

A CRISIS IN EQUITY: LACHES DOCTRINE AND THE LANHAM ACT

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I. INTRODUCTION

The legal protection of trademarks in America can be traced back to its roots in the common law of England. Major developments in the area of American trademark law began around 1870. The crowning achievement of this progression was the Lanham Act of 1946. By the time the Lanham Act was passed, a well-established doctrine of laches existed for addressing delay in bringing infringement cases, and Congress apparently intended to make use of that doctrine in the comprehensive trademark protection policy set out in the Act.

This doctrine was widely applied until 1985 when the Sixth Circuit created the presumption-of-laches doctrine.¹ Under this approach, laches is presumed to have run when the delay for bringing the infringement action is greater than the underlying statute of limitations for analogous actions.² The decision relied heavily on the premise that trademark actions are “mixed actions in law and equity.”³ The judicial history and the plain language of the statute, however, clearly indicate that modern trademark actions are equitable in character.⁴ Furthermore, subsequent confusion in district courts has clearly demonstrated that the presumption-of-laches approach is not the path to the admirable goals of consistency and clarity espoused by the Sixth Circuit.⁵ Indeed, the resultant confusion demonstrates a strong need for congressional action to preserve the equitable considerations traditionally applied in trademark law while providing some of the elusive certainty sought by the Sixth Circuit.

This Note will focus on time limitations for commencing a suit for trademark infringement. After considering the historical background and the present confusion surrounding the laches doctrine in trademark law, this Note will set forth a statutory framework that attempts to reconcile the equitable principles that are ingrained in the history of trademark law with the need for certainty that has drawn some courts away from these principles.

This Note will discuss the application of time limitations to actions for trademark infringement in three Parts. Part II concerns the history of laches and the application of this doctrine to trademark law prior to 1985. Part III will address the changes that resulted from the Sixth Circuit’s 1985 decision in *Tandy Corp. v. Malone & Hyde, Inc.*⁶ Part IV will set out a new approach to time limitations in trademark law that seeks to adhere to the equitable concerns established in the early phase of laches while providing

1. 6 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 31:23 (4th ed. 2008).

2. *Tandy Corp. v. Malone & Hyde, Inc.*, 769 F.2d 362, 365 (6th Cir. 1985).

3. *Id.* at 366.

4. *See* Lanham Act of 1946 § 34, 15 U.S.C. § 1116 (2006); *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 102 (1918) (stating that courts of equity preside over trademark infringement cases).

5. *See* *Gordon & Breach Sci. Publishers S.A. v. Am. Inst. of Physics*, 859 F. Supp. 1521, 1528–29 (S.D.N.Y. 1994) (establishing contrary arguments for the appropriate statute of limitations with both arguments having case law support in the same district).

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

the certainty that was sought—but not provided—by the Sixth Circuit. This approach retains the equitable principles that parties who use an infringing mark in bad faith cannot use laches as a defense to infringement, and that parties who begin use of a mark in good faith and detrimentally rely on the mark holder's inaction are entitled to laches regardless of the length of delay. It supplements these equitable principles by adding a congressionally determined statutory bar for the situations in which there is neither bad faith nor detrimental reliance.

II. LACHES IN TRADEMARK LAW PRIOR TO 1985

In order to understand the application of laches to trademark law, it is important to first understand the history of trademark law within the United States. After understanding the legislative history, it is easier to appreciate the cases that developed the laches doctrine as applied to trademarks in the United States. From that vantage point, one is then able to discern that Congress likely knew of, and intended to adopt, the then-existing laches doctrine when it passed the Lanham Act of 1946.

A. *The Distinction Between Laches and Statutes of Limitations*

Before addressing the time limitation for bringing an action in trademark infringement cases, it is important to understand the difference between laches and a statute of limitations because the distinction between these terms is at the very heart of the debate. A statute of limitations 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.”⁷ Laches is an equitable doctrine characterized as “an affirmative defense that requires findings that the plaintiff delayed inexcusably or unreasonably in filing suit and that delay was prejudicial to the defendant.”⁸ The crucial difference between the two terms is that a statute of limitations considers only the time passed since the cause of action has accrued, while laches focuses on the reasonableness of the delay and the harm done to the defendant. Laches provides the benefit of taking a more equitable approach to determining whether a defendant may successfully invoke it as a defense. This benefit comes at a cost as laches, by definition, provides less certainty to potential litigants because the facts of the case must be considered to determine if the delay is unreasonable or

7. *Wheat v. Kinslow*, 316 F. Supp. 2d 944, 949 (D. Kan. 2003) (citing *Panhandle E. Pipe Line Co. v. Brecheisen*, 323 F.2d 79 (10th Cir. 1963)).

8. *Nat'l Wildlife Fed'n v. Burford*, 835 F.2d 305, 318 (D.C. Cir. 1987).

if the defendant has been prejudiced. The Sixth Circuit attempted to reduce this cost by creating a presumption-of-laches doctrine in 1985.⁹ Unfortunately, this approach has resulted in more uncertainty and undermines some of the initial equitable principles that were a major component of trademark laches doctrine. In response, this Note sets out an approach that will provide more certainty for potential litigants while protecting the original equitable principles of laches as applied to trademarks.

B. *The Legislative History of Trademark Protection in the United States*

Trademark protection began as part of English common law and was originally closer to the modern-day concept of “passing off”¹⁰ as opposed to pure trademark infringement.¹¹ After evolving in England, trademark protection crossed the Atlantic and became part of the American common law. Beginning in the 1800s, the concept was codified, struck down, recodified, frequently amended, and then finally became the Lanham Act.¹² Throughout this tumultuous history of American trademark law, a statute of limitations has not attached to actions for trademark infringement. Instead, the remedies for infringement have typically been limited by the principles of equity.

The earliest available record establishing a common law action for trademark infringement comes from *Sandforth’s Case*, an English case decided in 1584.¹³ In this case, a well-established cloth manufacturer used a mark to identify his cloth.¹⁴ Another manufacturer counterfeited the mark and put it on cloth of inferior quality.¹⁵ A suit was brought, and the court held that a cause of action for fraud was established.¹⁶ Because the

9. See *Tandy*, 769 F.2d at 365–66.

10. Compare BLACK’S LAW DICTIONARY 1155 (8th ed. 2004) (defining *passing off* as “[t]he act or an instance of falsely representing one’s own product as that of another in an attempt to deceive potential buyers”), with *id.* at 796 (defining the broader concept of infringement as “[a]n act that interferes with one of the exclusive rights of a patent, copyright, or trademark owner”).

