging an “incontestable” trademark:⁸⁷ “[T]he certificate [of registration] shall be conclusive evidence of the registrant’s exclusive right to use the registered mark in commerce . . . except when one of the following defenses or defects is established . . .”⁸⁸ Then followed defenses such as that the trademark was fraudulently obtained, abandoned, used with permission, someone’s name, or not continuously used.⁸⁹ Neither laches, a statute of limitations, nor any other time bar to long-delayed claims was listed as a defense. Was there to be no defense against a plaintiff sleeping on its

80. 1 GILSON LALONDE, *supra* note 11, § 1.02.

81. Lanham Act, ch. 540, 60 Stat. 427 (1946) (codified as amended at 15 U.S.C. §§ 1051–1141).

82. 15 U.S.C. § 1127.

83. Business name trademarks were formerly called “trade names” but this distinction has disappeared. 1 JAMES B. ASTRACHAN, *THE LAW OF ADVERTISING* § 11.02 (2021).

84. 15 U.S.C. § 1114(1).

85. 15 U.S.C. §§ 1116(a), 1117(a).

86. Daniel M. McClure, *Trademarks and Unfair Competition: A Critical History of Legal Thought*, 69 TRADEMARK REP. 305 (1979).

87. Lanham Act, ch. 540, 60 Stat. 427 § 33(b) (referencing § 15 for a trademark being “incontestable” when it has been registered and in continuous use in commerce for five years).

88. *Id.*

89. *Id.*

alleged trademark rights and then later deciding, to the defendant's great cost, to finally assert them?

Since a statute of limitations requires an explicit time limit, one cannot assume or imply it in the Lanham Act where it does not exist. Laches, however, does not need any specific enabling legislation. Laches is not included where it is not mentioned.⁹⁰ Were the § 33(b) list of defenses an exclusive list, or were common law defenses like laches still applicable?⁹¹

Since one of the defenses in § 33(b), abandonment, is considered, like laches, to be an equitable, common-law defense, courts argued by statutory construction that laches was intentionally excluded.⁹² By *expressio unius est exclusio alterius*, "expressing one item of [an] associated group or series excludes another left unmentioned,"⁹³ all other equitable defenses would be excluded. "Since Congress was aware of equitable defenses and could have inserted additional ones had it so desired, its failure to include any other equitable defenses in addition to abandonment suggests that equitable defenses were purposefully omitted from the list of available defenses."⁹⁴

While it appeared that Congress had excluded the laches defense, having no time bar whatsoever for excessively tardy claims seemed manifestly unfair and not possible. This confusion and ambiguity over whether laches was excluded from the 1946 Lanham Act led to a split in the courts. Some courts were adamant that laches, although not listed in the Lanham Act, remained a common-law defense: "It is clear from both the statute and the cases that laches is a defense even where a mark is incontestable."⁹⁵ Other courts were equally certain laches was excluded: "The effect of [Section 33(b)] is too narrow the availability of defenses . . . to those enumerated in Section 33(b). Read in this manner, the Section as a whole indicates that the equitable defenses must be foreclosed."⁹⁶

How was this judicial split and uncertainty resolved? Foreshadowing the solution recommended in the Conclusion, a Congressional amendment to the Lanham Act was the welcome fix. Congress took note of the judicial split and in 1988 explicitly endorsed laches and other equitable defenses to

90. Minn. L. Rev. Editorial Board, *Incontestable Trademark Rights and Equitable Defenses in Infringement Litigation*, 66 MINN. L. REV. 1067, 1072 (1982).

91. *Id.*

92. *Id.* at 1075.

93. *NLRB v. SW Gen., Inc.*, 137 S. Ct. 929, 940 (2017).

94. *Incontestable Trademark Rights and Equitable Defenses in Infringement Litigation*, *supra* note 90.

95. *E.g.*, *Cuban Cigar Brands N.V. v. Upmann Int'l Inc.*, 457 F. Supp. 1090, 1101 n.5 (S.D.N.Y. 1978).

96. *E.g.*, *U.S. Jaycees v. Chi. Junior Ass'n of Com. & Indus.*, 505 F. Supp. 998, 1000 (N.D. Ill. 1981).

trademark infringement.⁹⁷ The Senate Committee Report on the Trademark Law Revision Act of 1988 explained: “[T]he bill eliminates the present conflict between two lines of judicial authority by expressly providing that the exclusive right to use a mark whose registration is incontestable is subject to ‘equitable principles, including laches, estoppel [and] acquiescence.’”⁹⁸

With this 1988 amendment to the Lanham Act, the uncertainty over the *applicability* of laches in trademark infringement had been extinguished—it applies and still does to this day. The 1988 amendment, however, had done nothing to reduce the uncertainty over the *application* of laches. Laches remains an equitable defense subject to wide discretion and the court’s idea of fairness in a particular case.⁹⁹

Before examining this discretion and the variety of ways the courts apply laches, it is important to also understand patent and copyright infringement. How does the law deal with plaintiffs who sleep upon their rights in these sister areas of intellectual property? After answering this question, the pros and cons of a statute of limitations versus laches in trademark infringement become more apparent.

STATUTES OF LIMITATIONS IN INTELLECTUAL PROPERTY INFRINGEMENT

The laches defense had long been applied in patent and copyright infringement, just as it was in trademark infringement. When the Patent Act and Trademark Act brought statutes of limitations to these areas of intellectual property, courts were uncertain whether these statutes of limitations augmented or replaced laches. Recent Supreme Court decisions in both patent and copyright cases, however, have held that laches is entirely replaced. The replacement of laches by statutes of limitations is a natural and welcome improvement to infringement litigation in these areas.

The Copyright Act Statute of Limitations Replaces Time-Consuming Laches

The Copyright Act of 1976 protects the rights of authors of literature, music, videos, and other creative works.¹⁰⁰ The Act prohibits infringement by copying, performing, selling, or renting copyrighted works and includes a traditional statute of limitations:¹⁰¹ “No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the

97. Trademark Law Revision Act of 1988, Pub. L. No. 100-667, § 128, 102 Stat. 3935, 3945 (1988) (codified as amended at 15 U.S.C. § 1115(b)(9)) (“[E]quitable principles, including laches, estoppel, and acquiescence, are applicable.”).

98. S. Rep. No. 100-515, at 39 (1988).

99. 1 GILSON LALONDE, *supra* note 11, § 2.16.

100. 17 U.S.C. § 102.

101. 17 U.S.C. §§ 501, 507.

claim accrued.”¹⁰² A full thirty-seven years after adoption, this efficient black-and-white rule finally replaced the equitable and time-consuming laches standard.

