TAKing Down Trademark Bullying: Sketching the Contours of a Trademark Notice and Takedown Statute

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I. INTRODUCTION

“We have removed or disabled access to the following content that you have posted on Facebook because we received a notice from a third party that the content infringes or otherwise violates their rights: [insert your Facebook page name here].” For many college or high school students, such a message might result in social angst at losing access to a primary means of communication. In an increasingly socially-interconnected business world, however, a business receiving such a message stands to lose much more: “friends,” “likes,” connections, customers, reputation, and ultimately, revenue. The means by which access to a business’s online content may be curtailed by online intermediaries (“OIs”) vary immensely, but often arise out of an alleged breach of a third party’s copyrights or trademarks. While the Digital Millennium Copyright Act (“DMCA”) provides for uniform, non-litigation mechanisms for pursuit and defense of claims of copyright infringement on the internet through a structured “notice and takedown” system (“NTS”), no such mechanism exists for trademark infringement. Businesses attempting to enforce trademarks or defend against alleged infringement are left at the whim of OIs’ varying policies and procedures in a “race to the bottom” whereby OIs seek (perhaps arbitrarily) to protect themselves from being construed as trademark infringers or being held liable on a contributory basis for user infringement, all without regard for the merits (or lack thereof) underlying the assertion or defense of trademark rights by users and third parties.

The following four fictional scenarios (based on actual events) demonstrate the wide-ranging effects of OIs’ responses to trademark disputes on the Internet:

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1 By “online intermediaries,” we mean internet service providers (ISPs) and other providers/hosts of websites ranging from social media (e.g., Facebook) to auction (e.g., eBay) to search engines (e.g., Google) and others.
2 “Trademark” as used in this Essay means any trademark, service mark, trade dress, or other logo, symbol, etc. used as an indicator of the source of goods and/or services.
1. Oakley notices that counterfeit sunglasses bearing the OAKLEY logo are being sold by an eBay reseller. Oakley notifies eBay of the infringement and eBay, applying its policies, shuts down the reseller’s site selling the counterfeit sunglasses, disabling the reseller’s user account.  

2. Small Business 1 (“SB1”), which holds a service mark registration for GREEN in connection with services described as “garden design,” competes with Small Business 2 (“SB2”), which holds a trademark registration for GREENBOX in connection with goods described as “raised garden planters.” SB1 notifies SB2’s ISP that SB2’s use of GREENBOX infringes upon SB1’s service mark. The ISP, applying its policies, shuts down SB2’s webpage.

3. Joe Smith, upset about buying an iPhone 4S for full price on the eve of the launch of the iPhone 5, frivolously and falsely notifies Facebook that Apple’s Facebook page is infringing his non-existent trademarks. Facebook, applying its policies, shuts down Apple’s Facebook page, disabling its user account, and deleting all connections to “friends” and users who “like” Apple.

4. High Fashion Designer (“HFD”) notices that a high number of its handbags bearing its trademarks are being legitimately resold in the secondary market by resellers. HFD, in order to curtail such resale and augment direct sales, notifies eBay, and eBay, applying its policies, shuts down each reseller’s site, disabling each of their user accounts.

This Essay uses the above scenarios to illustrate the breadth of potential disputes that should be mediated by an effective trademark NTS. In addition, an examination of several threshold points

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See generally Tiffany Inc. v. eBay, Inc., 600 F.3d 93 (2d Cir. 2010) (describing the counterfeit sale of jewelry on eBay).


See, e.g., Tiffany, 600 F.3d at 98 (discussing allegations that one of Tiffany’s goals in pursuing litigation was to “shut down the legitimate secondary market in authentic Tiffany goods”).
regarding the scenarios is instructive. First, the Oakley, Apple, and HFD disputes above elicit a normative response applying trademark laws—Oakley “should” be able to shut down counterfeiters, Apple “should not” be affected by frivolous trademark assertions, and HFD “should not” be able to assert its trademarks as “trademark bullying” against legitimate secondary market sellers. However, it is only in the Oakley example that the OI’s action of shutting down the site results in a normative outcome. If the OIs’ default policies instead were to “do nothing,” then the Apple and HFD examples would result in normative outcomes, and the Oakley example would result in an incorrect outcome. Second, regardless of the default action by the OI, the Small Business dispute may require a context-specific analysis to achieve a normative result consistent with the application of trademark laws. Trademark NTS structures should be designed to achieve the normative result as frequently and consistently as possible across a broad spectrum of potential disputes without undue effort by OIs.