11. See 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 5:2 (4th ed. 2008).

12. *Id.* §§ 5:3–5:4, at 5-6 to 5-14.

13. Keith M. Stolte, *How Early Did Anglo-American Trademark Law Begin? An Answer to Schechter’s Conundrum*, 8 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 505, 506, 509 (1998).

14. *Id.* at 529–30.

15. *Id.* at 530–31.

16. *Id.* at 535–36.

case involved a manufacturer actually passing counterfeit goods rather than merely imitating a mark to cause confusion, the cause of action was closer to the current doctrine of “passing off” than pure trademark infringement.¹⁷ However, the case does show that early common law courts acknowledged ownership and value in the use of marks to identify goods. Although the decision in *Sandforth’s Case* was lost, it survived in the dicta of *Southern v. How*.¹⁸ Subsequent English cases also acknowledged the value of the mark in contexts more closely resembling modern trademark infringement.¹⁹ American case law demonstrates that the concept of trademark rights had crossed over to America as early as 1834.²⁰

With this meager, yet established, common law concept of trademark protection as a background, Congress passed the first trademark law in 1870.²¹ The statute provided a trademark registration process,²² civil penalties of damages and injunctions for infringement,²³ and explicitly left common law remedies intact.²⁴ Importantly, the Act did not mention any statute of limitations for the civil penalties and stated that “the party aggrieved shall also have his remedy according to the course of equity” in seeking damages and injunctive relief.²⁵ This first statute clearly demonstrates the equitable nature of the remedies, presumably including the equitable doctrine of laches.

17. See *supra* note 10.

18. Stolte, *supra* note 13, at 507 (citing *Southern v. How*, *Popham’s Reports* 143, 144 (1618), 79 Eng. Rep. 1243, 1244 (K.B. 1907)).

19. See *Sykes v. Sykes*, 107 Eng. Rep. 834, 834–35 (1824) (holding that even though the infringer had the last name Sykes and did not misrepresent the origin of the goods to wholesalers, the marks were sufficiently identical to support the jury’s conviction); *Singleton v. Bolton*, 99 Eng. Rep. 661 (1783) (holding that plaintiff had no action against defendant who sold medicine under the same name and mark as plaintiff because plaintiff never obtained a patent in his medicine).

20. *Thomson v. Winchester*, 36 Mass. (19 Pick.) 214, 215 (1837) (citing to both *Sykes* and *Singleton*).

21. An Act to Revise, Consolidate, and Amend the Statutes Relating to Patents and Copyrights, ch. 230, 16 Stat. 198, 210–12, §§ 77–84 (1870); See also *Trademark Cases*, 100 U.S. 82, 92–99 (1879) (discussing the constitutionality and application of the Act).

22. An Act to Revise, Consolidate, and Amend the Statutes Relating to Patents and Copyrights § 77.

23. *Id.* § 79, 16 Stat. at 211.

24. *Id.* § 83, 16 Stat. at 212.

25. *Id.* § 79, 16 Stat. at 211.

The first trademark law was ultimately struck down by the Supreme Court in 1879 on the ground that it was outside the Copyright and Patent Clause.²⁶ The Court found that a trademark constituted neither an invention nor a writing as construed at the time of the decision.²⁷ The Court also held that the 1870 Act was outside of the Commerce Clause because the Act regulated intrastate commerce as well as interstate commerce.²⁸ Despite striking down the statutory trademark protection, the Court explicitly stated that common law trademark rights still continued regardless of the constitutionality of the statutory trademark rights.²⁹

In 1881, Congress again passed a law protecting trademarks.³⁰ The law once again provided a process for registration,³¹ the ability to obtain civil relief for infringement in the form of damages and an injunction,³² and preserved the common law trademark rights.³³ The law did not provide a statute of limitations and stated that injunctive relief was to be awarded “according to the course of equity.”³⁴ Unfortunately, the Act limited protection to commerce with foreign nations and Indian tribes, leaving intrastate and interstate commerce unprotected.³⁵

The 1885 trademark statute was replaced in 1905 with a statute that extended protection of trademarks to interstate commerce,³⁶ granted registered trademark holders a presumption of mark ownership,³⁷ required mark holders to renew their trademarks,³⁸ and preserved common law trademark rights.³⁹ This statute provided the civil remedies of damages and injunctions for cases of infringement, and there was no statute of

26. *Trade-mark Cases*, 100 U.S. at 93–94; *see also* U.S. CONST. art. I, § 8, cl. 8.

27. *Trade-mark Cases*, 100 U.S. at 93–94.

28. *Id.* at 96–97; *see also* U.S. CONST. art. I, § 8, cl. 3.

29. *Trade-mark Cases*, 100 U.S. at 92.

30. An Act to Authorize the Registration of Trade-marks and Protect the Same, ch. 138, 21 Stat. 502 (1881).

31. *Id.* § 1, 21 Stat. at 502–03.

32. *Id.* § 7, 21 Stat. at 503–04.

33. *Id.* § 10, 21 Stat. at 504.

34. *Id.* § 7, 21 Stat. at 503–04.

35. *Id.* § 1, 21 Stat. at 502–03.

36. 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, § 1 (1905).

37. *Id.* § 16, 33 Stat. at 728.

38. *Id.* § 20, 33 Stat. at 727.

39. *Id.* § 23, 33 Stat. at 730.

limitations set forth on these remedies.⁴⁰ Again, injunctions were to be awarded “according to the course and principles of equity.”⁴¹ Between 1905 and the passage of the Lanham Act in 1946, Congress passed no fewer than ten acts regarding trademarks, but it neither added a statute of limitations nor removed the language that injunctions were to be awarded according to the principles of equity.⁴²

In 1946, Congress passed the Lanham Act, which enacted the trademark law that currently applies in the United States.⁴³ The purpose of the Lanham Act was to “place all matters relating to trade-marks in one statute and to eliminate judicial obscurity, to simplify registration and to make it stronger and more liberal, to dispense with mere technical prohibitions and arbitrary provisions, to make procedure simple, and relief against infringement prompt and effective.”⁴⁴ The Act itself split the discussion of civil remedies into two parts—injunctions and damages.⁴⁵ Injunctions were to be granted “according to the principles of equity.”⁴⁶

40. *Id.* § 19, 33 Stat. at 729.