Although the statute of limitations in the Copyright Act is clear and explicit, courts were unsure whether it supplemented or replaced laches in copyright infringement. As a familiar and venerable defense, a majority of circuits were loath to overturn years of laches precedent in copyright infringement.¹⁰³ These circuits held that laches remained an available defense to copyright infringement.¹⁰⁴ The Ninth Circuit, for example, held that laches and the statute of limitations were both viable and coexisted: “[W]e reject [the defendant’s] argument that laches may never bar a claim for infringement brought within the statute of limitations. We have already determined that laches may sometimes bar a statutorily timely claim.”¹⁰⁵ The Fourth Circuit, on the other hand, held the complete opposite—that the statute of limitations completely replaced laches: “[W]hen considering the timeliness of a cause of action brought pursuant to a statute for which Congress has provided a limitations period, a court should not apply laches to overrule the legislature’s judgment as to the appropriate time limit to apply for actions brought under the statute.”¹⁰⁶ This circuit split was allowed to fester for many years.

Finally, in 2013 the Supreme Court resolved the circuit split by declaring the statute of limitations a wholesale replacement of laches.¹⁰⁷ In *Petrella v. Metro-Goldwyn-Mayer*,¹⁰⁸ the Court held that laches is no longer a viable defense in copyright infringement cases.¹⁰⁹ Where a statute of limitations exists, under the separation of powers, courts need to defer to

102. 17 U.S.C. § 507(b).

103. Daniel Sheerin, “*You Never Got Me Down, Delay*”: *Petrella v. Metro-Goldwyn-Mayer, Inc. and the Availability of Laches in Copyright Infringement Claims Brought Within the Statute of Limitations*, 24 *Fordham Intell. Prop. Media & Ent. L.J.* 851, 858 (2014) (“Courts have applied laches in copyright cases in several circuits, both before and after the 1957 adoption of the Copyright Act’s statute of limitations.”).

104. Misty Kathryn Nall, Note, *(In)Equity in Copyright Law: The Availability of Laches to Bar Copyright Infringement Claims*, 35 *N. Ky. L. Rev.* 325, 333–334 (2008).

105. *Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 954 (9th Cir. 2001).

106. *Lyons P’ship, L.P. v. Morris Costumes, Inc.*, 243 F.3d 789, 798 (4th Cir. 2001).

107. Sheerin, *supra* note 103, at 854–55.

108. *Petrella v. MGM*, 572 U.S. 663 (2014) (disputing the *Raging Bull* movie copyright).

109. *Id.* at 679; Madelyn S. McCormick, Note, *Keeping Laches: The Loss of the Laches Defense in Copyright Infringement Cases Does Not Mean Depriving Patent Attorneys of the Time-Honored Defense*, 50 *Suffolk U. L. Rev.* 177, 178 (2017); *See also Yeager v. Fort Knox Sec. Prods.*, 602 F. App’x 423, 430–31 (10th Cir. 2015) (“*Petrella* sharply distinguished between the proper use of laches to bar claims for which Congress has provided no fixed time limitation, where the doctrine performs a gap-filling function, and its improper use to bar claims timely raised within a limitations period Congress has specified (as in the Copyright Act).”).

Congress's version of time barring.¹¹⁰ If, however, a statute does not contain a time limit, then, and only then, is laches available in a "gap-filling" role.¹¹¹ Laches is always and only "gap-filling, not legislation-overriding."¹¹²

This *Petrella* ruling had an immediate and pronounced effect in the circuits that thought laches either did or might still coexist with the Copyright Act's statute of limitations. For example, laches pleadings in Ninth Circuit copyright infringement cases both pre- and post-*Petrella* received entirely different treatment. In *Evergreen Safety Council*,¹¹³ like in many pre-*Petrella* cases where laches was asserted, the Ninth Circuit did a full-blown IRAC¹¹⁴ analysis of both the "unreasonable delay" and "undue prejudice" elements of laches, taking up a page and a half in the Federal Reporter.¹¹⁵ Post-*Petrella*, however, in *Bizar v. Dee*,¹¹⁶ the Ninth Circuit merely says, "Laches does not bar the [defendant's] Action because that defense is unavailable in an action under the Copyright Act."¹¹⁷ Not only is time and effort saved in the latter case, but countless time-consuming laches claims might not even be pleaded because the rule is now so clear.

Burying Laches, Patent Infringement Follows Copyright to Better Efficiency

A statute of limitations replacing laches evolved similarly in patent infringement as in copyright infringement. One twist, though, is that the statute of limitations in the Patent Act bars remedies rather than lawsuits. The 1952 Patent Act protects the owners of patented inventions from infringement by others who would make, use, or sell their inventions without authority.¹¹⁸ The Act defines the defenses available to accused infringers in patent infringement suits. Section 282, titled "Defenses," lists several, such as non-infringement, unenforceability, and invalidity of the patent.¹¹⁹ The statute of limitations, however, is not in this defenses section. It is in an entirely separate section, § 286, and is not the usual statute of limitations that time bars lawsuits, but rather,

110. *SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC*, 137 S. Ct. 954, 957 (2017).

111. *Petrella*, 572 U.S. at 667.

112. *Id.*

113. *Evergreen Safety Council v. RSA Network, Inc.*, 697 F.3d 1221 (9th Cir. 2012).

114. *See Rivas-Valenzuela v. State*, No. 80652-COA, 2021 Nev. App. Unpub. LEXIS 205, at *70–71 ("True legal reasoning usually follows the IRAC form known to every law student: identify the issue (I), state the neutral rule (R), and then apply (A) that rule to the facts to reach a conclusion (C).").

115. *Evergreen Safety Council*, 697 F.3d at 1226–28.

116. *Bizar v. Dee*, 618 F. App'x 913 (9th Cir. 2015).

117. *Id.* at 916.

118. 35 U.S.C. § 271.

119. 35 U.S.C. § 282.

it time bars recoveries.¹²⁰ It reads: “[N]o recovery shall be had for any infringement committed more than six years before the filing of the complaint or counterclaim for infringement in the action.”¹²¹ Barring the recovery rather than the lawsuit allows plaintiffs to still bring suit for rulings on patent ownership, injunctions on future use, and recovery for recent use, but just not for recovery for infringement that occurred more than six years prior.¹²²

For a full 62 years, this statute of limitations on recoveries was read to complement rather than replace laches.¹²³ As the Federal Circuit explained:

[T]his statute is not a statute of limitations barring suit in the usual meaning of the term. It does not say that ‘no suit shall be maintained.’ . . . [T]he only effect § 286 has is to prevent any ‘recovery.’ . . . Therefore, suit could be maintained and recovery of damages could be had for infringement taking place *within* the six years before the filing of the complaint. This assumes, of course, no other impediment to recovery or maintenance of the suit such as the application of the doctrine of laches.¹²⁴

As the last sentence by the Federal Circuit implied, laches was still a viable defense and coexisted with the § 286 limitations statute.¹²⁵ The Federal Circuit held that the § 282 list of defenses included broad, general categories that did not exclude the equitable defenses.¹²⁶ Courts also relied on the words of P. J. Federico, the primary author of the 1952 law, appearing in the prologue to West Publishing’s first publication of the new law.¹²⁷

The defenses which may be raised in an action involving the validity or infringement of a patent are specified in general terms, by the second paragraph of section 282, in five numbered items. Item 1 specifies

120. *Cf., e.g.*, Defend Trade Secrets Act of 2016, Pub. L. No. 114-153, 130 Stat 376, 380 (“PERIOD OF LIMITATIONS.—A civil action under subsection (b) may not be commenced later than 3 years after the date on which the misappropriation with respect to which the action would relate is discovered or by the exercise of reasonable diligence should have been discovered.”).