As discussed further below, others have recognized the need for a uniform, non-litigation trademark NTS, generally offering proposals that, like the DMCA, establish a “safe harbor” for OIs as long as they follow certain steps in response to a notice of infringement. This is a critical underlying incentive that ensures widespread adoption and consistency, but designing a trademark NTS around the needs of OIs, or any other single constituency or normative goal of trademark law, misses the subtle distinctions inherent in online trademark disputes. In this Essay, we propose a broadly applicable framework (for which our four scenarios serve as archetypical examples) with which to evaluate proposed trademark NTSs and then briefly apply that framework to several existing proposals. Before introducing our framework, however, we briefly highlight the existing laws in the area of trademark takedown and contrast them with the DMCA.


10 See, e.g., Louis Vuitton Malletier, S.A. v. Akanoc Solutions, Inc., 658 F.3d 936, 936 (9th Cir. 2011) (noting that if an OI took such a posture, it could be construed as a trademark infringer or held liable for contributory infringement).

11 An exhaustive review and comparison of such laws is outside the scope of this Essay.
II. PROSECUTING & DEFENDING CLAIMS OF ONLINE TRADEMARK INFRINGEMENT

Unfortunately, the law provides no uniform, non-litigation recourse for those who want to prosecute or defend claims of trademark infringement on the internet. Instead, disputes regarding alleged online trademark infringement are governed by one or more of the following sources, none of which is comprehensive, broadly applicable, or drafted to address the unique issues present in online trademark infringement.

The Common Law and the Lanham Act.\(^{12}\) Trademark owners can pursue common law trademark infringement claims in state court under state law, regardless of whether the mark at issue is federally registered.\(^{13}\) However, owners of federally registered marks also can pursue federal trademark infringement claims in federal court under Section 32 of the Lanham Act.\(^{14}\) Although owners of unregistered marks cannot bring federal infringement claims,\(^{15}\) the federal courts are not completely closed to them.\(^{16}\) Regardless of the basis or venue, however, litigation is expensive and time-consuming, making it undesirable and simply out of reach for many parties.

Moreover, although the Lanham Act has a provision specifically directed to online trademark use, its scope is limited to the use of a


\(^{13}\) See, e.g., Frequently Asked Questions About Trademarks, USPTO.GOV, http://www.uspto.gov/faq/trademarks.jsp#Toc275426681 (last modified Mar. 9, 2012, 11:02 AM) (“Federal registration is not required to establish rights in a trademark. Common law rights arise from actual use of a mark and may allow the common law user to successfully challenge a registration or application.”); see also, N.C. GEN. STAT. § 80-13 (2003) (“Nothing herein shall adversely affect the rights or the enforcement of rights in marks acquired in good faith at any time at common law.”).


\(^{15}\) See, e.g., Frequently Asked Questions About Trademarks, supra note 13 (listing “[t]he ability to bring an action concerning the mark in federal court” as one of “the benefits of federal trademark registration”).

\(^{16}\) See 15 U.S.C. § 1125 (2006). This section, which prohibits the use in commerce of “any word, term, name, symbol, or device, or any combination thereof” that “is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of [the user] with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person,” has been interpreted by the federal courts as providing a federal cause of action for claims of infringement of unregistered marks that have acquired distinctiveness—i.e., secondary meaning—in the relevant marketplace. See J. Thomas McCarthy, Lanham Act § 43(a): The Sleeping Giant Is Now Wide Awake, 59 LAW & CONTEMP. PROBS. 45, 45-46 (1996).
domain name that is identical or confusingly similar to, or, in the case of a famous mark, dilutive of, another person’s mark. Mark owners also have made extensive use of dilution claims under Lanham Act Section 43(c) against persons using their mark, or a variation of it, as a domain name. Unfortunately, neither of these provisions is useful in the context of other potentially infringing online trademark uses.