41. *Id.*

42. An Act to Authorize the Registration of Certain Collective Trade-marks, ch. 332, 52 Stat. 638 (1938); An Act to Amend Sections 476, 482, and 4934 of the Revised Statutes, Sections 1 and 14 of the Trade-Mark Act of February 20, 1905, as Amended, and Section 1(b) of the Trade-Mark Act of March 19, 1920, and for Other Purposes, ch. 132, 46 Stat. 155 (1930); An Act to Amend the Patent and Trade-mark Laws, and for Other Purposes, ch. 535, 43 Stat. 1268 (1925); An Act to Give Effect to Certain Provisions of the Convention for the Protection of Trade-marks and Commercial Names, Made and Signed in the City of Buenos Aires, in the Argentine Republic, August 20, 1910, and for Other Purposes, ch. 104, 41 Stat. 533 (1920); An Act Amending an Act Entitled “An Act to Authorize the Registration of Trade-marks Used in Commerce with Foreign Nations or Among the Several States or with the Indian Tribes, and to Protect the Same,” ch. 7, 37 Stat. 649 (1913); An Act Revising and Amending the Statutes Relative to Trade-marks, ch. 113, 36 Stat. 918 (1911); An Act to Amend the Laws of the United States Relating to the Registration of Trade-marks, ch. 144, 35 Stat. 627 (1909); An Act to Amend Sections Five and Six of an Act Entitled “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. 2573, 34 Stat. 1251 (1907); An Act to Amend the Laws of the United States Relating to the Registration of Trade-marks, ch. 2081, 34 Stat. 168 (1906).

43. Lanham Act for Trade-marks of 1946, Pub. L. No. 79-489, 60 Stat. 427 (1946).

44. S. REP. NO. 79-1333, at 3 (1946), *as reprinted in* 1946 U.S.C.C.A.N. 1274, 1274.

45. Lanham Act for Trade-marks of 1946, §§ 34–35, 60 Stat. at 439–40.

46. *Id.* § 34, 60 Stat. at 439.

The plaintiff was entitled to damages resulting from infringement, “subject to the principles of equity.”⁴⁷ This language, combined with the cases cited by the Act’s drafting Committee and the defenses to infringement provided for in the Act, strongly supports the idea that Congress intended to adopt the laches doctrine for trademarks when the Act was passed.⁴⁸

C. The Development of the Laches Doctrine in Trademark Law

As the previous section demonstrates, the legislative history of American trademark law has consistently stated that damages and injunctions should be awarded according to the principles of equity. With this history of federal statutory trademark protection in mind, this section turns to the developments in the equitable doctrine of laches that happened contemporaneously with the legislative developments. Supreme Court case law preceding the Lanham Act provided “some fairly clear guidelines for the proper significance of plaintiff’s delay in bringing suit for infringement.”⁴⁹ The relevant cases that develop this doctrine are *McLean v. Fleming*, *Menendez v. Holt*, *Saxlehner v. Eisner & Mendelson Co.*, *Hanover Star Milling Co. v. Metcalf*, and *United Drug Co. v. Theodore Rectanus Co.*⁵⁰

The first case of note is *McLean v. Fleming*, an 1877 case involving packaging for liver pills.⁵¹ The trademark holder had produced liver pills for forty years, selling them in a small wooden box labeled “Dr. C. McLane’s Liver-Pills.”⁵² For over twenty years prior to the suit, the infringer had been manufacturing pills that were also sold in wooden boxes, labeling them “Dr. J. H. McLean’s Universal Pills.”⁵³ The evidence showed the trademark holder had been aware of the infringement at the time it began in 1852 and had waited twenty years to contact the infringer.⁵⁴ The decision did not state any reason for the trademark

47. *Id.* § 35, 60 Stat. at 440.

48. S. REP. NO. 79-1333 (1946).

49. 6 MCCARTHY, *supra* note 1, § 31:3, at 31-15.

50. *Id.* at 31-16 to 31-19 (citing *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90 (1918); *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403 (1916); *Saxlehner v. Eisner & Mendelson Co.*, 179 U.S. 19 (1900); *Menendez v. Holt*, 128 U.S. 514 (1888); *McLean v. Fleming*, 96 U.S. 245 (1878)).

51. *McLean*, 96 U.S. at 248.

52. *Id.* at 248-49.

53. *Id.* at 250. The pills were first labeled “Dr. McLean’s Universal Pills” in 1851, then relabeled “Dr. J. H. McLean’s Universal Pills” beginning in 1863. *Id.*

54. *Id.* at 256-58.

holder's delay. The district court awarded both an injunction and damages.⁵⁵ The Supreme Court upheld the injunction, but overturned the award of damages. "Equity courts will not, in general, refuse an injunction on account of delay in seeking relief, where the proof of infringement is clear, even though the delay may be such as to preclude the party from any right to an account for past profits."⁵⁶ On top of firmly establishing the delay in bringing a suit as a factor to consider in awarding relief, the case also indicates that a delay in bringing suit is more likely to bar damages than an injunction.

The next major development in the trademark laches doctrine came from the Supreme Court's decision eleven years later in *Menendez v. Holt*, a case involving the use of the mark "La Favorita" in the sale of flour.⁵⁷ Although the mark holder did not manufacture the flour, it had distributed flour meeting quality standards under the mark for over twenty years.⁵⁸ In 1869, a partner in the business retired and began working with another company that then began selling flour using the same mark.⁵⁹ The evidence at trial established the mark holder had known of the infringement as early as 1871; however, the company waited until 1882 to bring suit and gave no reason for the delay in asserting its trademark rights.⁶⁰ The district court awarded an injunction against further use, but declined to award damages, stating that "[i]t would be inequitable to compel [the infringer] to pay for [the mark's] use during the long years that complainants slept upon their rights."⁶¹ In affirming the lower court, the Supreme Court stated:

So far as the act complained of is completed, acquiescence may defeat the remedy . . . but so far as the act is in progress and lies in the future, the right to the intervention of equity is not generally lost by previous delay, in respect to which the elements of an estoppel could rarely arise. At the same time . . . a court might hesitate as to the measure of relief, where the use, by others, for a long period, under assumed permission of the owner, had largely enhanced the reputation of a

55. *Id.* at 248.

56. *Id.* at 253.