121. 35 U.S.C. § 286.

122. *See, e.g.*, TWM Mfg. Co. v. Dura Corp., 592 F.2d 346, 348 (6th Cir. 1979) (“The only statute of limitations involving patent infringement suits merely limits the period of recovery of damages to six years, not a patentee’s right to maintain an action.”).

123. 6A DONALD S. CHISUM, CHISUM ON PATENTS § 19.05 (2021).

124. Standard Oil Co. v. Nippon Shokubai Kagaku Kogyo Co., 754 F.2d 345, 347–48 (Fed. Cir. 1985).

125. SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC, 807 F.3d 1311, 1315 (Fed. Cir. 2015).

126. *Id.* at 1322.

127. Louis S. Zarfes, *Notes from the Editor*, 75 J. PAT. & TRADEMARK OFF. SOC’Y 160, 160 (1993).

“Noninfringement, absence of liability for infringement, or unenforceability” . . . this would include the . . . equitable defenses such as laches, estoppel, and unclean hands.¹²⁸

While laches only infrequently succeeded in patent infringement, everyone from the author of the law to the circuit courts assumed it was viable.¹²⁹ It was actively asserted for many years.¹³⁰

After the 2014 *Petrella* copyright decision, however, the viability of the laches defense in patent infringement was thrown into doubt.¹³¹ Courts suddenly woke up to the possibility that laches and statutes of limitations might not coexist.¹³² Although the limitation in the Patent Act was on the recovery rather than the lawsuit,¹³³ the situation was eerily similar to pre-*Petrella* copyright infringement: laches was being applied to a statutory tort that included an explicit limitations period. And sure enough, like it did in copyright infringement, in 2017 the Supreme Court held in *SCA Hygiene* that the statute of limitations in the Patent Act completely replaced laches.¹³⁴ While the Federal Circuit had held that laches barred *SCA Hygiene*’s suit,¹³⁵ the Supreme Court applied its reasoning from *Petrella*—where Congress gives a statute of limitations, it is the only applicable time bar—and reversed.¹³⁶ Regardless of years of precedent and whatever might be “fair” in a case, courts “cannot overrule Congress’s judgment.”¹³⁷ Laches is “gap-filling, not legislation-overriding,”¹³⁸ and, in patent infringement, Congress left no gap that

128. P.J. Federico, *Commentary on the New Patent Act*, Preface to 35 U.S.C.A. 25 (1954), reprinted in 75 J. PAT. & TRADEMARK OFF. SOC’Y 161, 215 (1993).

129. *Id.*; See Edward L. Tulin, *High Court Laches Ruling May Be Much Ado About Nothing*, LAW360, (Mar. 16, 2017, 12:19 PM), <https://www.law360.com/articles/902221> (“[T]here is a long history of defendants asserting laches in response to infringement allegations. . . . [T]he busiest two patent courts in the U.S.—the Eastern District of Texas and the District of Delaware—have hardly ever seen successful laches defenses in patent infringement cases. The District of Delaware has granted only two motions for summary judgment of laches in the last 10 years, while the Eastern District of Texas, which handles more than 40 percent of the nation’s patent cases . . . has not issued even a single finding of laches over that same span of time.”).

130. See Tulin, *supra* note 129.

131. *Id.*

132. See, e.g., *Trustees of Bos. Univ. v. Everlight Elecs. Co.*, 187 F. Supp. 3d 306, 314 (D. Mass. 2016) (“[L]atching on to laches in a post-*Petrella* world may be holding on to a slim reed . . . in the patent context.”).

133. See *supra* notes 120–122 and accompanying text.

134. *SCA Hygiene*, 137 S. Ct. at 967. (“Laches cannot be interposed as a defense against damages where the infringement occurred within the period prescribed by §286.”).

135. *Id.* at 956.

136. *Id.* at 959.

137. *Id.* at 967.

138. *Petrella*, 572 U.S. at 667.

required laches to fill.¹³⁹ With the six-year statute of limitations in § 286 now the sole time bar,¹⁴⁰ the case-specific laches determinations are a thing of the past.

Summarizing its *Petrella* and *SCA Hygiene* decisions, the Court issued a new, modern-day maxim: “[A] statute of limitations necessarily reflects a congressional decision that the timeliness of covered claims is better judged on the basis of a generally hard and fast rule rather than the sort of case-specific judicial determination”¹⁴¹ Since 2017, the respective statutes of limitations are the sole time bars to delayed suits in both patent and copyright infringement. Eliminating the laches “case-specific judicial determinations” from patent and copyright infringement was an improvement in litigation efficiency that would be likewise welcome in trademark infringement.¹⁴² Come on in, the water’s fine.

UNCERTAINTY IN THE APPLICATION OF LACHES IN THE LANHAM ACT

Among the four primary types of intellectual property, patent, copyright, trademark, and trade secrets, trademark law is the last refuge for the laches defense.¹⁴³ Trademark infringement is one of the few remaining applications for laches in all of tort law.¹⁴⁴ Almost all other torts, being statutorily defined, also have statutory time limits.¹⁴⁵ Trademark infringement, however, does not have a statutory time limit; it has a statutory endorsement of laches. Among the defenses to trademark infringement in the Lanham Act are the “equitable principles, including laches, estoppel, and acquiescence.”¹⁴⁶ The Lanham Act is one of only five total mentions of laches in all of the U.S. Code.¹⁴⁷ Congress likely prefers statutes of limitations and rarely invokes

139. *SCA Hygiene*, 137 S. Ct. at 961.

140. 35 U.S.C. § 286.

141. *SCA Hygiene*, 137 S. Ct. at 960.

142. *Id.*; See also *infra* notes 235–237 and accompanying text.

143. The The Defend Trade Secrets Act of 2016 also precludes laches with a statute of limitations. A suit may not be commenced more than three years after the misappropriation of a trade secret is (or should have been) discovered. Defend Trade Secrets Act of 2016, 18 U.S.C. § 1836(d).

