

2015

Keeping the Status Quo: Why Continuing to Recognize the Presumption of Irreparable Harm in False Comparative Advertising Protects the Market

Max Dillan

Follow this and additional works at: <https://ir.lawnet.fordham.edu/jcfl>



Part of the [Business Commons](#), and the [Law Commons](#)

Recommended Citation

Max Dillan, *Keeping the Status Quo: Why Continuing to Recognize the Presumption of Irreparable Harm in False Comparative Advertising Protects the Market*, 20 Fordham J. Corp. & Fin. L. 933 (2015).
Available at: <https://ir.lawnet.fordham.edu/jcfl/vol20/iss4/2>

This Note is brought to you for free and open access by FLASH: The Fordham Law Archive of Scholarship and History. It has been accepted for inclusion in Fordham Journal of Corporate & Financial Law by an authorized editor of FLASH: The Fordham Law Archive of Scholarship and History. For more information, please contact tmelnick@law.fordham.edu.

Keeping the Status Quo: Why Continuing to Recognize the Presumption of Irreparable Harm in False Comparative Advertising Protects the Market

Cover Page Footnote

J.D. Candidate, Fordham University School of Law, 2016; B.S., Smeal College of Business, The Pennsylvania State University, 2013. I wish to express my sincere gratitude to Professor Caroline Gentile for her advice and guidance with this Note. I would also like to give my thanks to my family and friends for their tremendous support.



FORDHAM

JOURNAL OF
CORPORATE & FINANCIAL LAW

KEEPING THE STATUS QUO: WHY CONTINUING TO
RECOGNIZE THE PRESUMPTION OF IRREPARABLE HARM IN
FALSE COMPARATIVE ADVERTISING PROTECTS THE MARKET

Max Dillan

KEEPING THE STATUS QUO: WHY CONTINUING TO RECOGNIZE THE PRESUMPTION OF IRREPARABLE HARM IN FALSE COMPARATIVE ADVERTISING PROTECTS THE MARKET

*Max Dillan**

ABSTRACT

Legal action challenging a company's advertisement for containing false or misleading statements is a more recent development in the American legal system. The market's utilization of advertising to promote sales has grown steadily to the point where the frequency with which it now permeates everyday life is almost constant. Lawsuits challenging many of these advertisements have increased as well. The swelling influence of advertisements in the marketplace and the complementary rise in false advertising litigation is relevant for both companies and consumers alike. As litigation continues to grow as an outlet for companies to safeguard their brands, consumers will find themselves jointly affected. This Note will analyze a subset of this area known as false comparative advertising.

A false comparative advertisement subjects a company targeted by that advertisement to repeated injuries in the form of damage to reputation and loss of goodwill until its broadcast is halted. As a result, before the underlying false advertisement claim is ever argued, a plaintiff will first seek to preliminarily enjoin the defendant from broadcasting the advertisement. A court's analysis of a motion for a preliminary injunction will involve four factors. There is a judicially created practice that has long been recognized in this analysis that allows a court to presume one of those factors. It essentially permits a court to presume irreparable harm, one of the four factors, without the plaintiff producing supporting evidence. Naturally, it is called the presumption of irreparable harm. The validity of the presumption is the next frontier facing courts hearing

* J.D. Candidate, Fordham University School of Law, 2016; B.S., Smeal College of Business, The Pennsylvania State University, 2013. I wish to express my sincere gratitude to Professor Caroline Gentile for her advice and guidance with this Note. I would also like to give my thanks to my family and friends for their tremendous support.

false advertising cases. This Note will discuss the reasons why the presumption of irreparable harm should continue to be recognized within the realm of false comparative advertising litigation.

TABLE OF CONTENTS

INTRODUCTION	934
I. THE EVOLUTION OF THE PRESUMPTION OF IRREPARABLE HARM IN FALSE ADVERTISING, PATENT INFRINGEMENT, AND COPYRIGHT INFRINGEMENT CLAIMS	938
A. The False Comparative Advertisement Claim	939
B. The Patent Infringement Claim	945
C. The Copyright Infringement Claim	947
II. eBAY AND THE DOWNFALL OF THE PRESUMPTION OF IRREPARABLE HARM	950
A. The Beginning of the End for the Presumption.....	950
1. <i>eBay, Inc. v. MercExchange, L.L.C.</i>	950
2. <i>Winter v. Natural Resources Defense Council, Inc.</i>	952
B. The End of the Presumption in Patent Infringement Claims and Copyright Infringement Claims	953
1. <i>Salinger v. Colting</i>	954
2. <i>Robert Bosch, LLC v. Pylon Manufacturing Corp.</i>	955
C. The End of the Presumption in False Advertisement Claims?	956
1. <i>Time Warner Cable, Inc. v. DIRECTV, Inc.</i>	956
2. <i>Ferring Pharmaceuticals, Inc. v. Watson Pharmaceuticals, Inc.</i>	958
III. LONG LIVE THE PRESUMPTION OF IRREPARABLE HARM	961
A. The Presumption of Irreparable Harm is Consistent with <i>eBay</i> and <i>Winter</i>	961
B. Policy Reasons for Continued Recognition.....	963
C. The Standard to be Recognized by Courts Going Forward	966
CONCLUSION.....	967