57. *Menendez v. Holt*, 128 U.S. 514, 520 (1888).

58. *Id.* at 515.

59. *Id.* at 521–22.

60. *Holt v. Menendez*, 23 F. 869, 871 (C.C.S.D.N.Y. 1885).

61. *Id.*

particular brand.⁶²

This holding reaffirms the different effect of a delay with regard to damages versus injunctions and indicates that the effect of delay on these remedies is not a simple all-or-nothing result; instead, the delay can vary the remedy that the court crafts.

In addition to addressing the effect of laches on remedies, the Court also addressed the impact of willful or knowing infringement when it stated that “[t]he intentional use of another’s trade-mark is a fraud; and when the excuse is that the owner permitted such use, that excuse is disposed of by affirmative action to put a stop to it.”⁶³ This portion of the opinion establishes another tenet of trademark laches doctrine: willful infringers may not make use of this affirmative defense to avoid the consequences of their actions.

The idea that willful infringers cannot seek refuge under laches was cemented in *Saxlehner v. Eisner & Mendelson Co.*, a case involving trademarks used in the importation of bitter waters from Hungary for medicinal purposes.⁶⁴ In *Saxlehner*, a widow of a Hungarian water bottler brought suit against another bottler alleging that the defendant infringed the mark “Hunyadi,” as well as the trademark bottle and label of the water.⁶⁵ The defendant asserted the defense of laches because the defendant had begun selling the infringing products in 1890, and the mark holder had waited to file suit until 1897.⁶⁶ The plaintiff’s delay had been largely due to a convoluted history regarding mark ownership in Hungary because of the evolving law of trademarks occurring at the time in that country.⁶⁷ The district court enjoined the infringer from imitating the mark holder’s bottles and label, but allowed the defendant to continue using the name “Hunyadi.”⁶⁸ The appeals court upheld the denial of an injunction regarding the textual mark, but reversed the court’s injunction as to the bottle and label design.⁶⁹

While sympathetic to the complexities of Hungarian trademark law of that time, the Court noted that the mark holder was still able to assert

62. *Menendez*, 128 U.S. at 524.

63. *Id.* at 523.

64. *Saxlehner v. Eisner & Mendelson Co.*, 179 U.S. 19 (1900).

65. *Id.* at 20, 35.

66. *Id.* at 22, 29.

67. *Id.* at 26–29.

68. *Id.* at 29.

69. *Id.*

trademark rights in the United States during that time.⁷⁰ The Court also noted the infringer “‘intentionally simulated the Saxlehner United States label for the purpose of obtaining, by means of the simulation, a part of the good will which the Janos water had gained.’”⁷¹ In upholding the denial of the textual mark injunction and the issuance of the bottle and label injunction, the Court stated:

[W]here actual fraud is proven, the court will look with much indulgence upon the circumstances tending to excuse the plaintiff from a prompt assertion of his rights. Indeed, in a case of an active and continuing fraud like this we should be satisfied with no evidence of laches that did not amount to proof of assent or acquiescence.⁷²

This statement reaffirms that intentional and willful infringers should not be able to assert laches as a defense in trademark infringement.

The last key piece of the doctrine was first established in *Hanover Star Milling Co. v. Metcalf*, a case involving the sale of flour under the mark “Tea Rose.”⁷³ In this case, the Court consolidated appeals of two lower court decisions in common law trademark infringement suits regarding the mark.⁷⁴ The first district court decision, resulting from an infringement suit brought by the Allen & Wheeler Company, dealt with the issue of laches.⁷⁵ In 1904, Hanover had established its “Tea Rose” brand flour in Alabama, Mississippi, Georgia, and Florida and had annual sales of approximately \$150,000 by 1912.⁷⁶ Allen & Wheeler had established the “Tea Rose” brand in 1872; however, it had only sold and marketed flour north of the Ohio River.⁷⁷ Because Allen & Wheeler had priority regarding the mark, the question was whether it was barred from enforcing the mark due to laches.⁷⁸

In determining the issue of laches, the Court first reaffirmed the point that laches is not a defense for willful infringers, stating that “[a]s to laches and acquiescence, it has been repeatedly held, in cases where defendants

70. *Id.* at 31–32.

71. *Id.* at 38 (quoting the circuit court, *Saxlehner v. Eisner & Mendelson Co.*, 88 F. 61, 66 (C.C.S.D.N.Y. 1898)).

72. *Id.* at 39.

73. *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 405–06 (1916).

74. *Id.* at 405–09.

75. *Id.* at 411.

76. *Id.* at 410.

77. *Id.* at 409–12.

78. *Id.* at 411.

acted fraudulently or with knowledge of plaintiff's rights, that relief by injunction would be accorded although an accounting of profits should be denied. So much must be regarded as settled."⁷⁹ However, the Court found the principle did not apply to this case because Hanover

had adopted "Tea Rose" as its mark in perfect good faith, with no knowledge that anybody else was using or had used those words in such a connection, and during many years it had built up and extended its trade in the southeastern territory, comprising Georgia, Florida, Alabama, and Mississippi, so that in the flour trade in that territory the mark "Tea Rose" had come to mean the Hanover Company's flour, and nothing else.⁸⁰

Given the good faith, lack of notice, and investment in establishing its trade, the Court determined that, despite its priority, Allen & Wheeler was estopped from asserting trademark infringement as to that territory, thus establishing the principle that laches can run on mark holders when the infringer acts in good faith and can demonstrate reliance on the lack of enforcement.⁸¹

This principle was affirmed in dicta in *United Drug Co. v. Theodore Rectanus Co.*, a case concerning the use of the mark "Rex" in the sale of "medicinal preparations."⁸² The mark holder began manufacturing and selling dyspepsia treatments in Massachusetts under the name "Rex" in 1877.⁸³ The mark holder registered the "Rex" mark in Massachusetts in 1898 and federally in 1900.⁸⁴ Without knowing the mark "Rex" was already in use, the infringer began selling a blood purifier in Kentucky under the "Rex" mark in 1883, investing significant money and effort to establish a market for his product.⁸⁵ In 1912, the mark holder began sales in the Kentucky area and brought a suit for infringement.⁸⁶ The district court awarded an injunction, but did not award damages.⁸⁷ The appeals court denied both damages and the injunction.⁸⁸ The mark holder then

79. *Id.* at 419 (citations omitted).

80. *Id.* at 412.

81. *See id.* at 419.