144. An informal survey of torts references in the top 100 results from a November 2021 Google search of “laches” found several trademark infringement mentions, a few stolen art recovery suits, and a single case of sexual harassment.

145. Joseph Mack, *Nullum Tempus: Governmental Immunity to Statutes of Limitation, Laches, and Statutes of Repose*, 73 DEFENDANT. COUNS J. 180, 181 (2006) (“General statutes of limitations are the most common time limitation on a tort plaintiff’s rights to bring suit.”).

146. 15 U.S.C. § 1115(b).

147. A search for “laches” at <https://uscode.house.gov/> gives the following results (other than in trademark law, civil procedure rules, and committee notes): 17 U.S.C. 115 denies laches in audits of music streaming services. 28 U.S.C. 2509 directs the judiciary to determine facts as necessary, including those relating to laches, in congressional reference cases where a citizen has a claim against

laches because of uncertainty in how judges apply laches.¹⁴⁸ Uncertainty and unpredictability are glaring weaknesses of the laches defense.

With no statute of limitations in the Lanham Act, laches remains the sole defense against a trademark infringement suit that was brought after an “unreasonable delay.”¹⁴⁹ Laches and the other equitable defenses to trademark infringement are premised on some action of the plaintiff that makes it unfair to allow them to pursue a cause of action against the defendant—either the plaintiff waited too long (laches), indicated to the defendant that it was fine to use the trademark (acquiescence), or some other action such as luring and trying to trap the defendant into infringement (estoppel).¹⁵⁰ Of these three equitable defenses listed in the Lanham Act, laches is probably the most frequently raised.¹⁵¹ Laches is often used because there is always *some* delay between infringement and bringing suit, and how much delay the court will consider unfair is hard to predict. If asserting the laches defense of an unreasonable delay might avoid a multi-million-dollar infringement, it is wise to at least try it. For a laches defense, the defendant asserts that the plaintiff delayed too long in asserting its trademark rights and is therefore no longer entitled as a matter of fairness and equity to bring suit.

The Inconsistently-Applied Elements of Laches

Laches’ denial of too-long-delayed and unfair lawsuits is more of an aspirational goal than a practical standard that courts can apply. While Congress endorsed and authorized the laches defense in the Lanham Act, it does not explain how the laches defense is to be applied. Rather, it is the courts who have created a working definition for laches that evolved over the centuries from the historical maxim “equity aids the vigilant, not those who sleep upon their rights.”¹⁵² A modern definition of laches is found in the Restatement (Third) of Unfair Competition § 31 Unreasonable Delay (Laches):

If the owner of a trademark, trade name, collective mark, or certification mark unreasonably delays in commencing an action for infringement or otherwise asserting the owner’s rights and thereby causes prejudice, . . .

the U.S. government. 28 U.S.C. 3308 endorses laches as a defense to fraudulent transfers to avoid federal debt collection. And 46 U.S.C. 31343 endorses laches as a defense to maritime lien claims.

148. See *infra* notes 235–237 and accompanying text.

149. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 31 (AM. L. INST. 1995).

150. 3 GILSON LALONDE, *supra* note 11, § 13.12[2][a], [3][a], [4].

151. 3 GILSON LALONDE, *supra* note 11, § 13.12[2][a].

152. 1 GIBSON, *supra* note 3.

the owner may be barred in whole or in part from the relief that would otherwise be available.¹⁵³

This definition can be decomposed into the two generally recognized elements of laches: (1) an unreasonable delay in bringing suit, and (2) prejudice, namely undue prejudice, to the defendant because of this delay. This definition is somewhat more practical than the aspirational maxim “equity aids the vigilant.” Courts are directed to look for an unreasonable delay and potential harm or detriment to the accused infringer if the infringer is forced to stop using the trademark at this late date.¹⁵⁴ Both of these elements, however, are still open to a wide range of interpretations. The uncertainty and unpredictability in these elements produces the uncertainty and unpredictability in the application of laches. An examination of these vague elements is necessary to understand the weakness of laches. Unreasonable Delay: Sometimes Long, Sometimes Short

The defense of laches is not applicable if the plaintiff’s delay is reasonable under the particular circumstances of the case: “[A] trademark owner is not required to take action at the first indication of possible infringement.”¹⁵⁵ Excusable delays have even included waiting to see if the defendant’s business is viable, time spent in objecting to the defendant’s use and waiting for a response, time spent in settlement negotiations, and the existence of other litigation involving the trademark.¹⁵⁶ Plaintiffs are also given latitude in the timing of their suit when the defendant gradually and progressively encroaches on the plaintiff’s trademark.¹⁵⁷ Excusable delays even include World War II¹⁵⁸ and that the plaintiff was a child when the infringement began.¹⁵⁹ In short, the delay element of laches is summarized by the Ninth Circuit, “[d]etermining whether a delay was unreasonable requires

153. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 31 (AM. L. INST. 1995).

154. *Prejudice*, BLACK’S LAW DICTIONARY (7th ed. 1999) (“Damage or detriment to one’s legal rights or claims.”).

155. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 31 cmt. c.

156. *Id.*

157. 3 GILSON LALONDE, *supra* note 11, § 13.12[2][b][v] (detailing the complex doctrine of progressive encroachment).

158. *See, e.g.*, *Greyhound Corp. v. Rothman*, 84 F. Supp. 233, 241 (D. Md. 1949) (noting that plaintiff was preoccupied with transporting military personnel) *aff’d*, 175 F.2d 893 (4th Cir. 1949); *John Walker & Sons, Ltd. v. American Tobacco Co.*, 110 U.S.P.Q. (BNA) 249, 251 (Comm’r 1956) (“Failure of a British company to take legal action against a United States company in a trademark case during those years is believed to be excusable.”).