INTRODUCTION

“Never write an advertisement which you wouldn’t want your own family to read. You wouldn’t tell lies to your own wife. Don’t tell them to mine.”¹ David Ogilvy, “The Father of Advertising,”² emphasized the

1. DAVID OGILVY, CONFESSIONS OF AN ADVERTISING MAN 99 (1st ed. 1963).

importance of truthful advertising in his landmark book *Confessions of an Advertising Man*.³ Years after Ogilvy issued his ethical stance, the law prohibiting false advertisements started to take shape.⁴ Thus far, the litigation of advertising claims has provided a robust collection of cases that emphasize how relevant the development of this field is to the market.

In 1991, Castrol, the world leading manufacturer, distributor, and marketer of motor oil, filed a false advertising claim against Quaker State, another leading company in the business of motor oil.⁵ A Quaker State commercial claimed that its motor oil protected car engines better than any other leading motor oil.⁶ In reality, the tests that Quaker State used to corroborate its advertising claims did not prove that its motor oil was superior.⁷ As a result, the district court issued a preliminary injunction preventing Quaker State from making the superiority claim, and the order was subsequently affirmed by the United States Court of Appeals for the Second Circuit.⁸

In 1998, the Clorox Company (“Clorox”), which produces the well-known chlorine-based liquid bleach called Clorox, filed a lawsuit against Proctor & Gamble (“P&G”), the familiar household products company.⁹ P&G had implemented an advertising campaign in Puerto Rico to promote its laundry detergent Ace.¹⁰ The goal of the campaign was to change the prevailing consumer perception in Puerto Rico that laundry detergent alone would be insufficient to get clothes white, and that chlorine bleach would be needed.¹¹ P&G claimed that by simply using Ace, consumers would be able to achieve clothes as white or

2. Constance L. Hays, *David Ogilvy, Father of Soft Sell in Advertising*, *Dies*, N.Y. Times, July 22, 1999, available at <http://www.nytimes.com/1999/07/22/business/david-ogilvy-88-father-of-soft-sell-in-advertising-dies.html>.

3. See OGILVY, *supra* note 1.

4. See Arthur Best, *Controlling False Advertising: A Comparative Study of Public Regulation, Industry Self-Policing, and Private Litigation*, 20 GA. L. REV. 1, 2-3 (1985) (noting that advertising regulation was still in its infancy at the time the article was published).

5. See *Castrol, Inc. v. Quaker State Corp.*, 977 F.2d 57, 60 (2d Cir. 1992).

6. See *id.* at 59.

7. See *id.* at 64-65.

8. See *id.* at 65-66. Part I of this Note will discuss the use of preliminary injunctions in a false comparative advertising claim.

9. See *Clorox Co. P.R. v. Proctor & Gamble Commercial Co.*, 228 F.3d 24, 29-30 (1st Cir. 2000).

10. See *id.* at 28.

11. See *id.*

whiter than if they used another detergent combined with chlorine bleach.¹² Clorox sought a preliminary injunction on its claim that P&G was engaging in false advertising based on evidence that chlorine bleach was the most effective at bringing out the white in clothes.¹³ Although the district court initially dismissed the case, on appeal, the First Circuit determined that Clorox had properly alleged a false advertisement claim and remanded its preliminary injunction motion.¹⁴

More recently, Time Warner Cable (“TWC”), the second largest American cable provider at the time of the lawsuit, filed a lawsuit against DIRECTV, one of the largest American direct broadcast satellite providers.¹⁵ DIRECTV launched an advertising campaign based on the theme of “SOURCE MATTERS,” which attempted to persuade consumers that DIRECTV delivered a better picture and sound than cable. Among other multimedia advertisements efforts, DIRECTV recruited celebrities Jessica Simpson and William Shatner to advocate this claim in a series of commercials.¹⁶ Simpson reprised her role as Daisy Duke from *The Dukes of Hazzard* and Shatner revived Captain Kirk from *Star Trek* to the delight of many fans, TWC not being one of them.¹⁷ In response, TWC initiated legal action against DIRECTV for its advertising campaign claims.¹⁸ The facts showed that there was no difference between the picture and sound consumers received from DIRECTV’s service and that which they received from cable.¹⁹ As a result, the Second Circuit affirmed the district court order preliminarily enjoining the aspects of DIRECTV’s campaign that made the superior claims.²⁰

12. In conjunction with its advertising campaign, P&G used the slogan “Whiter is not possible,” to promote Ace. *See id.* at 28-29. After the initial complaints from Clorox, P&G modified its campaign inviting consumers to, “compare with your detergent,” before the phrase, “whiter is not possible.” *See id.*

13. *See id.* at 28.