**ICANN.** The Internet Corporation for Assigned Names and Numbers (“ICANN”), which administers the internet name and address system on a global level, has an alternative dispute resolution policy, the Uniform Domain-Name Dispute Resolution Policy (“UDRP”), that governs domain name conflicts. Like the Lanham Act provisions discussed in the preceding paragraph, however, the ICANN dispute resolution policy does not address all forms of online trademark infringement.

**Website Terms and Conditions and Other Policies.** In the absence of regulation, many OIs have terms and conditions and other policies that generally prohibit their users from infringing the intellectual property rights of others and provide for removal of infringing content. Sometimes, these terms and conditions prescribe procedures for mark owners to send notice of such infringement and for alleged infringers to challenge the notice. While these policies help fill the void left by the other sources discussed above, they also often create the opportunity for a “self-help end-around” of court proceedings.

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19 Indeed, the legislative history of the Federal Dilution Act, which added subsection (c) to Section 43 of the Lanham Act, suggests that the legislation was intended to apply to domain names and provide a remedy for the situation in which one entity registers a domain name consisting of someone else’s famous mark. See 141 CONG. REC. S19311-01 (daily ed. Dec. 29, 1995) (statement of Sen. Patrick Leahy) (“[I]t is my hope that this antidilution statute can help stem the use of deceptive Internet addresses taken by those who are choosing marks that are associated with the products and reputations of others.”).
21 See FACEBOOK, http://www.facebook.com/#!/legal/terms (last updated Apr. 26, 2011) (Facebook’s terms, entitled “Statement of Rights and Responsibilities,” link to pages entitled “How to Report Claims of Intellectual Property Infringement” and “How to Appeal Claims of Copyright Infringement”); see also EBAY, http://pages.ebay.com/help/policies/questions/vero-ended-item.html (last visited May 16, 2012) (eBay’s Verified Rights Owner (“VeRO”) Program was developed to provide a procedure for intellectual property rights owners to ask eBay to remove certain listings that offer infringing items or contain infringing materials).
22 If, for example, in the Small Business scenario, SB1 and SB2 were involved in a trademark opposition case, SB1’s actions to take down SB2’s webpage could achieve SB1’s desired result much more quickly and efficiently than through the
Conspicuously absent from the above list is the DMCA and its NTS.\textsuperscript{23} As its name would imply, however, the DMCA applies only to instances of alleged copyright infringement.\textsuperscript{24} There is no statutory equivalent in the Lanham Act.\textsuperscript{25} Thus, trademark owners who seek to protect their marks from infringement, and parties who have been accused of online infringement, are left to fend for themselves and fashion a remedy using one of the blunt instruments described above, or even attempt to shoe-horn their claims into the DMCA’s NTS. As described above, this uncertainty and lack of uniformity encourages trademark bullying and other sub-optimal results because OIs receiving takedown notices regarding infringing content are inclined simply to protect themselves by removing the content indefinitely and leaving the involved parties to resolve their dispute.\textsuperscript{26} This amounts to a pro-plaintiff legal regime where the party who shoots first wins,\textsuperscript{27} especially in cases in which an innocent party does not have the resources to hire counsel to challenge false accusations of trademark infringement.

\textbf{III. THE DIGITAL MILLENNIUM COPYRIGHT ACT}

Congress enacted the DMCA in part to “provide certainty for copyright owners and Internet service providers with respect to court process,$^2$ but this should not be allowed. Such self-help dynamics alter the statutorily intended function of court resolution of difficult trademark issues and dramatically corrupt the parties’ incentives.\textsuperscript{23} 17 U.S.C. § 512(c) (2006) (“A service provider shall not be liable for . . . infringement of copyright by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider, if the service provider” meets certain criteria) (emphasis added).\textsuperscript{24} Id.