159. *See, e.g.*, *Pro-Football, Inc. v. Harjo*, 415 F.3d 44, 48 (D.C. Cir. 2005) (finding that the laches clock did not start when the Redskins name was registered, because the Native American petitioners were infants).

answering two questions: how long was the delay, and what was the reason for it?”¹⁶⁰

The answer to the question of how long of a delay is an unreasonable delay varies widely in case law.¹⁶¹ As mentioned in the Introduction,¹⁶² sometimes the laches defense succeeds even though the delay in bringing suit was short, and other times a laches defense fails even after a lengthy delay: “Delays of seven months to two years have been found to constitute laches, while a delay of seven years has not.”¹⁶³

One factor in evaluating an unreasonable delay is whether the plaintiff knew about the infringement. If the plaintiff is not aware of the infringement, how can they be faulted for not objecting sooner? Awareness, or “notice,” of the infringement can be actual or constructive.¹⁶⁴ Constructive notice is based on the “reasonable person” standard—whether the plaintiff reasonably should have known of the infringement even if they claim not to have actually known.¹⁶⁵ As usual, the court’s determination under a reasonable person standard is fact-intensive and often calls for discretionary judgment.¹⁶⁶ With maddening unpredictability, in some cases the court excuses a delay due to a lack of express or implied knowledge, but in other cases the court declares the plaintiff should have had the knowledge, and the laches defense succeeds.¹⁶⁷

Courts unpredictably weigh other factors, such as the excuse for the delay that the plaintiff offers, the extent of progressive encroachment, and the presence of fraud. It is difficult to predict whether a court will accept a plaintiff’s reason for delay. Some courts are very accepting of delay and deny laches because they want to avoid encouraging premature suits.¹⁶⁸ Other courts find that a delay is tantamount to implied consent to use the trademark, and, thus, frown upon delays and allow the laches defense.¹⁶⁹ Similarly, courts

160. *Eat Right Foods, Ltd. v. Whole Foods Mkt., Inc.*, 880 F.3d 1109, 1116 (9th Cir. 2017).

161. Julia S. Shields, *Defenses to Trademark Infringement*, in 3 BUSINESS TORTS § 28.07[2] (Joseph D. Zamore ed., 2021).

162. *See* *Belmora LLC v. Bayer Consumer Care AG*, 987 F.3d 284 (4th Cir. 2021). *See also* *McLean*, 96 U.S. at 245 (rejecting a laches argument for injunction after a twenty-year delay).

163. Shields, *supra* note 159.

164. *Id.*

165. *Id.*

166. 3 GILSON LALONDE, *supra* note 11, § 13.12[2][b][iii][C].

167. Jerald J. Director, Annotation, *Laches as Affecting Claim for Accounting and Damages in Federal Action for Infringement of Trademark or Tradename*, 14 A.L.R. Fed. 342 at 40 (1973).

168. 3 GILSON LALONDE, *supra* note 11, § 13.12[2][b][iii][B]; *See, e.g., King v. Innovation Books*, 976 F.2d 824, 827 (2d Cir. 1992) (allowing a delay where Stephen King did not dispute the use of his name in the movie “Stephen King’s The Lawnmower Man” when he learned of the forthcoming movie, but rather when he actually viewed the completed movie).

169. *See, e.g., Conan Props. v. Conans Pizza, Inc.*, 752 F.2d 145, 153 (5th Cir. 1985) (equating consent with delay: “the plaintiff acquiesced or unreasonably delayed in protecting its mark”).

unpredictably draw the line where progressive encroachment becomes a colorable infringement claim:¹⁷⁰

The trademark owner is sometimes on the horns of a dilemma when faced with someone who is engaging in a low level of possible infringement. If the trademark owner waits for evidence of actual confusion that causes substantial injury, it may be faced with a laches defense for waiting too long to object. If it rushes immediately into litigation, it may have a weak case with little or no evidence of significant infringement and be accused of “shooting from the hip” as an overly aggressive litigator—a “trademark bully” who sues too often and too soon.¹⁷¹

Courts also unpredictably weigh intentional infringement, i.e., fraud, in deciding whether a delay is excusable: “[W]here actual fraud is prov[en], the court will look with much indulgence upon the circumstances tending to excuse the plaintiff from a prompt assertion of his rights.”¹⁷² How much of a delay is excusable under the “much indulgence” standard? Hard to say.¹⁷³ The need for a statute of limitations in the face of such ill-defined terms and multiple factors of unpredictability in laches is self-evident.

Undue Prejudice: How Much Harm Is Enough?

Unlike with a statute of limitations, mere delay in bringing suit is insufficient for a laches defense. The second element of laches is that the defendant must have relied on the plaintiff’s delay to the defendant’s potential harm if it is now forced to abandon the trademark.¹⁷⁴ This potential harm or prejudice claimed by the defendant is typically the loss of public recognition of its product or business and the wasted investment the defendant made in the trademark.¹⁷⁵ Advertising and marketing expenditures incurred during the

170. 3 GILSON LALONDE, *supra* note 11, § 13.12[2][b][v].

171. MCCARTHY, *supra* note 8, § 31:21.

172. Saxlehner v. Eisner & Mendelson Co., 179 U.S. 19, 39 (1900).

173. Although the Third Circuit makes an attempt to apply the much indulgence standard in a battle over the Budweiser name, the court estimates that a period of much indulgence to the injured party (and no tender mercy for the fraudulent infringer) is probably less than one hundred years:

We may start consideration of this issue with acceptance of the doctrine that a fraudulent infringer cannot expect tender mercy of a court of equity, so that mere delay by the injured party in bringing suit would not bar injunctive relief. This doctrine, however, has its limits; for example, had there been a lapse of a hundred years or more, we think it highly dubious that any court of equity would grant injunctive relief against even a fraudulent infringer. *Anheuser-Busch, Inc. v. Du Bois Brewing Co.*, 175 F.2d 370, 374 (3d Cir. 1949) (demonstrating vagueness in the application of laches).

174. Shields, *supra* note 159.

175. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 31 cmt. b.

delay are often cited.¹⁷⁶ Defendants can also show trial prejudice in the loss of evidence or witnesses due to the plaintiff's delay.¹⁷⁷

This “undue prejudice” element is applied inconsistently across the circuits and is another source of uncertainty as to whether a laches defense will succeed. Different circuits have different interpretations of “undue.” One court’s “undue prejudice” is another court’s “minimal expenses.”¹⁷⁸ In the Ninth Circuit, giving up a business name is undue prejudice, but the business has to have expanded “substantially.”¹⁷⁹ The Seventh Circuit emphasizes prejudice must amount to more than just wasted advertising costs.¹⁸⁰ Whereas in the Federal and Third Circuits, wasted advertising costs are sufficient—so long as those costs are “significant,” whatever that amounts to.¹⁸¹ The Fifth and Seventh Circuits have gotten fancy with a mathematical formula that combines prejudice with delay. Laches is found if the product of delay times prejudice exceeds some threshold.¹⁸² What that threshold is, though, and how to multiply a time and a (usually) dollar amount, belies the still entirely discretionary and unpredictable nature of the laches defense.

Judicial Application of Lanham Act Laches

The unpredictability and uncertainty in the application of laches have varied over time. With *Tandy* in 1985, federal courts attempted to standardize

176. *Id.*

177. 3 GILSON LALONDE, *supra* note, 9, § 13.12[2][c][i].