14. *See id.* at 39.

15. This lawsuit provides a key example of the relevancy of these claims to the everyday consumer. *See Time Warner Cable, Inc. v. DIRECTV, Inc.*, 497 F.3d 144, 148-49 (2d Cir. 2007). This case will be discussed in more detail in Part II of this Note.

16. *See id.* at 149-50.

17. *See id.*

18. *See id.* at 149-51.

19. *See id.* at 149.

20. The preliminary injunction was affirmed in part for the aspects of the DIRECTV campaign that were properly challenged. *See id.* at 163. This included the

Motor oil, laundry detergent, and television services provide examples of how false advertising litigation can arise in any industry.²¹ In many industries, false comparative advertising is still common.²² Companies therefore need to remain vigilant in monitoring the development of this legal field so that they can readily identify competitor false advertising.²³ This is especially important because the companies involved in the aforementioned cases are household names, demonstrating just how closely connected these disputes are to the everyday consumer.²⁴ Its prevalence is the reason the developments in this practice area are significant for both corporations and consumers.²⁵

This Note will examine one of the current debates in false advertising claims: the disagreement regarding the use of the presumption of irreparable harm, a judicially created practice used in the equitable relief analysis for preliminary injunctions. Part I of this Note will examine false advertisement claims and the development of the presumption. Part I will include a comparison to patent infringement claims and copyright infringement claims, fields that saw a similar development of the presumption. Part II will discuss the abolition of the presumption in patent and copyright litigation. The rejection of the presumption in these fields has led to confusion between courts over whether it should still be recognized in false advertising litigation.²⁶ Part II will therefore introduce the conflicting views that have arisen as a result of this confusion. Part III will advocate for the continuing

Simpson and Shatner advertisements, but some of its other efforts fell outside of the scope of a proper false advertisement claim. *See id.* at 162-63.

21. *See Time Warner*, 497 F.3d at 148-49; *Clorox Co. P.R. v. Proctor & Gamble Commercial Co.*, 228 F.3d 24, 29-30 (1st Cir. 2000); *Castrol, Inc. v. Quaker State Corp.*, 977 F.2d 57, 60 (2d Cir. 1992).

22. *See generally* Lee Goldman, *The World's Best Article on Competitor Suits for False Advertising*, 45 Fla. L. Rev. 487 (1993) (discussing the competing views on the incentives a company has to engage in false advertising).

23. *See* Part I.A for a discussion of the development of the presumption of irreparable harm. *See* Part II for a discussion of the changing view on the use of the presumption.

24. *See Time Warner*, 497 F.3d 144; *Clorox Co. P.R.*, 228 F.3d 24; *Castrol, Inc.*, 977 F.2d 57.

25. *See infra* notes 39-49 and accompanying text (explaining the interests that false advertising law is designed to protect).

26. *See infra* Part II.C (introducing cases from the federal courts of appeal that discussed the validity of the presumption of irreparable harm in false advertising claims).

recognition of the presumption in false comparative advertising claims in order to protect the marketplace.

I. THE EVOLUTION OF THE PRESUMPTION OF IRREPARABLE HARM IN FALSE ADVERTISING, PATENT INFRINGEMENT, AND COPYRIGHT INFRINGEMENT CLAIMS

Preliminary injunctions provide a fundamental remedy to a corporate plaintiff in false advertising, patent infringement, and copyright infringement claims.²⁷ A preliminary injunction returns the dispute to the status quo by freezing a defendant's questionable activities during litigation.²⁸ It is an extraordinary remedy and should never be awarded as a right.²⁹ But it is also a vital remedy that companies almost always rely upon in false advertisement, patent infringement, and copyright infringement claims.³⁰ For a company to obtain a preliminary injunction, it must establish four factors: (1) the company is likely to succeed on the merits, (2) failure to obtain preliminary relief will likely cause the company to suffer irreparable injury, (3) the balance of equities tips in the company's favor, and (4) an

27. See *infra* notes 51-55, 83-85, 104-106 and accompanying text (explaining how the statutory regulations respective to each area of law provides plaintiffs the ability to seek a preliminary injunction).

28. Status quo is defined as the "last, peaceable, noncontested status of the parties." See 5 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 30:50 (4th ed. 2014).

29. A court is advised to take a cautious approach when making a ruling on a motion for a preliminary injunction. This is rooted in protecting the defendant from unfair treatment. See *id.* § 30:30.