82. *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 94–95 (1918).

83. *Id.* at 94.

84. *Id.*

85. *Id.* at 94–95.

86. *Id.* at 95.

87. *Id.* at 96.

88. *Id.*

appealed to the Supreme Court.⁸⁹

The mark holder argued the rule of law set forth in *McLean*, *Menendez*, and *Saxlehener* should apply and an injunction should be awarded, even if there was sufficient delay to preclude damages.⁹⁰ The infringer argued the rule set forth in *Hanover Milling Co.* should apply and the mark holder should not be able to seek either damages or an injunction.⁹¹ In response to the arguments, the Court clarified the law regarding the application of laches to trademarks by stating:

[*McLean*, *Menendez*, and *Saxlehener*] exemplify the rule that, where proof of infringement is clear, a court of equity will not ordinarily refuse an injunction for the future protection of the proprietor of a trade-mark right, even where his acquiescence and laches have been such as to disentitle him to an accounting for the past profits of the infringer. The rule finds appropriate application in cases of conscious infringement or fraudulent imitation, as is apparent from a reading of the opinions in those cases; but it has no pertinency to such a state of facts as we are now dealing with. . . .

Here the essential facts are so closely parallel to those that furnished the basis for decision in [*Hanover Milling Co.*] Mrs. Regis and her firm, having during a long period of years confined their use of the “Rex” mark to a limited territory wholly remote from that in controversy, . . . and since it appears that Rectanus in good faith, and without notice of any prior use by others, selected and used the “Rex” mark, and by the expenditure of money and effort succeeded in building up a local but valuable trade under it in Louisville and vicinity before petitioner entered that field . . . petitioner is estopped to set up their continued use of the mark in that territory as an infringement of the Regis trade-mark.⁹²

In essence, *United Drug Co.* pulls the decisions together and puts them into a framework for determining if the defense of laches is available and the effect of laches in crafting a remedy.

In sum, these opinions outline a reasonably well-defined doctrine of laches in trademark law cases in which (1) delay of the plaintiff was relevant in determining the availability of relief; (2) moderate delay would

89. *Id.* at 93.

90. *Id.* at 102.

91. *Id.* at 96–97.

92. *Id.* at 102–03 (citation omitted).

result in denial of damages; (3) extensive delay, innocent infringement, and reliance would result in denial of injunctive relief; and (4) willful infringement would eliminate the availability of laches as a defense. Given the extent to which this doctrine had been developed at the time of the passage of the Lanham Act, Congress's silence suggests that it felt content to leave the doctrine as is, rather than attempt to write it into the statute.

D. Discerning Congressional Intent to Adopt the Laches Doctrine in the Lanham Act

There can be no doubt that Congress intended laches to be a defense to an allegation of infringement. First, the original Lanham Act strongly suggests that Congress intended to leave the equitable defenses intact when the Act was passed. Second, an amendment to the Act in 1988 specifically added laches as a defense to an incontestable mark. After reviewing the original Act and subsequent amendment, there can be little doubt as to the applicability of laches in the context of trademark litigation.

1. *Congressional Intent in Adopting the Lanham Act (1946)*

Substantial evidence supports the idea that Congress intended to adopt the doctrine of laches in trademark law when enacting the Lanham Act. Strong support comes from the wording of the statute and the cases cited in the accompanying Senate Report.

The language of the Lanham Act explicitly states that damages and injunctions are to be awarded based on the principles of equity.⁹³ As already stated, the equitable doctrine of laches was well-established at this time.⁹⁴ Given these two premises, Congress likely wished to adopt the well-developed trademark laches doctrine when the Act was passed. Additionally, the Lanham Act has been amended no fewer than twenty-eight times, and sections 34 and 35 of the Act have kept the equitable limitations in the statute.⁹⁵ Congress could have easily taken advantage of one of those amendments to correct the omission of a statute of limitations if Congress had indeed intended to use strict time limitations.

Further support for this proposition can be found in section 33 of the Act, which originally established seven defenses to the incontestability of a

93. 15 U.S.C. §§ 1116(a), 1117(a) (2006).

94. *See supra* Part II.C.

95. *See* Lanham Act for Trade-marks of 1946, Pub. L. No. 79-489, §§ 34–35, 60 Stat. 427, 439–40 (1946); 15 U.S.C. §§ 1116–17 (2006); 1 MCCARTHY, *supra* note 11, § 5:5.

registered mark.⁹⁶ As originally passed, the fifth defense alters a portion of the laches doctrine in such a way that it fits nicely with the idea of the incontestability of registered marks. That section states that a defense against the incontestability of a mark is “[t]hat the mark . . . was adopted [by the infringer] without knowledge of the registrant’s prior use and has been continuously used by [the infringer] . . . from a date prior to the publication of the registered mark”⁹⁷ Requiring the infringer’s use to begin before publication of the registered mark by the United States Patent and Trademark Office alters the preexisting laches doctrine that innocent use, lengthy delay, and reliance result in a denial of relief by adding a presumption that the infringer had knowledge if the mark was registered prior to the infringer adopting the mark.⁹⁸ This provision gives rise to presumptive notice of the mark upon publication in the register.⁹⁹ The fact that the legislation has a provision explicitly altering one aspect of the trademark laches doctrine lends further support to the theory that Congress intended to adopt that doctrine with the passage of the Act.

Finally, the Senate Report that accompanied the Act indicated the Committee on Patents was familiar with some of the key decisions that developed the doctrine of laches for trademarks.¹⁰⁰ The Senate Report cites both *United Drug Co.* and *Hanover Star Milling Co.*¹⁰¹ Although the Report references these cases for ideas other than the concept of laches,¹⁰² their presence in the Report clearly demonstrates the Committee’s awareness of these decisions, which both set out the laches doctrine as applied to trademarks at the time of the passage of the Act. It seems very unlikely that the Committee could be that familiar with these decisions and yet remain unaware of the laches doctrine at the time. Given the familiarity of the Committee with the opinions, the equitable limitations referred to in the Act likely includes the laches doctrine established in the cited caselaw.

2. *Affirmation of Laches in Trademark Law (1988 Amendment)*

Despite these indicia evidencing Congress’s intent to preserve the

96. Lanham Act for Trade-marks § 33.

97. *Id.* § 33(5), 60 Stat. at 439.