178. Compare *McDonald's Corp. v. Druck & Gerner, D.D.S., P.C.*, 814 F. Supp. 1127, 1138 (N.D.N.Y. 1993) (finding no prejudice in defendant giving up “McDental,” the name of a multi-office, thriving dental practice and associated goodwill resulting from advertising) with *Hot Shoppes, Inc. v. Hot Shoppe, Inc.*, 203 F. Supp. 777, 785 (M.D.N.C. 1962) (finding prejudice and a successful laches defense where “defendants added on a small side dining room to their establishment” during the delay before plaintiff initiated suit).

179. *E-Systems, Inc. v. Monitek, Inc.*, 720 F.2d 604, 607 (9th Cir. 1983) (“Had defendant’s . . . growth [been] slow and steady, there would be no laches.”).

180. *Tisch Hotels v. Americana Inn, Inc.*, 350 F.2d 609, 615 (7th Cir. 1965) (“If this prejudice could consist merely of expenditures in promoting the infringed name, then relief would have to be denied in practically every case of delay.”).

181. *A. C. Aukerman Co. v. R. L. Chaides Constr. Co.*, 960 F.2d 1020, 1033 (Fed. Cir. 1992) (en banc) (“[P]rejudice may arise where a defendant and possibly others will suffer the loss of monetary investments or incur damages which likely would have been prevented by earlier suit.”); *Joint Stock Soc’y v. UDVN. Am., Inc.*, 53 F. Supp. 2d 692, 717 (D. Del. 1999) (quoting *Aukerman* with approval), *aff’d*, 266 F.3d 164 (3d Cir. 2001).

182. *Armco, Inc. v. Armco Burglar Alarm Co.*, 693 F.2d 1155, 1161 (5th Cir. 1982) (“LACHES = DELAY x PREJUDICE.”); *Hot Wax, Inc. v. Turtle Wax, Inc.*, 191 F.3d 813, 824 (7th Cir. 1999) (“[L]aches is a question of degree. To this end, if only a short period of time has elapsed since the accrual of the claim, the magnitude of prejudice required before the suit should be barred is great, whereas if the delay is lengthy, prejudice is more likely to have occurred and less proof of prejudice will be required.” (internal citations omitted)).

the length of delay that would bar a trademark infringement case.¹⁸³ In 2021, however, this predictability was thrown out with the *Bayer* case in the Fourth Circuit.¹⁸⁴ To the extent that other circuits follow the Fourth Circuit, trademark infringement suits are back to a purely discretionary and unpredictable laches defense. To the extent other circuits do not follow the Fourth Circuit, those circuits are split, and infringement suit results depend on jurisdiction. A look at how laches evolved through *Tandy* to this post-*Bayer* disarray in 2021 shows the need for a statute of limitations and why the time is ripe for an amendment to the Lanham Act.

Tandy Cements the Analogous Statute Standard in 1985

In its 1985 *Tandy* decision, the Sixth Circuit gave courts a clear directive for the application of the laches defense to a claim of trademark infringement.¹⁸⁵ Lacking a statute of limitations in the Lanham Act,¹⁸⁶ courts should look to the most closely analogous statute of limitations under state law.¹⁸⁷ “[I]n the absence of unusual circumstances, a suit will not be barred before the analogous statute has run but will be barred after the statutory time has run.”¹⁸⁸ Thus, the Sixth Circuit made laches into an imputed statute of limitations and called this doctrine the “presumption of laches.”¹⁸⁹

In *Tandy*, the Tennessee corporation Malone and Hyde, Inc. pled laches in a trademark dispute over the use of “Shack” as part of a store name.¹⁹⁰ In 1979, Malone and Hyde began opening retail auto parts stores under the “Auto Shack” name.¹⁹¹ The Tandy Corporation, the parent company of retailer RadioShack and owner of the trademarks “Radio Shack” and “Shack,” took

183. *Tandy*, 769 F.2d at 365–66.

184. *Belmora LLC v. Bayer Consumer Care AG*, 987 F.3d 284 (4th Cir. 2021); Ross Panko & Laura Zell, *New Headache for Trademark Litigants? Fourth Circuit’s Bayer Decision Rejects Application of State Statute of Limitations to Laches Defense*, JD SUPRA (Feb. 25, 2021), <https://www.jdsupra.com/legalnews/new-headache-for-trademark-litigants-4031014/> (“[T]he Court’s decision creates a degree of uncertainty for trademark litigants evaluating whether the length of a plaintiff’s delay in filing suit will give rise to a valid laches defense.”).

185. *Tandy*, 769 F.2d at 365 (“The general principle outlined in . . . laches cases provides that, in the absence of unusual circumstances, a suit will not be barred before the analogous statute has run but will be barred after the statutory time has run.”).

186. Trademark Law Revision Act of 1988, Pub. L. No. 100-667, § 128, 102 Stat. 3935, 3945.

187. *Tandy*, 769 F.2d at 365; *Accord Reed v. United Transp. Union*, 488 U.S. 319, 323 (1989) (“Congress not infrequently fails to supply an express statute of limitations when it creates a federal cause of action. When that occurs, [w]e have generally concluded that Congress intended that the courts apply the most closely analogous statute of limitations under state law.”) (quoting *DelCostello v. Int’l Brotherhood of Teamsters*, 462 U.S. 151, 158 (1983)).

188. *Id.*

189. *Id.*

190. *Tandy Corp. v. Malone & Hyde, Inc.*, 581 F. Supp. 1124, 1125–26 (M.D. Tenn. 1984).

191. *Id.* at 1126 (“Defendant opened its first AUTO SHACK store in early July 1979.”).

notice but otherwise did nothing.¹⁹² Two years and seven months later, after Auto Shack had grown to fifty-five stores and spent approximately \$1.5 million promoting those stores, Tandy took action.¹⁹³ In March 1982, Tandy notified Malone and Hyde of its objection to the Auto Shack name.¹⁹⁴ A month later Tandy filed suit in the federal district court for the Middle District of Tennessee.¹⁹⁵

The district court, at Malone and Hyde's request, held that Tandy's delay met the elements of laches and barred the suit.¹⁹⁶ The court held that the thirty-two-month delay was "inexcusable and unreasonable" and had substantially prejudiced Malone and Hyde.¹⁹⁷ Upon appeal, however, the Sixth Circuit reversed and held that the district court "erred in failing to give the appropriate presumptive effect to Tennessee's three-year limitations period" found in Tennessee's tort of injury to property.¹⁹⁸ The Sixth Circuit said that, while a thirty-two-month delay "may be evidence of corporate indecision," it was less than the thirty-six months of "latitude" allowed by the analogous state statute, and the suit was not time-barred.¹⁹⁹

Courts around the country had been tentatively moving in this direction for years,²⁰⁰ but now, in *Tandy*, the Sixth Circuit endorsed the presumption of laches doctrine clearly and definitively.²⁰¹ In essence, the Sixth Circuit directed courts to read the statute of limitations of the most analogous state tort into the Lanham Act. And the court felt strongly about this presumption of laches doctrine: "The presumption should remain strong and uneroded in trademark cases."²⁰²

192. *Id.* at 1126–27.