30. Compare James E. Clevenger, 44 AM. JUR. Proof of Facts 3d 1 *False Advertising Under Lanham Act* § 43(a)(1)(B) § 22 (1997) ("It is relatively common practice in false advertising cases to seek the entry of a preliminary injunction at an early stage in the litigation. This is to prevent the continuance of public confusion or deception being caused by the false advertising [.]"), with *Smith Int'l, Inc. v. Hughes Tool Co.*, 718 F.2d 1573, 1577-78 (Fed. Cir. 1983) (noting that "[w]ithout this injunctive power of the courts, the right to exclude granted by the patent would be diminished, and the express purpose of the Constitution and Congress, to promote the progress of the useful arts, would be seriously undermined"), *abrogated by eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006), as recognized in *Robert Bosch, LLC v. Pylon Mfg. Corp.*, 659 F.3d 1142, 1148-49 (Fed. Cir. 2011), and 6 William F. Patry, *Patry on Copyright* § 22:7 (noting the importance of injunctive relief in copyright infringement claims).

injunction is in the public interest.³¹ The traditional principles of equity require that a plaintiff demonstrate each of these factors.³² The court has equitable discretion to grant or deny injunctive relief after a fair weighing of each of the factors.³³

In each of these practice areas, the preliminary injunction analysis has carried with it a rebuttable presumption of irreparable harm, a judicial tool that shifts the burden for the second factor of the analysis to the defendant.³⁴ Part I will examine the origin of these causes of action and how the nature of these claims led courts to adopt a presumption of irreparable harm. Part I.A will focus on false advertising claims, Part I.B will focus on patent infringement claims, and Part I.C will focus on copyright infringement claims.

A. THE FALSE COMPARATIVE ADVERTISEMENT CLAIM

A company engages in false comparative advertising when it broadcasts an advertisement to the marketplace that contains false or misleading claims about another company.³⁵ Section 43(a) of the Lanham Act provides a sword for the targeted company to wield against those false advertisements.³⁶ More specifically, the statute creates a federal cause of action for that company by imposing civil liability on an entity that has falsely advertised.³⁷ When a targeted company is, or believes it is likely to be, damaged by the representations made in those advertisements, it can properly bring a section 43(a) action against the company responsible.³⁸

Allowing a company to invoke section 43(a) to defend itself against false advertisements is grounded in two fundamental purposes. First, the

31. See *Winter v. Natural Res. Def. Council, Inc.*, 555 U.S. 7, 20 (2008); *eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006).

32. See *eBay*, 547 U.S. at 391.

33. See *id.*

34. See *infra* notes 56, 88, 108 and accompanying text (noting that each practice area concurrently developed this presumption as a procedural tool for judges to use when considering the need for equitable relief).

35. False advertising is “an advertising statement that tends to mislead consumers about . . . one’s own or someone else’s goods, services, or commercial activity.” BLACK’S LAW DICTIONARY 719 (10th ed. 2014).

36. See 15 U.S.C. § 1125 (a)(1)(B) (2012) (although the governing standard for false advertisement is still commonly referred to as section 43(a), it has since been codified in the United State Code).

37. See *id.*

38. See *id.*

statute seeks to protect the commercial interests of a company targeted by a false advertisement.³⁹ That company stands to suffer loss of sales, damage to business reputation, and loss of goodwill because the false advertisements will operate to form a false perception about a targeted company in the mind of the consumer.⁴⁰ Second, the statute seeks to protect against consumer deception.⁴¹ Failure to eliminate the false advertisement from the marketplace prolongs consumer exposure to the false perception.⁴² Allowing the company responsible for the false advertisement to continue to broadcast the false or misleading claims only increases its reach and creates a greater risk of injury to the targeted company's commercial interests.⁴³ Thus, by promoting a marketplace that allows consumers to make purchasing decisions on the basis of truthful information rather than false perceptions, section 43(a) works to protect innocent consumers, in addition to the targeted company.⁴⁴ Further, the statute guarantees that companies will advance

39. The purpose is "to protect persons engaged in . . . commerce against unfair competition." 15 U.S.C. § 1127 (2012); *see also* *Lexmark Int'l, Inc. v. Static Control Components*, 134 S. Ct. 1377, 1389 (2014) ("Identifying the interests protected by the Lanham Act . . . requires no guesswork, since the Act includes an 'unusual, and extraordinarily helpful,' detailed statement of the statute's purposes.") (citing *Halicki Prods. v. United Artists Commc'ns, Inc.* 812 F.2d 1213, 1214 (9th Cir. 1987)).

40. Today, it is universally understood that false advertising protects against these injuries. *See Lexmark Int'l*, 134 S. Ct. at 1393 ("[L]ost sales and damage to . . . business reputation—are injuries [that are] precisely the sorts of commercial interests the [Lanham] Act protects.").

41. Although the commercial interests of companies that are targeted by false advertisements suffer from such false or misleading claims, it is the consumer who is the real victim. On a day-to-day basis, consumers must rely on advertiser-honesty to ensure that the information included in the advertisements they see are truthful. With the bulk of company information coming through advertisements, advertisers have been able to create specific brand perceptions, whether truthful or dishonest. It is the dishonest perceptions that false advertising law seeks to prevent. *See Jean Wegman Burns, Confused Jurisprudence: False Advertising Under the Lanham Act*, 79 B.U. L. REV. 807, 874-75 (1999) ("[T]he key purpose of any false advertising law is to ensure that consumers receive accurate information[.]").