\textsuperscript{26} See Ken Fisher, \textit{Facebook Shoots First, Ignores Questions Later}, ARS TECHNICA, (Apr. 28, 2011, 2:37 PM), http://arstechnica.com/business/news/2011/04/facebook-shoots-first-ignores-questions-later-account-lock-out-attack-works.ars (commenting on how easy it is “to file a malicious claim and take down an entire brand’s page” and observing that “it seems the only way to resolve the issue [when Facebook disables a page due to a claim of infringement] is to get the original complainant [sic] to retract the claim”). While this article speaks of alleged copyright infringement, the discussion is equally applicable to trademark infringement.

\textsuperscript{27} To illustrate, consider the long-running debate over whether Han Solo or Greedo shoots first in the cantina scene of the first Star Wars movie: regardless of who shot first, Greedo is still dead.
copyright infringement liability online” by “clarifying] the liability faced by service providers who transmit potentially infringing material over their networks.”

Accordingly, the DMCA has two main components. First, it provides a “safe harbor” for an OI whose service hosts or transmits infringing work, but only if the OI meets certain statutory requirements. Second, the DMCA provides a mechanism by which a copyright owner can give an OI notice that it is hosting infringing material. Upon receipt of such a notice, the OI must “respond[] expeditiously to remove, or disable access to, the material that is claimed to be infringing or to be the subject of infringing activity.” The OI then must take “reasonable steps” to notify the owner of the allegedly infringing content that the content has been removed or rendered inaccessible.

Unlike the procedures typically followed by many OIs in cases of alleged trademark infringement, the DMCA gives the accused infringer an opportunity to “counter notify” the OI if it believes the removal of its content is in error. The DMCA also, however, provides a ten-to-fourteen business day period in which the content will not be restored in anticipation of the accuser instituting legal action. Accordingly, commentators have criticized the DMCA for being pro-accuser. This lack of attention to the competing interests of the accuser and the accused is perhaps unsurprising given the pro-OI policy underpinnings of the DMCA.

Equally unsurprising is the fact that legal scholars and other commentators have put forth suggested statutory schemes governing

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29 See 17 U.S.C. § 512(c) (2006); see also ALS Scan, Inc. v. Remarq Cmtys., Inc., 239 F.3d 619, 625 (4th Cir. 2001) (stating that the service provider must be “innocent” and lack knowledge of the ongoing infringement).
33 See Fisher, supra note 26 (observing that “it seems the only way to resolve the issue [when Facebook disables a page due to a claim of infringement] is to get the original complaintant [sic] to retract the claim”).
36 See, e.g., Tim Bukher, The Dumbest Examples of Online Copyright Law Enforcement, BUS. INSIDER (Nov. 23, 2011), http://articles.businessinsider.com/2011-11-23/tech/30432335_1_dmca-claims-of-trademark-infringement-content (discussing three cases in which “the innocent parties were ultimately successful in getting their content back online but only after having had their content down for, at minimum, the two week period that the DMCA sets out for takedown counter-notices” and noting that “[i]n the realm of internet business, where memes and popularity swell and fade like flash floods, two weeks can seriously hurt a business”).
allegations of online trademark infringement modeled on the DMCA. Because these proposals, like the DMCA, focus on providing a “safe harbor” for OIs, their proponents, like the 105th Congress that passed the DMCA, often stop short of fully analyzing how the system will affect the broad spectrum of potential accusers and accused.