193. *Id.* at 1127.

194. *Id.*

195. *Id.*

196. *Id.* ("[T]he Court grants defendant summary judgment on [the basis of laches and accordingly denies plaintiff all relief requested.].")

197. *Id.* at 1128.

198. *Tandy*, 769 F.2d at 367.

199. *Id.* at 366.

200. *See, e.g.*, *Muscianese v. United States Steel Corp.*, 354 F. Supp. 1394, 1398 (E.D. Pa. 1973) ("Courts will generally look to the analogous state statute of limitations for guidance . . ."); *Goodman v. McDonnell Douglas Corp.*, 606 F.2d 800, 804 (8th Cir. 1979) ("[C]ourts have ascribed varying degrees of importance to analogous statutes of limitation."); *Randall v. Baltimore*, 512 F. Supp. 150, 152 (D. Md. 1981) ("[C]ourts often look to the statute of limitations applicable to an analogous claim.")

201. *Tandy* eschews the qualifiers of prior cases—no "generally look," "varying degrees of importance," or "often look." In *Tandy*, the Sixth Circuit definitively states, "The applicable statute is the three year statute for tortious injury to property . . ." *Tandy*, 769 F.2d at 366.

202. *Tandy*, 769 F.2d at 366.

Courts around the nation took the hint. Thousands of trademark infringement laches defenses were decided on this analogous statute basis.²⁰³ A standardized time frame for laches based on the analogous state statute was a welcome modicum of predictability for an equitable defense that was otherwise ill-defined.²⁰⁴ Treatises began cataloging the analogous state statutes.²⁰⁵ While it was not always clear which statute was most analogous (for example, whether hijacking a trademark is more like fraud or property damage), at least the choices were limited.²⁰⁶ Although forum shopping for friendly analogous statutes was an unintended effect, at least once litigants picked a state, they generally knew what to expect.²⁰⁷ In *Tandy*, the Sixth Circuit recognized this predictability as an important benefit (and summarized the advantage of a statute of limitations over laches): “Several reasons underlie the use of the statutory period as the laches period. It enhances the stability and clarity of the law by applying neutral rules and principles in an evenhanded fashion rather than making the question purely discretionary.”²⁰⁸

Bayer Causes Headaches and Splits the Circuits in 2021

Post-*Tandy*, even with the analogous statute of limitations standard, the laches defense to trademark infringement remained murky. Courts continued to struggle with the prejudice element, the determination of knowledge or notice of infringement, and whether a delay was excusable or not.²⁰⁹ However, *Tandy* had resolved the big issue. The length of allowable delay was now predictable and trademark infringement litigation was manageable—at least until *Bayer* in 2021.²¹⁰

Post-*Tandy*, the Fourth Circuit, like the rest of the country, was on board with the analogous statute doctrine.²¹¹ In 2021, however, it ignored its own precedent. In *Bayer*, the Fourth Circuit held that the U.S. District Court for the Eastern District of Virginia erred in its analysis of a laches defense using

203. A legal database search of the Boolean combination of “trademark infringement”, “laches”, and “analogous statute” turns up thousands of cases.

204. Robert Cumbow, *‘Flanax’ TM Case Could Bring High Court Clarity on 2 Issues*, LAW360, (Nov. 8, 2021, 5:51 PM), <https://www.law360.com/articles/1438591>.

205. MCCARTHY, *supra* note 8, § 31:34.

206. *See, e.g.*, *Gordon & Breach Sci. Publishers. S.A. v. Am. Inst. of Physics*, 859 F. Supp. 1521, 1529 (S.D.N.Y. 1994).

207. Powers, *supra* note 41, at 568.

208. *Tandy*, 769 F.2d at 365.

209. *See supra* note 2, at Section III.A.

210. *Belmora LLC v. Bayer Consumer Care AG*, 987 F.3d 284 (4th Cir. 2021).

211. *Lyons P’ship, L.P. v. Morris Costumes, Inc.*, 243 F.3d 789, 796 (4th Cir. 2001) (“While the Lanham Act itself does not provide an express period of limitations for filing a trademark infringement claim, courts generally assume that Congress intended that courts ‘borrow’ a limitations period for a federal action at law from an analogous state law.”).

the most analogous state law statute of limitations.²¹² The Fourth Circuit rejected the analogous statute approach and declared it not a “legal standard,” but merely that it played an (ill-defined) “important role.”²¹³ A closer look at this case illustrates first the workable situation that existed under the analogous state law statute of limitations regime the district court thought it was operating under and then the new disarray caused by the circuit court.

Bayer AG sells naproxen sodium in the U.S. under the name “Aleve”, and in Mexico under the name “Flanax”, and has for decades.²¹⁴ Seeing a possible trademark loophole it could exploit, upstart Belmora LLC registered the Flanax name as a trademark in the U.S. In 2004 it began marketing naproxen sodium in the U.S. to Mexican-Americans familiar with the Flanax name.²¹⁵

Bayer did not appreciate the use of its brand name and in 2007 made its case to the U.S. Patent and Trademark Office that Belmora’s trademark registration of “Flanax” should be canceled.²¹⁶ After seven years of litigation, in 2014 Bayer prevailed. Within weeks, Belmora appealed the canceled registration in federal court in the Eastern District of Virginia, the home of the Trademark Trial and Appeal Board (TTAB).²¹⁷ Bayer counterclaimed for false advertising, a type of trademark infringement under the Lanham Act.²¹⁸

Countering these infringement claims by Bayer, Belmora asserted the unreasonable delay, laches defense.²¹⁹ The district court followed the “traditional practice” of borrowing the state statute of limitations from the most analogous state tort.²²⁰ Regardless of whether the most analogous state tort was unregistered trademark infringement or outright fraud, in either case the three- or four-year limit had been greatly exceeded.²²¹ The district court concluded that Bayer’s claims were time-barred and Bayer had “misse[d] the statute of

212. *Belmora*, 987 F.3d at 294.

213. *Id.*

214. *Bayer HealthCare Pharmaceuticals Introducing New Aleve® Liquid Gels*, BIOSPACE (Mar. 13, 2007), <https://www.biospace.com/article/releases/bayer-healthcare-pharmaceuticals-introducing-new-aleve-r-liquid-gels/> (“Since its introduction as an OTC product in June 1994, ALEVE has been used by millions of Americans.”); *Belmora*, 987 F.3d at 289.

215. *Belmora*, 987 F.3d at 290.