42. *See id.*

43. *See id.*

44. *See Conopco, Inc. v. Campbell Soup Co.*, 95 F.3d 187, 193 (2d Cir. 1996) ("[T]he public interest underlying the Lanham Act's prohibition of misleading advertisement is that of preventing consumer confusion or deception. This interest is identical to the public's interest in protecting against trademark infringement."); *McCarthy*, *supra* note 28, § 27:25 (citing *Vidal Sassoon, Inc. v. Bristol-Myers Co.*, 661 F.2d 272, 277 (2d Cir. 1981) ("We are therefore reluctant to accord the language of s

both purposes because in protecting its own commercial interests, a company automatically guards against consumer deception.⁴⁵ Accordingly, any relief a consumer receives is directly tied to a company's success in its claim.⁴⁶ Conversely, the Lanham Act does not operate to protect the interests of the advertiser.⁴⁷ Allowing an advertiser to have blanket discretion in what it communicates to the marketplace does not serve any public policy.⁴⁸ In fact, granting blanket discretion would not only undercut the precise company actions that the Lanham Act is designed to protect, but would also foster an untruthful market. Therefore, after balancing these interests, the Lanham Act is supremely committed to protecting the targeted company and its consumers.⁴⁹

The Lanham Act provides extensive relief to a company that is targeted by false comparative advertising.⁵⁰ A company's first opportunity to seek remedial help comes in the infancy of litigation in the form of a preliminary injunction.⁵¹ In the absence of injunctive relief, the marketplace would be subject to infiltration by false and deceptive messages thereby undermining the Lanham Act's policy goals.⁵² As a result, this remedy protects a company from further injury

43(a) a cramped construction, lest rapid advances in advertising and marketing methods outpace technical revisions in statutory language and finally defeat the clear purpose of Congress in protecting the consumer.”).

45. Section 43(a) is something of an oddity as consumers have no standing to sue under the statute yet the statute is designed to protect their interests. *See Lexmark Int'l*, 134 S. Ct. at 1390 (“A consumer who is hoodwinked into purchasing a disappointing product may well have an injury-in-fact cognizable under Article III, but he cannot invoke the protection of the Lanham Act[.]”).

46. *See* McCarthy, *supra* note 28.

47. *See* David H. Bernstein & John Cerreta, *eBay & the Presumption of Irreparable Harm in Lanham Act False Advertising Cases*, 27 THE COMPUTER & INTERNET LAW., no. 11, at 25.

48. *See id.*

49. *See id.* at 29 (explaining that the “weighty interests of both plaintiffs and the public” in a false advertisement suit deserve heightened protection compared to the limited value in recognizing the advertiser's interests in “continuing to disseminate misleading claims”).

50. The Lanham Act allows a plaintiff to recover the defendant's profits, any damages the plaintiff has incurred, costs of the action, and attorney fees after establishing a violation of section 43(a). *See* 15 U.S.C. § 1117 (2012). The Lanham Act also expressly authorizes a court to enjoin the false advertisement. *See* 15 U.S.C. § 1116.

51. *See* 15 U.S.C. § 1116.

52. *See* Bernstein & Cerreta, *supra* note 47, at 29 (“To deny injunctive relief after a finding of false advertising would only allow the deception to ‘continue to seep into the

that it would otherwise suffer throughout the life of the case.⁵³ This simultaneously protects consumers by preventing the perpetuation of the false perceptions the advertiser is hoping to relay to those consumers.⁵⁴ Accordingly, preliminary injunctive relief has become the remedy that most effectively safeguards the market.⁵⁵

Toward the end of the twentieth century, courts hearing false advertising claims gradually stopped requiring plaintiffs to prove the second factor of the preliminary injunctive analysis, opting instead to grant preliminary injunctions based on the presumption that failure to enjoin advertisers from their alleged misconduct would cause the target company irreparable harm.⁵⁶ This development followed from a collective acknowledgment of the effect that false comparative advertising has on those targeted companies.⁵⁷ Advertisements are

public's discourse,' thus 'undermin[ing], rather than promot[ing], the Lanham Act's goal of protecting consumers.'") (citing *PBM Prods., LLC v. Mead Johnson & Co.*, No. 3:09-CV-269, 2010 WL 957756, at *3 (E.D. VA. Mar. 12, 2010)).

53. Preliminary injunctions have the ability to "prevent irreparable injury to legal rights in light of a prediction of the final outcome of the case." John Leubsdorf, *The Standard for Preliminary Injunctions*, 91 HARV. L. REV. 525, 565 (1978). They serve to "stop the bleeding," and can be a useful tool to prevent any further damage that has already been done. See Jeffery M. Sanchez, *The Irreparably Harmed Presumption? Why the Presumption of Irreparable Harm in Trademarks Will Survive eBay and Winter*, 2011 BYU L. REV. 535, 535 (2011).