IV. EVALUATING PROPOSED TRADEMARK NOTICE-AND-TAKEDOWN STATUTES

In order to effectively evaluate proposals regarding a trademark NTS, we suggest the following analytical framework, which begins by defining a broad spectrum of constituencies who potentially may assert or infringe trademark rights:

<table>
<thead>
<tr>
<th>Potential Asserters of Trademark Rights</th>
<th>Purported Infringers of Trademark Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holds registered “Famous Mark” (“FM”), clear basis for trademark (“TM”) claim</td>
<td>Seller of counterfeit goods</td>
</tr>
<tr>
<td>Holds registered trademark, clear basis for TM claim</td>
<td>Other infringer, clear infringing action</td>
</tr>
<tr>
<td>Holds registered “Famous Mark” (“FM”), unclear basis for TM claim</td>
<td>Other infringer, unclear infringing action</td>
</tr>
<tr>
<td>Holds registered trademark, unclear basis for TM claim</td>
<td>Potentially similar mark, same class of use</td>
</tr>
<tr>
<td>Holds common law trademark only</td>
<td>Similar mark, different class of use</td>
</tr>
<tr>
<td>Holds no trademark</td>
<td>Fair use users</td>
</tr>
<tr>
<td>Spurious/frivolous holder of trademark</td>
<td>Legitimate seller of authentic goods</td>
</tr>
</tbody>
</table>

Because a trademark NTS mediates disputes amongst parties, it is useful to evaluate such system’s application to disputes between various combinations of the above constituencies. The below matrix illustrates anticipated normative outcomes resulting from any such combination:

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37 “Registered” means federal registration under the Lanham Act.
38 “Unclear basis for TM claim” means a potential assertion where a likelihood-of-confusion analysis (for which a court is best suited) may be required.
In the above matrix, the dark region corresponds to the clearest cases in which the normative result is an infringement determination, and a trademark NTS should establish an easy path to enable the potential asserter to curtail infringing activity. The un-shaded and dotted regions of the matrix correspond to the clearest cases in which the normative result is a determination of no infringement, and a trademark NTS should establish an easy path to enable the purported infringer to successfully counter and defend against infringement allegations. There are two general types of such cases: frivolous assertions by those holding no trademark rights whatsoever (unshaded region), and the blatant form of “trademark bullying” where legitimate holders assert their trademarks against fair use or legitimate sales (dotted region). Finally, the gray region corresponds to the difficult, context-specific cases where the normative result is unclear and would warrant further analysis or court resolution. These are the cases where unclear case law, variations between not only the marks, but also the associated goods and services, and distinctions between uses all complicate the analysis; a trademark NTS may merely establish a mechanism for identifying (rather than resolving) such cases. The scenarios presented in Part I are numbered in the matrix above, serving as archetypical examples of disputes in each of these regions, although as noted previously, with non-normative outcomes in certain instances. Clearly, the range of potential scenarios is far broader than our four examples, but we have selected each of them for the purpose of providing straightforward, yet varied, points of application for evaluating proposed trademark NTSS.

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39 A more fulsome evaluation of any trademark NTS might benefit from an extrusion of our four examples to the full parameters of the matrix (likely including continued . . .)
To demonstrate application of our framework, the following two sub-parts present two proposals, and the third sub-part evaluates the proposals against each of the four scenarios.

A. The “Safe Harbor for Trademark Infringement”

In a 2009 Note in the Berkeley Technology Law Journal, Elizabeth K. Levin proposes a safe harbor within trademark law in line with the DMCA’s goals of preserving strong incentives for OIs and trademark holders to address online infringement and limit OIs’ exposure to suit.\(^\text{40}\) The resulting proposal is aimed at protecting online auction sites, and would incorporate the DMCA’s prerequisites for safe harbor protection found in 17 U.S.C. § 512(c)(1)-(C),\(^\text{41}\) as well as eliminate any requirement that the sites “track users in a particular way or affirmatively police users for evidence of repeat infringement.”\(^\text{42}\) Additionally, the proposal would incorporate procedures for notification and counter-notification based on the DMCA.\(^\text{43}\) The proposal would not, however, require the service provider to wait ten to fourteen business days to restore access to the allegedly infringing material after receipt of a counter-notice.\(^\text{44}\) Rather it would “require the auction site to repost the listing within a slightly shorter period of time in order to encourage ISPs to repost legitimate content quickly, especially where the complaint is frivolous.”\(^\text{45}\)