216. *Id.*

217. The Trademark Trial and Appeal Board is located in the U.S. Patent and Trademark Office in Alexandria, Virginia. *Trademark Trial and Appeal Board*, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/about-us/organizational-offices/trademark-trial-and-appeal-board> (last visited Jan. 7, 2022).

218. *Belmora*, 987 F.3d at 290–91.

219. *Id.* at 291.

220. *Belmora, LLC v. Bayer Consumer Care AG*, 338 F. Supp. 3d 477, 484 (E.D. Va. 2018).

221. *Id.*

limitations by almost a decade.”²²² (In 2004 Belmora started marketing Flanax in the U.S. and now it was 2014. Statutes of limitations are black-and-white rules—it makes no difference that most of the ten years were spent litigating before the TTAB.) Thus, although Belmora had no success reinstating its Flanax registration, the laches defense warranted summary judgment and the dismissal of Bayer’s infringement claims.²²³ Up to this point, this looked like another run-of-the-mill, post-*Tandy*, cut-and-dried, analogous-statute laches defense.

Bayer appealed the infringement dismissal to the Fourth Circuit.²²⁴ The “primary issue raised in this appeal [was] whether a statute of limitations or some other timeliness rule applies to Bayer’s § 43(a) claims.”²²⁵ With little justification other than wanting to consider “the federal policies at stake and the practicalities of litigation” the Fourth Circuit rejected the analogous state law statute of limitations method and repeated the mantra that laches requires “principles of equity.”²²⁶ The court appears to have disliked the result of the mechanical application of the analogous state statute method, so it ignored its precedent. To achieve its desired “fair” result, the Fourth Circuit threw out the *Tandy* standardization and reverted to laches’s purely discretionary roots.

In any case, the new precedent in the Fourth Circuit is that the analogous state statute of limitations, while playing an “important role,” is decidedly not a “legal standard.”²²⁷ So, what now is the allowable delay in the Fourth Circuit, and what is too long? No one knows, other than that after the plaintiff pleads its claims and the defendant points to whatever the delay was (and there is always some delay) then the court will make a vague “consideration of the circumstances of each particular case and a balancing of the interests and equities of the parties.”²²⁸

The knowledge that the length of allowable delay is vague in the Fourth Circuit could lead to forum shopping. Plaintiffs who are slow in asserting their trademark ownership might be wise to choose the Fourth Circuit where even a lengthy delay may well be time-barred. Defendants, however, given a choice of jurisdiction, might be wise to choose any of the other circuits, particularly the Sixth Circuit, if the plaintiff has been tardy. In the Sixth Circuit, the

222. *Id.* at 484–85.

223. *Belmora*, 987 F.3d at 291 (“Bayer had missed the statute of limitations by almost a decade.”).

224. *Id.*

225. *Id.* at 293; Section 43(a) of the Lanham Act has been codified as 15 U.S.C. § 1125 and prohibits false or misleading advertising.

226. *Id.* at 293–94.

227. *Id.* at 294.

228. 6 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 31:1 (5th ed. 2021).

presumption of the analogous statute of limitations time-barring delayed actions remains “strong and uneroded in trademark cases” in all but the most “extraordinary circumstances or unusual conditions.”²²⁹

Whether the other circuits choose to follow the Fourth Circuit or stick with the Sixth Circuit remains to be seen. The Fourth Circuit has a definitively discretionary laches defense.²³⁰ In the Sixth Circuit, the analogous state tort statute of limitations does provide some certainty in the allowable length of delay,²³¹ but the rest of laches is still quite discretionary.²³² These other discretionary factors, which are problematic in all circuits, are whether the delay is excusable, whether the defendant had adequate notice they were infringing, and whether the defendant would be unduly prejudiced by an injunction.²³³ Given these unpredictable, discretionary factors, a circuit split over the allowable length of delay, and an incentive to forum shop, the time is ripe for Congress to amend the Lanham Act with a statute of limitations. In the words of the Sixth Circuit, statutes of limitations “enhance[] the stability and clarity of the law by applying neutral rules and principles in an evenhanded fashion rather than making the question purely discretionary.”²³⁴

CONCLUSION

For fifty years Congress has ignored the recommendation of the American Bar Association (ABA) to amend the Lanham Act with the addition of a statute of limitations.²³⁵ In that time the need for a black-and-white statute of limitations to replace the aspirational-but-vague standard of laches has greatly increased. As trademark registration numbers will undoubtedly continue to grow, now is the time to put an end to the time-consuming, frequent laches claims. Congress should give us the equivalent of a speed limit showing exactly what delays are and are not too long. The ABA’s 1971 resolution, with its four-year limit, includes what is still a model for a potential amendment:²³⁶

229. *Tandy*, 769 F.2d at 365–66.

230. *Belmora*, 987 F.3d at 289.

231. *Id.*

232. *See 1971 Summary of Proceedings*, *supra* note 2, at Section III.A.

233. *Id.*

234. *Tandy*, 769 F.2d at 365.

235. *1971 Summary of Proceedings*, *supra* note 2.

236. Lending support to a four-year limitations period is the courts’ familiarity with this term from analogous state statutes of limitations in deciding trademark infringement cases. When choosing the analogous state statute, “[c]ourts have selected state statutes with limitation periods ranging from as short as one year to as long as six years. In most cases, courts have selected a state statute with a limitation of three or four years.” MCCARTHY, *supra* note 8, § 31:34. In comparison, recall also that the statute of limitations for patent infringement is six years, copyright infringement, three years, and trade secret misappropriation, also three years. *See supra* Part II and note 143.

RESOLVED, that the Section of Patent, Trademark and Copyright Law approves in principle amending the Lanham Act to provide a limitation period for damages and profits in trademark infringement and unfair competition cases thereunder; and specifically, the Section approves amendment of Section 35 of the Lanham Act by inserting the following paragraph after the present paragraphs thereof: "Statute of Limitations. Under any complaint or counterclaim for trademark infringement or unfair competition under any provisions of this Act arising out of acts or wrongs committed more than four years prior to the filing of the complaint or counterclaim for infringement or unfair competition in the action, recovery of damages or profits may be had only for infringement or unfair competition committed four years or less prior to the filing of such complaint or counterclaim."²³⁷

This amendment would be a welcome replacement for laches. Laches fails to give notice to litigants as to what delayed trademark infringement claims are allowable and is not a clear rule for judges to evaluate delayed claims. The need for eventual repose for trademark users—to know they are safe from a lawsuit—is great, and only a statute of limitations can give them that assurance.²³⁸ A statute of limitations is easier to adjudicate, would lead to litigation efficiencies, and reduced legal costs. The ABA should reiterate its recommendation to Congress to add a statute of limitations to the Lanham Act, and Congress should take action.

237. 1971 *Summary of Proceedings*, *supra* note 235.

238. Heriot, *supra* note 45, at 968.