54. See Bernstein & Cerreta, *supra* note 47.

55. See Goldman, *supra* note 22, at 492 ("[I]f truthful informative advertising is an unequivocal social good, false advertising is unequivocally bad. In the short run, deceptive advertising injures consumers and competitors. In the long run, false advertising results in a reduction of product quality and misallocation of resources. If left unchecked, deceptive advertising may eventually undermined the entire competitive system."). Moreover, preliminary injunctions are extremely important in protecting the market interests because of the lengthy process of the American judicial system. As of 2013, the median time interval from filing to disposition of a civil case in which trial was completed by U.S. District Courts was just over two years. See *Judicial Facts and Figures 2013: Combined Civil and Criminal*, U.S. District Courts, available at <http://www.uscourts.gov/Statistics/JudicialFactsandFigures/judicial-facts-figures-2013.aspx>.

56. See *Hutchinson v. Pfeil*, 211 F.3d 515, 522 (10th Cir. 2000); *Porous Media Corp. v. Pall Corp.*, 110 F.3d 1329, 1335-36 (8th Cir. 1997); *Southland Sod Farms v. Stover Seed Co.*, 108 F.3d 1134, 1146 (9th Cir. 1997); *Abbott Labs. v. Mead Johnson & Co.*, 971 F.2d 6, 16 (7th Cir. 1992); *McNeilab, Inc. v. Am. Home Prods. Corp.*, 848 F.2d 34, 38 (2d Cir. 1988).

57. There has been disagreement among courts on the proper section of when it should apply. See *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1227

designed to generate a specific message for the consumer, and more often than not the advertisements reach the target audience.⁵⁸ When a company broadcasts a false advertisement, it logically follows that the falsity has reached the consumer.⁵⁹

There are two types of false advertisements: “(1) ‘misleading, non-comparative commercials which tout[] the benefits of the products advertised but ma[k]e no direct reference to any competitor’s product,’ and (2) ‘a false comparative advertising claim.’”⁶⁰ Non-comparative advertisements “accrue[] equally to all competitors” in the market so “some indication of actual injury and causation,” is necessary to prevent speculation.⁶¹ In contrast, a false comparative advertisement *necessarily* results in irreparable harm because it diminishes the value of the targeted company’s product or service in the mind of the consumer.⁶² This recognition prompted courts to adopt the presumption of irreparable harm in false comparative advertisement claims upon a plaintiff’s successful showing of the first factor in the equitable relief analysis.⁶³ Nevertheless, the presumption is rebuttable, in that it is

(11th Cir. 2008) (indicating that some district courts employ language that might indicate a broader application of the presumption to both false comparative advertisements and false non-comparative advertisements, but characterizing that use as improper); *see also* *Scotts Co. v. United Indus. Corp.*, 315 F.3d 264, 273 (4th Cir. 2002) (comparing the two types of false advertisements that have seen the use of the presumption); *Bernstein & Cerreta*, *supra* note 47 (noting that some courts have limited the presumption to false comparative advertisement claims while other courts have endorsed the expanded view and urge plaintiffs to seek the presumption in all false advertising litigation). Cognizant of the broad scope of advertising messages that give rise to a section 43(a) claim, some courts have restricted the use of the presumption to disputes involving comparative advertisements. Where non-comparative advertising is concerned, the presumption’s rationale loses merit because the connection between the advertisement and damage is suspect. A competitor misleading consumers about its product is not *necessarily* damaging to another competitor’s reputation or goodwill. *See, e.g., Castrol, Inc.*, 977 F.2d at 62; *McNeilab, Inc.*, 848 F.2d at 38.

58. *See McNeilab, Inc. v. Am. Home Prods. Corp.*, 501 F. Supp. 517, 530 (S.D.N.Y. 1980).

59. *See id.*

60. *See Merck Eprova AG v. Gnosis S.p.A.*, 760 F.3d 247, 259 (2d Cir. 2014) (citing *McNeilab, Inc.*, 848 F.2d at 38).

61. *See McNeilab, Inc.*, 848 F.2d at 38.

62. *See id.*

63. If a plaintiff can establish likely success on the merits of the case, or, in other words, that the defendant has likely engaged in false advertising, then a court would be within its power to presume that irreparable harm is going to result from that conduct. *See Hutchinson v. Pfeil*, 211 F.3d 515, 522 (10th Cir. 2000); *Porous Media Corp. v.*

merely a burden shifting mechanism allowing the defendant to produce evidence refuting the existence of irreparable harm.⁶⁴ Following a determination on the presumption, the court must complete the equitable analysis by fairly balancing each of the four preliminary injunction factors.⁶⁵

The use of the presumption has been further justified by the innate difficulty in establishing irreparable harm in false advertising litigation.⁶⁶ A company's loss of sales is not wholly attributable to a competitor's false advertisement because of a variety of factors that affect a company's top line.⁶⁷ Therefore, the use of loss of sales as a benchmark for establishing irreparable injury is speculative and inconsistent.⁶⁸ Likewise, "it is virtually impossible to ascertain the precise economic consequences of intangible harms, such as damage to reputation and loss of goodwill, caused by [Lanham Act] violations."⁶⁹ The fact that a plaintiff would be required to prove by some metric the existence of these injuries at an early stage of litigation only exacerbates the difficulty of being successful.⁷⁰ The presumption alleviates these

Pall Corp., 110 F.3d 1329, 1335-36 (8th Cir. 1997); *Southland Sod Farms v. Stover Seed Co.*, 108 F.3d 1134, 1146 (9th Cir. 1997); *Abbott Labs. v. Mead Johnson & Co.*, 971 F.2d 6, 16 (7th Cir. 1992); *McNeilab, Inc.*, 848 F.2d at 38.