B. The “Expedited Dispute Resolution Proceeding”

Frederick W. Mostert and Martin B. Schwimmer propose a two-

\(^\text{40}\) Levin, supra note 25, at 521.
\(^\text{41}\) Id. at 522.
\(^\text{42}\) Id. (stating that this provision would be “like section 512(i) of the DMCA”).
\(^\text{43}\) Id. at 523.
\(^\text{44}\) See 17 U.S.C. § 512(g)(2)(C) (2006) (requiring a service provider to “replace[] the removed material and cease[] disabling access to it not less than 10, nor more than 14, business days following receipt of the counter-notice, unless its designated agent first receives notice from the person who submitted the notification . . . that such person has filed an action seeking a court order to restrain the subscriber from engaging in infringing activity relating to the material on the service provider’s system or network”).
\(^\text{45}\) Levin, supra note 25, at 524-25. Although the author notes that the DMCA—in requiring that contested material remain off the internet until any litigation between the copyright owner and the alleged infringer is resolved—effectively gives the plaintiff “the benefit of an injunction without meeting the traditional standard required for an injunction,” she does not propose a way to avoid this situation.
part, expedited dispute resolution proceeding to filter and address online trademark disputes as efficiently as possible. The Mostert and Schwimmer proposal and article, however, primarily focus on disputes similar to the Oakley scenario—namely enforcement by a famous mark holder against counterfeitors in an online auction/marketplace forum. As noted above, we believe this category of disputes to be the clearest case where the normative result is an infringement determination—the sale of counterfeit goods strikes at fundamental goals of trademark law to provide certainty of origin and reliability of quality—and the primary question in such a case is a factual one, namely whether a good is or is not counterfeit.

The other difficult context-specific questions might not arise in this category.

The first phase of the proposed proceeding is a mandatory notice and takedown/safe harbor procedure resembling the DMCA and eBay’s VeRO system, followed by an arbitration phase. Notice and takedown is initiated by a trademark owner filing a short notice to an agent of the OI stating its good faith belief that a website is “offering goods that infringe its rights.” Notice also includes certain information regarding the owner’s rights in the trademark, basis for takedown, and other elements including the owner’s verifiable contact information and a declaration under penalty of perjury. The OI notifies the purported infringer, but does not immediately remove the content unless the OI has no verifiable contact information (in which case removal is automatic). If the purported infringer fails to
respond or responds inadequately, the infringing content is removed. The purported infringer may respond with a counter-notice, which must contain verifiable contact information, in which event the parties can enter into discussions or select an abbreviated arbitration proceeding. If such a counter-notice is filed, the purportedly infringing content remains online until the dispute is otherwise resolved. The system also incorporates a check against “bad faith” assertions, but looks to Rule 11 of the Federal Rules of Civil Procedure as a starting point, rather than a difficult-to-prove subjective “bad faith” standard.\footnote{See id. at 278-79 (explaining that bad faith \textit{rarely} has, if ever, been proven in a case under the comparable provision of the DMCA).}

\section*{C. Evaluation of Proposals}

\subsection*{1. Scenario 1: The Oakley Dispute}

In the Oakley scenario, the owner of a registered trademark discovers blatant infringement—the offering for sale of counterfeit goods online. Here, both of the foregoing proposals would minimize the time, effort, and, therefore, money the trademark owner would expend in figuring out an initial, non-litigation remedy. Thus, it might encourage more trademark owners to take steps to protect their trademark rights in the face of the type of clear-cut infringement that trademark laws seek to combat. In particular, a framework in line with the Mostert and Schwimmer proposal might resolve many cases at the default stage, either because of lack of verifiable contact information for the purported infringer, failure to respond, or inadequate counter-notice. In the unlikely circumstance that a seller of truly counterfeit goods provided an adequate counter-notice, Oakley would have the capacity to seek more traditional legal remedies in order to achieve its desired outcome.