98. *See id.*

99. *Id.*

100. S. REP. NO. 79-1333, at 4 (1946), as reprinted in 1946 U.S.C.C.A.N. 1274, 1275.

101. *Id.*

102. *Id.* (addressing antitrust concerns regarding trademark protection).

laches defense in trademark law, there remained a persistent line of thinking that the Lanham Act intended to get rid of the laches defense.¹⁰³ This line of thinking was soundly defeated in 1988 when Congress passed an amendment to the Lanham Act. The amendment was intended to “bring the trademark law up-to-date with present day business practices, to increase the value of the federal trademark registration system for U.S. companies, to remove the current preference for foreign companies . . . and to improve the law’s protection of the public from counterfeiting, confusion, and deception.”¹⁰⁴ The Senate Committee Report noted that there was “conflict between two lines of judicial authority” regarding the application of equitable defenses to trademark law.¹⁰⁵ By amending the law, Congress came down decisively on the side of applicability of equitable defenses, including laches, with language that was “intentionally broader than that of Section 19 of the Act . . . so that other equitable defenses such as unclean hands can be considered.”¹⁰⁶ The amendment specifically added an eighth defense to the incontestability of a registered mark “[t]hat equitable principles, including laches, estoppel, and acquiescence, are applicable.”¹⁰⁷

With Congress’s unambiguous embrace of laches in trademark law, it would appear that this should be the end of the story. Laches, as established from early trademark jurisprudence, was a part of the Lanham Act, and trademark litigation would presumably continue as intended. Unfortunately, a development in the laches saga was happening contemporaneously with the 1988 Trademark Act. This development was the invention of a new approach to laches—the presumption of laches—developed by the Sixth Circuit in *Tandy Corp. v. Malone & Hyde, Inc.*¹⁰⁸

103. See generally *Incontestable Trademark Rights and Equitable Defenses in Infringement Litigation*, 75 TRADEMARK REP. 158 (1985) (providing arguments in favor of equitable defenses and a review of judicial treatment of such defenses against incontestable trademark registrations, and arguing that equity principles are incidental to the administration of trademark rights, protections, and procedural goals).

104. S. REP. NO. 100-515, at 1 (1988), as reprinted in 1988 U.S.C.C.A.N. 5577, 5577.

105. *Id.* at 39.

106. *Id.*

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

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

III. THE *TANDY* DECISION AND ITS IMPACT ON LACHES AFTER 1985

Trademark law's nationwide, well-established laches doctrine received a considerable shakeup in 1985 when the Sixth Circuit decided *Tandy*, creating a new approach to laches in trademark. This approach uses the statute of limitations for analogous claims under state law to create a presumption of laches.¹⁰⁹ The presumption essentially assumes that there has been harm to the defendant when the delay in bringing suit is longer than the state statute of limitations for analogous claims and assumes no harm if delay is shorter than the statute of limitations.¹¹⁰ This new approach was intended to enhance stability and clarity of the law, require courts to make clear distinctions between special defenses and the merits of the case, and enhance the rationality and objectivity of the process.¹¹¹

Despite these good intentions, the new doctrine does not achieve the policy objectives that the court envisioned. Rather than creating a more concrete system with definite time limits for bringing suit, the decision leaves courts to cast about in the state law in an attempt to find an applicable statute of limitations—an endeavor that is further complicated because many states do not have an explicit statute of limitations for trademark infringement. Furthermore, the decision ignored the well-established doctrine and was based on a faulty understanding of several key cases. The result of the *Tandy* decision was a significant disruption in the relative certainty in the application of laches to trademark infringement pre-1985.

A. *The Facts of Tandy*

The facts of *Tandy* were clearly covered by the then-existing laches doctrine, which supported the district court's finding that the suit was barred by laches.¹¹² The defendant in *Tandy* was Malone & Hyde, Inc. (Malone), a Tennessee corporation that focused on food distribution and specialty retail.¹¹³ In 1977, Malone began investigating the possibility of expanding into the retail auto parts business.¹¹⁴ While scouting the industry, Malone discovered Auto Shack, a company in Arizona that had

109. *Id.* at 366.

110. *Id.*

111. *Id.* at 365.

112. *See Tandy Corp. v. Malone & Hyde, Inc.*, 581 F. Supp. 1124, 1130–31 (M.D. Tenn. 1984).

113. *Id.* at 1125.

114. *Id.* at 1126.

approximately seven stores at the time.¹¹⁵ Although merger discussions between Malone and Auto Shack fell through, it was agreed that Auto Shack's owner, Mr. Scavarel, would help Malone establish its new line of auto parts stores.¹¹⁶ After the agreement was made, Malone began researching names for the stores with no success.¹¹⁷ After considering and rejecting a number of names due to potential litigation over trademarks, Mr. Scavarel offered to allow Malone to use the "Auto Shack" name outside of Arizona.¹¹⁸ Counsel for Malone conducted a search and determined that no conflicts existed regarding use of the name.¹¹⁹ Malone then opened its first Auto Shack in July of 1979.¹²⁰ By March of 1982, Malone had opened approximately sixty stores throughout the United States, had invested approximately \$1.5 million in promotional advertising, and planned on expanding to 150 stores by the mid-1980s.¹²¹

The Tandy Corporation (Tandy) owned the marks "Radio Shack," "The Shack," and "Shack," all of which it used in conjunction with its widespread retail electronics operation.¹²² Interestingly, prior to the expansion, there was at least one instance where both an Auto Shack and a Radio Shack were in the same retail area.¹²³ Tandy became aware of Malone's Auto Shack stores the same month that the first store opened and had made the decision to take legal action the following month, August 1979.¹²⁴ Rather than promptly filing the suit, however, Tandy waited an additional thirty-two months before sending a letter to Malone stating that Tandy objected to the use of the "Auto Shack" mark when the first Auto Shack stores opened in 1979.¹²⁵ One month after sending the letter, Tandy filed suit.¹²⁶

In response, Malone raised the defense of laches and argued that it would have chosen a different name had Tandy simply informed them of

115. *Id.*

116. *Id.*

117. *Id.*

118. *Id.*

119. *Id.*

120. *Id.*

121. *Id.* at 1127.

122. *Id.* at 1125.

123. *Id.* at 1126. In fact, the two stores were located in the exact same shopping center. *Id.*

124. *Id.* at 1128.

125. *Id.* at 1126–27.