64. See *Abbott Labs.*, 971 F.2d at 18.

65. See *id.* ("Finding that . . . injuries are irreparable only would mean that [the plaintiff] has cleared the second preliminary injunction threshold; the wisdom of granting preliminary relief would then depend upon the discretionary weighing of all four preliminary injunction factors.").

66. See *infra* notes 67-71 and accompanying text (indicating that the harm that results from false advertising is intangible, and, as such, cannot readily be identified).

67. Change in price points, public relations, and new market entrants are a few examples of the many market variables that influence the fluctuation of a company's sales. The presence of these market variables makes the use of loss of sales a speculative injury. See generally *Johnson & Johnson v. Carter-Wallace, Inc.*, 631 F.2d 186 (2d Cir. 1980) (providing a practical look at how a court will determine whether a company has in fact suffered loss of sales).

68. See *id.*

69. See *Abbott Labs.*, 971 F.2d at 16.

70. Ascertaining these injuries at a later stage of litigation is difficult itself. See *id.* Further, pressuring the plaintiff to demonstrate the effects of an advertisement on its reputation and goodwill with even *less* time simply increases the difficulty. See *Bernstein & Cerreta, supra* note 47 and accompanying text.

concerns for a plaintiff and plugs the gap that otherwise would be very difficult to fill.⁷¹

B. THE PATENT INFRINGEMENT CLAIM

Patent infringement occurs when a company elects to make, use, offer for sale, or sell the patented invention of another company.⁷² The Patent Act creates a federal right of action when patent infringement occurs.⁷³ The right granted to a company by a patent is “the right to exclude” a competitor from appropriating its patent.⁷⁴ If a company has a valid patent and a competitor has infringed upon that right, it can seek redress by taking legal action against that competitor.⁷⁵

The justification for the creation of patent law is derived from the “Science” prong of the United States Constitution’s explicit grant of authority to the federal government to promote the “Arts and Sciences.”⁷⁶ Congress carried out this task by awarding patents to inventors.⁷⁷ Patent rights promote innovation by promising inventors the exclusive right to enjoy the fruits of their labor.⁷⁸ This incentivizes inventors to place their products into the market.⁷⁹ In turn, consumers are able to enjoy the increased flow of technological developments into the marketplace.⁸⁰ Patent law therefore strikes a balance between rewarding inventors for investing time and money to develop new

71. See Bernstein & Cerreta, *supra* note 47, at 28 (noting that “[t]he presumption also has the effect of making provisional relief a more viable option for plaintiffs in false advertising cases”).

72. See 35 U.S.C. § 271 (2012).

73. See *id.*

74. See *id.* § 154.

75. See *id.*

76. U.S. Const. art. 1, § 8, cl. 8.

77. See 35 U.S.C. § 271 (2012).

78. *Biotechnology Indus. Org. v. District of Columbia*, 496 F.3d 1362, 1372 (Fed. Cir. 2007).

79. *Mannington Mills, Inc. v. Congoleum Indus., Inc.*, 610 F.2d 1059, 1070 (3d Cir. 1979) (“The purpose of [a patent] . . . is to provide an incentive for private enterprise to devote resources to innovative research, to make the investments required to put new inventions into practice, and to make the benefits of the invention available to a wider public.”).

80. *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257, 262 (1979) (“First, patent law seeks to foster and reward invention; second, it promotes disclosure of inventions, to stimulate further innovation and to permit the public to practice the invention once the patent expires; third, the stringent requirements for patent protection seek to assure that ideas in the public domain remain there for the free use of the public.”).

technologies and satisfying the public's interest in obtaining access to that innovation.⁸¹ The schematics of patent law provide the proper incentives to foster a competitive market by maintaining this balance between incentivizing innovations and captivating the public interest with the prospect of cutting-edge technological developments.⁸²

In order to uphold the interests underlying patent law, the Patent Act affords an avenue of legal recourse for a plaintiff whose patent has been infringed.⁸³ Similar to false advertising, a plaintiff can seek preliminary injunctive relief to enjoin the defendant's use of the patent.⁸⁴ A preliminary injunction protects the exclusive rights of an inventor for the duration of the litigation, thereby upholding the public policy underlying patent laws.⁸⁵ Specifically, patent holders' ability to enjoin infringers during the early stages of litigation affords the holders the opportunity for full enjoyment and protection of their patent rights without undue delay.⁸⁶

In patent infringement litigation, the equitable analysis for preliminary injunctions is identical to the analysis employed in false advertising claims.⁸⁷ Courts began to recognize a presumption of irreparable harm for patent infringement claims around the same time courts recognized this presumption in false advertisement claims.⁸⁸ The rationale underlying this development when assessing claims of patent

81. See *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 146 (1989) ("From their inception, the federal patent laws have embodied a careful balance between the need to promote innovation and the recognition that imitation and refinement through imitation are both necessary to invention itself and the very lifeblood of a competitive economy.").