Note, however, that the timing of the actual takedown of the purportedly infringing content differs between the two proposals; Levin’s proposal would immediately result in removed content, whereas there could be a delay (at least until default or failure to properly respond) under the Mostert and Schwimmer proposal. In the context of sales of infringing goods, especially by means of time-limited auctions, even a several day delay could result in unimpeded sales of infringing goods, and provide infringers with the ability to close up shop and reopen under another name before a takedown is successful. Accordingly, although outside the scope of this Essay, it

by trademark law.
might be worth considering context-specific takedown timing. For example, for purportedly infringing sales of counterfeit goods in an online auction site or marketplace, content removal could be immediate, but for other categories of infringement or other OIs (such as Facebook or an ISP with respect to an owned website), a delay until default or inadequate counter-notice might be more appropriate. Alternatively, there might be other mechanisms whereby OIs could manage and disincentivize users who show a repeated pattern of receiving takedown notices and closing up shop only to reopen under another guise.

2. **Scenario 2: The Small Business Dispute**

In the Small Business scenario, the owner of a registered trademark (SB1) discovers what might be infringement under a likelihood-of-confusion analysis. As in Scenario 1 above, because each proposal would minimize the time, effort, and money SB1 would have to expend in figuring out an initial, non-litigation remedy, both proposals might encourage more trademark owners to take steps to protect their trademark rights. Conversely, because liability is not clear-cut in this scenario, each proposal’s counter-notice provision would provide a means for an accused infringer, like SB2, to protect its rights and restore content, thereby discouraging abuse by trademark bullies seeking to take down competitors indefinitely. However, because Levin’s proposal does not clearly define the amount of time that an OI must wait before restoring the content, and also does not state whether the allegedly infringing material must stay off the internet during the pendency of litigation, it is difficult to evaluate whether Levin’s proposal does enough to discourage abuse. Moreover, it likewise is difficult to evaluate whether the proposed periods of downtime would be so long as to have a potentially devastating effect on SB2’s business. The Mostert and Schwimmer proposal, however, would keep the content online in the event of an adequate counter-notice, preserving the status quo and enabling the parties to pursue traditional resolution methods of negotiation, arbitration or litigation.

In each of these proposals, however, there does not appear to be a mechanism that accounts for pre-existing litigation between parties involved in an online notice-and-takedown dispute, especially when the self-help takedown attempts to circumvent the impartial litigation process designed to resolve the underlying dispute.\textsuperscript{54} Accordingly, it

\textsuperscript{54} See supra note 22.
might be worth considering adding a layer to the form of counter-
notice, where the purported infringer can indicate that the parties are
involved in pre-existing litigation or trademark opposition
proceedings, which will effectively bar a takedown from occurring,
absent a resolution in the litigation or opposition proceeding to the
contrary.

Finally, in scenarios comparable to this Small Business scenario,
we would not expect a trademark NTS to quickly and easily resolve
disputes. Instead, these often will require the context-specific analyses
for which court mechanisms are best suited. The role of a trademark
NTS with respect to disputes of this type is primarily one of
identification and filtering to ensure that the easy cases are handled via
the NTS, and only the more context-specific and difficult cases reach
court (assuming they do not settle on the way to the courthouse).

3. Scenario 3: The Apple Dispute

In the Apple scenario, Joe Smith makes a fraudulent claim of
trademark infringement that results in Facebook disabling Apple’s
user account. Each of the proposals would incorporate a notice
procedure that includes verifiable contact information for the infringer
and a declaration under penalty of perjury. Provisions such as these
could prove useful in deterring would-be accusers such as Joe Smith.
Additionally, Levin’s proposal would afford Apple with a chance to
send a counter-notice that could trigger Facebook’s obligation to
restore the account if no legal action is commenced. However, as
noted in the analysis of Scenario 2 above, Levin’s proposal does not
identify the duration for which content is rendered inaccessible or
whether such duration would effectively prevent trademark bullies,
large and small, from achieving the desired effect of harming a
business. The Mostert and Schwimmer proposal, on the other hand,
would not have removed Apple’s content in the first place.