126. *Id.* at 1127.

the objection to the use of the “Auto Shack” mark.¹²⁷ The district court granted summary judgment on the basis that Tandy was estopped from asserting the mark because (1) Malone had chosen the name in good faith, and (2) Malone had been prejudiced due to its extensive investment in establishing the Auto Shack mark coupled with Tandy’s thirty-two month delay in informing Malone, despite the fact that Tandy had decided to file suit while knowing of and monitoring the expansion.¹²⁸ Tandy appealed the district court’s grant of summary judgment.¹²⁹

B. The Sixth Circuit’s Decision and Rationale Behind Presumptive Laches

The Sixth Circuit decided to reverse the grant of summary judgment and remand for further proceedings based on a presumption of laches.¹³⁰ The basis for this reversal was the district court’s failure to consider the state statute of limitations for analogous actions.¹³¹ The Sixth Circuit relied heavily on the Supreme Court’s decision in *Dairy Queen v. Wood*, which determined that—for purposes of the right to a jury trial under the Seventh Amendment—trademark infringement actions were a mixture of law and equity.¹³² Under the Sixth Circuit’s reasoning, mixed questions of law and equity have historically required consideration of the statute of limitations because the legal relief would be barred by the applicable statute of limitation.¹³³ Additionally, the Sixth Circuit argued that the presumption of laches had been historically applied to trademark suits.¹³⁴ Interestingly, however, only one of the cases cited to support this claim was an actual trademark case.¹³⁵ Finally, the Sixth Circuit stated that using the statute of limitations would bring stability, clarity, rationality, and objectivity to the application of laches in trademark law.¹³⁶

The Sixth Circuit, in considering *Dairy Queen*, stated that the “accounting aspect of trademark infringement actions are considered legal actions for purposes of the jury trial clause of the Seventh Amendment. . . .

127. *Id.* at 1127–28.

128. *Id.* at 1130–31.

129. *Tandy Corp. v. Malone & Hyde, Inc.*, 769 F.2d 362, 363 (6th Cir. 1985).

130. *Id.* at 367.

131. *Id.* at 363 (noting the state statute of limitations was three years).

132. *Id.* at 364 (discussing *Dairy Queen v. Wood*, 369 U.S. 469 (1962)).

133. *Id.* at 364–65.

134. *Id.* at 365.

135. *Id.*

136. *Id.*

Thus infringement actions are hybrids, a mixture of law and equity.”¹³⁷ Based on the premise that trademark infringement actions are both legal and equitable, the court concluded that there should be a “strong and uneroded” presumption of laches based on the statute of limitations.¹³⁸

The Sixth Circuit’s interpretation of *Dairy Queen* overlooks the fact that the Seventh Amendment analysis considers the equitable and legal nature of a cause of action at the time the Seventh Amendment was ratified.¹³⁹ The question before the Sixth Circuit was whether trademark infringement causes of action were mixed actions in law and equity in 1985—approximately 150 years after the ratification of the Seventh Amendment. As discussed above, there were some extremely significant legislative and judicial developments between 1791 and 1985. The judicial opinions in this interim period consistently applied laches, with no mention of the underlying statute of limitations, to both the accounting and injunctive relief sought.¹⁴⁰ The Lanham Act provides a particularly clear indication of congressional intent regarding the damages portion of relief, which is to be awarded “according to the principles of equity.”¹⁴¹ With this overwhelming evidence of the equitable characteristics of the entirety of trademark causes of action, it seems clear that modern trademark causes of action are anything but mixed actions, regardless of what their character may have been in 1791.

The Sixth Circuit also stated that this presumption of laches principle “has been applied in trademark cases” and that “early federal decisions faithfully followed the presumption.”¹⁴² Although a number of cases were cited in support of this idea, only one of the cases—*Layton Pure Food Co. v. Church & Dwight Co.*—addressed laches in the context of trademark cases.¹⁴³ Although *Layton* contained some language that could arguably support the presumptive laches approach, later decisions by the Eighth Circuit made it clear that the case did not provide any such support.¹⁴⁴

137. *Id.* at 364 (citing *Dairy Queen*, 369 U.S. at 478).

138. *Id.* at 366.

139. *See* *Dimick v. Schiedt*, 293 U.S. 474, 476 (1935) (explaining that proper Seventh Amendment analysis must include “the appropriate rules of the common law established at the time of the adoption of that constitutional provision in 1791”).

140. *See, e.g., United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 102–03 (1918).

141. 15 U.S.C. §§ 1116 (a), 1117(a) (2006).

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

143. *Layton Pure Food Co. v. Church & Dwight Co.*, 182 F. 35 (8th Cir. 1910).

144. *Kan. City S. Ry. Co. v. May*, 2 F.2d 680, 688 (8th Cir. 1924) (citing *Layton*

Regarding the historical application of the presumption of laches, the analysis earlier in this Note outlines the Supreme Court's application of laches to trademark causes of action. None of the cases discussed above makes any reference to the statute of limitations when determining if the suit was barred by laches.¹⁴⁵

C. *The Aftermath of Tandy*

The Sixth Circuit extolled the virtues of its new approach, stating that the presumption approach

enhances the stability and clarity of the law by applying neutral rules and principles in an evenhanded fashion . . . [.] requires the courts to make clear distinctions between . . . special defenses . . . [and] the merits of the case . . . [, and] [i]t enhances the rationality and objectivity of the process by preventing courts from short circuiting difficult issues on the merits¹⁴⁶

Although these are desirable goals, the new approach to laches has resulted in ambiguity, leaving district courts scrambling to determine the most analogous cause of action. Some courts have done away with the presumption and instead use the state statute of limitations to impose a complete bar, regardless of equitable concerns. Finally, the different limitations periods available have created an incentive for forum shopping by plaintiffs.

A strong example of the confusion resulting from *Tandy* can be found in the Second Circuit. With no decision from the Second Circuit, the district courts in New York are left to determine the most analogous cause of action for themselves. *Gordon and Breach Science Publishers v. American Institute of Physics* summarizes the two different statutes of limitations currently applied by the courts in that district.¹⁴⁷ In New York, the predominant line of thinking is that infringement causes of action are most analogous to fraud because the federal policy at issue “is the protection of “persons engaged in . . . commerce against unfair

for the ideas that “[l]aches cannot exist unless and until party has legal knowledge of the facts affecting his rights” and “[l]aches is not governed by state statutes of limitation, nor is it dependent upon mere lapse of time[;] [i]t is the nature of estoppels”) (citations omitted).

