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BLOGS

Trademarks

Minnesota Court Enjoins Website From Trademark Infringement

In *Doctor's Associates, Inc. v. Subway.SY LLC*, 2010 U.S. Dist. LEXIS 83223 (D. Minn. Jul. 30, 2010), the plaintiff franchisor, which owns numerous trademarks associated with the SUBWAY sandwich restaurant chain, obtained a permanent injunction against a defendant who operated an infringing Web site in Syria. The defendant formed Subway.SY LLC in 2008 and used images copied directly from plaintiff's Web site on its own Web site and Facebook page, which advertised the opening of a "Subway" restaurant shop in Syria. Although the defendant claimed that the Web site was not operated within the United States, the LLC was headquartered in Eden Prairie, Minnesota, and the defendant attempted to register the infringing trademark and assumed name with the Minnesota Secretary of State. The plaintiff sought summary judgment on claims for trademark infringement and unfair competition under the Lanham Act, violation of the Anti-Cybersquatting Consumer Protection Act under 15 U.S.C. § 1125(d)(1), and cancellation of the Minnesota trademark registration. The court awarded summary judgment on all of the plaintiff's claims.

Despite the summary judgment, the defendant continued to use the trademarks and sought to register the domain name Subway.sy with the Minnesota Secretary of State, prompting the plaintiff to file a motion for a permanent injunction. The court granted the motion, finding that the evidence overwhelmingly favored the issuance of injunctive relief. First, the continued use of infringing marks demonstrated irreparable harm to the plaintiff. Second, the court held that the balance of hardships favored a permanent injunction because "[t]here is not cognizable harm to defendant from being enjoined from doing something that is against the law and for which [he] has already been found liable." Third, the court found that the public has an interest in the enforcement of valid trademarks and the right not to be confused by an infringing mark. Turning to damages, the court awarded statutory damages of \$25,000 under the Lanham Act, finding that the defendant acted "willfully" by continuing to infringe on the plaintiff's marks after the court told him that he was violating the law. The court also awarded the plaintiff its entire request for attorneys' fees, holding that this was an "exceptional case" of egregious conduct of a defendant that warranted the award of attorneys' fees and costs. In addition, the court awarded statutory damages under the Anti-Cybersquatting Consumer Protection Act in the amount of \$25,000.