Although remedies for a “bad faith” assertion (as might be implicit
in Levin’s proposal or covered by reference to Rule 11 of the Federal
Rules of Civil Procedure in the Mostert and Schwimmer proposal)
exist, it is not entirely clear whether such remedies offer a significant
enough disincentive for frivolous accusers. It might be worth
considering in this case, as in the analysis of Scenario 1 above,
context-specific takedown timing with respect to accusers alleging
infringement by holders of famous marks, which could provide a
thumb on the scale in order to ensure that a likely frivolous accusation
does not result in an automatic takedown of a “famous mark”-related
website. Alternatively, filtering mechanisms could weed out frivolous
assertions, if directed towards verification of a potential asseter’s
identity or verification of existing trademark rights, certain of which could be automated or centralized.\textsuperscript{55}

4. Scenario 4: The High Fashion Designer Dispute

In the High Fashion Designer scenario, the owner of a registered trademark discovers a fair use of its mark in connection with resales online, but attempts to curtail such fair use in order to strengthen its direct sales of goods. Here, Levin’s proposal would require the service provider to keep the allegedly infringing content off the internet for some period of time, even in the face of a fraudulent notice. In the case of a small reseller, this is potentially devastating.\textsuperscript{56} The Mostert and Schwimmer proposal, however, would not have removed the content in the first place, and the content would remain online assuming the reseller provides adequate counter-notice. The Mostert and Schwimmer proposal would then effectively shift the burden back upon HFD to exert pressure upon the reseller, where the existence of negotiation, litigation, and arbitration remedies are more effective at ferreting out legitimate claims by HFD against unauthorized resales, and discourage continued pursuit of illegitimate claims by HFD against fair use resales of goods.

\textsuperscript{55} Given the relatively clean slate in this arena, it is at least worth considering the establishment of a centralized system and mechanism that facilitates and maximizes efficiencies in the notice-and-takedown process, rather than relying upon decentralized OIs to review, process, and respond to notices and counter-notices on a case-by-case basis. For example, any OI who wishes to avail itself of a safe harbor with respect to direct or contributory trademark infringement could register with a Centralized Trademark Registration and Notice System (“CTRNS”), designating an employee as the point person to communicate with CTRNS. Notice and takedown instructions on participating OI websites would direct (or re-direct) potential asserters to file a takedown notice that would be processed by CTRNS, which will review it for conformity, conduct automated filtering directed towards verifying identity, verify existing trademark rights, verify jurisdiction, and otherwise ensure the quality of takedown notices that are ultimately transmitted by CTRNS to the participating OI point person. The OI then would re-direct the processed/filtered notice to the purported infringer, and any default or counter-notice would be re-transmitted to CTRNS for similar centralized processing, verifying identity, verifying existing disputes between the parties, etc. Such a centralized system could improve the quality, consistency, and predictability of trademark takedown disputes, helping filter out the frivolous, and perhaps ultimately devising further heuristics to characterize patterns of infringing behavior or trademark bullying that can be strategically addressed by further systemic modifications or regulation.

\textsuperscript{56} See Bukher, \textit{supra} note 36 (“In the realm of internet business, where memes and popularity swell and fade like flash floods, two weeks can seriously hurt a business.”).
V. Conclusion

Within the parameters of this brief “Practitioner’s Essay” we have commented upon a practical problem that lawyers and their clients face on a frequent basis, and for which the available remedies are ill-fitting for a potential asserter of trademark rights and for parties wrongfully accused of infringement. Although much of the potential for analysis of this issue is outside the scope of this Essay and forum, it is our desire for this Essay to at least scratch the surface of this issue in a unique way that furthers analysis and commentary on the wide-ranging implications of and considerations related to trademark takedown notices and trademark bullying. While we and numerous others before us have expended efforts to devise, categorize, and identify the “best” trademark notice-and-takedown system possible (perhaps magnified by criticisms and perceived faults in the DMCA), it is our firm conviction that in this arena, even an imperfect solution is better than nothing.