145. See, e.g., *United Drug Co.*, 248 U.S. at 102–03.

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

147. *Gordon & Breach Sci. Publishers v. Am. Inst. of Physics*, 859 F. Supp. 1521, 1528–30 (S.D.N.Y. 1994).

competition” and the prevention of “fraud and deception in such commerce.””¹⁴⁸ If this reasoning holds, trademark infringement would receive a six-year statute of limitations.¹⁴⁹ The other line of reasoning is that the most analogous cause of action is one for recovering damages for an injury to property because, unlike causes of action in fraud, there is no requirement of bad faith.¹⁵⁰ If this reasoning prevails, trademark infringement would receive a three-year statute of limitations.¹⁵¹ The *Gordon* court, after struggling with the difference in opinion, ultimately agreed with the former approach and used the six-year limit.¹⁵² Regardless of the court’s ultimate decision, it is important to note that different courts in the same district have had difficulty applying the Sixth Circuit’s rule; the law has not achieved the promised “stability and clarity.”

Gordon illustrates another danger of the presumptive laches approach. Rather than balancing the equitable considerations to determine if the suit was barred, the court instead mechanically applied the six-year statute of limitations.¹⁵³ In light of the deference given the statute of limitations in *Tandy*, this result is not surprising.¹⁵⁴ Following *Tandy* to its logical end, however, eviscerates the language of the Lanham Act requiring that damages and injunctions be awarded according to the principles of equity.¹⁵⁵ Additionally, it shows that even though the presumptive approach prevents courts from short-circuiting the consideration of difficult issues on the merits, it does so at the cost of encouraging courts to short-circuit issues on special defenses.

In addition to confusing courts and upsetting the entire application of equitable principles to trademark law, the presumption approach encourages forum shopping. As indicated above, the statute of limitations in New York may well be six years. For potential plaintiffs, Oregon—with a statute of limitations of two years for trademark infringement—is a much

148. *Id.* at 1528 (quoting *PepsiCo, Inc. v. Dunlop Tire & Rubber Corp.*, 578 F. Supp. 196, 199 (S.D.N.Y. 1984) (quoting Lanham Act § 45, 15 U.S.C. § 1127)).

149. *See id.* at 1528–30.

150. *Id.* at 1529 (quoting *Constr. Tech. Inc. v. Lockformer Corp.*, 704 F. Supp. 1212, 1219–21 (S.D.N.Y. 1989)).

151. *Id.* at 1528–30.

152. *Id.* at 1529.

153. *See id.* at 1528–30.

154. *See Tandy Corp. v. Malone & Hyde, Inc.*, 769 F.2d 362, 366 (6th Cir. 1985).

155. *See* 15 U.S.C. §§ 1116 (a), 1117(a) (2006).

less desirable forum.¹⁵⁶ A plaintiff who can establish jurisdiction in South Carolina seems to be able to avoid application of a statute of limitations entirely.¹⁵⁷ As shown by this small sampling, there is an extremely large amount of variety in the statutes of limitations for different jurisdictions. The result is even less uniformity than before *Tandy* and an incentive for plaintiffs who have slept on their rights to find some way to establish jurisdiction in a state like South Carolina so they can still bring their claims.

IV. SOLUTIONS TO THE LACHES PROBLEM

The confusion resulting from *Tandy* needs to be addressed. Two possible options are a Supreme Court case addressing the issue and an amendment to the Lanham Act establishing a clear laches doctrine for trademark infringement. A Supreme Court case would have the potential to return trademark law to the pre-1985 situation in which only equitable considerations apply. Although this would provide more uniformity, it would also return to the uncertainty that concerned the Sixth Circuit. An alternative would be to amend the Lanham Act to preserve the equitable concerns of the longstanding approach to laches while providing some uniform and definite time limits.

The traditional laches analysis was anything but ambiguous when there was willful infringement or when there was detrimental reliance on the delay of the mark holder.¹⁵⁸ Regarding the former, one of the rules applying to laches was that a willful infringer could not use laches as a defense.¹⁵⁹ Rather than being ambiguous, it calls for the court to determine if there is a showing of willful infringement; if so, then laches is not available and the suit proceeds.¹⁶⁰ At the other extreme is the situation in which there was delay by the plaintiff and resultant reliance by the defendant.¹⁶¹ This scenario would result in the suit being barred by laches.¹⁶² Again, the court is required to make some factual determinations

156. See *Johannsen v. Brown*, 797 F. Supp. 835, 839–40 (D. Or. 1992).

157. *Thrifty Rent-A-Car Sys. Inc. v. Thrifty Auto Sales of Charleston, Inc.* 849 F. Supp. 1083, 1086 (D.S.C. 1991) (“Because mark infringement is a continuing wrong, it gives rise to a claim for relief as long as the infringement persists.”).

158. See *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 102–03 (1918).

159. See *id.*

160. See *id.*

161. See *id.*

162. See *id.*

and the result is anything but ambiguous.¹⁶³ As a result, keeping these two rules would preserve the equitable considerations while adding negligible uncertainty.

Greater uncertainty exists in a scenario in which the infringement is not willful and there is no significant detrimental reliance on the delay by the defendant.¹⁶⁴ In this scenario, an arbitrary line must be drawn in order to determine when the suit is barred by laches. The solution espoused by the Sixth Circuit was to use the state statute of limitations to draw this line.¹⁶⁵ As shown above, this approach only increases the uncertainty of applying laches to trademark law. A better approach is to have Congress establish a uniform time period for bringing a suit. With this approach, the fact-finding ability of Congress can be used to determine the ideal point of time when the mark holder has had sufficient notice that they should have brought suit, while providing the alleged infringer with the ability to retain and continue using their mark once the statutory period had been met.

In sum, the new rule would mandate that (1) a willful infringer is subject to a trademark infringement suit at any time, regardless of the amount of time that has passed; (2) a plaintiff cannot bring suit against a defendant who has relied upon the plaintiff's acquiescence to the use of the name; and (3) when the infringement is not willful and there is no significant reliance, the suit must be brought within a congressionally defined number of years from the first infringing act. This new approach would provide the certainty sought by the Sixth Circuit while avoiding the significant collateral damage that was done to the equitable concerns.

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163. *Id.*

164. *Id.*

165. Tandy Corp. v. Malone & Hyde, Inc., 769 F.2d 362, 365 (6th Cir. 1985).

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