82. See *id.*

83. See 35 U.S.C. § 271 (2012).

84. See *id.*

85. A patent holder has a clear interest in protecting the right granted by patent during litigation instead of waiting for a final judgment on the merits especially given the average length of civil litigation. See U.S. District Courts, *supra* note 55.

86. See *Smith Int'l, Inc. v. Hughes Tool Co.*, 718 F.2d 1573, 1577-78 (Fed. Cir. 1983) (indicating the importance of preliminary injunctive relief in patent infringement claims), *abrogated by* *eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006), *as recognized in* *Robert Bosch, LLC v. Pylon Mfg. Corp.*, 659 F.3d 1142, 1148-49 (Fed. Cir. 2011).

87. See *Winter v. Natural Res. Def. Council*, 555 U.S. 7, 20 (2008); *eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006).

88. The presumption in patent law developed toward the end of the twentieth century and witnessed a rise in prominence during the same time it experienced a similar rise in false advertising law. See *Smith Int'l*, 718 F.2d at 1573.

infringement was grounded in the understanding that once infringement on a valid patent has been established, the exclusive right attached to that patent is undoubtedly impaired.⁸⁹ Accordingly, if a plaintiff makes a clear showing of patent validity and infringement, a court will presume irreparable injury.⁹⁰ Nevertheless, it is not the case that every patent infringement injury is irreparable given that it often can be compensated by money damages.⁹¹ It is only when monetary relief is insufficient for the resulting harm that it will be irreparable.⁹² Regardless of the possibility of money damages, the presumption became a consistent feature of preliminary injunctive review in all patent infringement disputes.⁹³

C. THE COPYRIGHT INFRINGEMENT CLAIM

A copyright grants the creator of an original work that is fixed in a tangible medium the exclusive right to use and distribute that work.⁹⁴ Copyright infringement occurs when another company or person uses or

89. *See id.* at 1581 (explaining with regard to the irreparable harm analysis, “[t]he very nature of the patent right is the right to exclude others. Once the patentee’s patents have been held to be valid and infringed, he should be entitled to the full enjoyment and protection of his patent rights. The infringer should not be allowed to continue his infringement in the face of such a holding.”).

90. *See id.* (“We hold that where validity and continuing infringement have been clearly established . . . immediate irreparable harm is presumed. To hold otherwise would be contrary to the public policy underlying patent laws.”); *see also* *Roper Corp. v. Litton Sys., Inc.*, 757 F.2d 1266, 1272 (Fed. Cir. 1985) (“The presumption rests on a strong showing that a valid patent is being infringed. When that is true, irreparable injury may be presumed. When, as here, infringement is neither actually occurring nor is reasonably likely, the basis and need for the presumption crumbles.”).

91. *See* Douglas Lichtman, *Irreparable Benefits*, 116 YALE L.J. 1284, 1288 (2007) (noting that “[p]atent harms are not literally irreparable—most patent-related injuries can be fully compensated by some ex post cash payment—but they are typically deemed irreparable because patent harms are difficult for courts to value”).

92. *See id.*

93. The Federal Circuit established a precedent for district courts over the valid use of the presumption of irreparable harm when it endorsed the presumption first in *Smith*, and then in later cases, continuing to reiterate its validity. *See* *Polymer Techs., Inc. v. Bridwell*, 103 F.3d 970, 974 (Fed. Cir. 1996); *Roper Corp.*, 757 F.2d at 1272. The Federal Circuit ultimately declined to recognize the presumption in *Robert Bosch*. *See Robert Bosch*, 659 F.3d 1142.

94. *See* 17 U.S.C. § 106 (2012) (listing the various uses of a copyright that are exclusively granted to the owner).

distributes that work without authorization.⁹⁵ The Copyright Act grants a federal right of action for copyright owners, who properly register their copyrights, to protect their intellectual property against infringers.⁹⁶ If a company owns a valid copyright and a competitor has copied the original elements of the copyrighted work, the company can enforce its exclusive right by initiating litigation against that competitor.⁹⁷

The basis for the development of copyright law is derived from the same provision of the Constitution that warrants the creation of patent law.⁹⁸ Copyrights fall under the “Arts” prong of the federal government’s authority to promote the “Arts and Sciences.”⁹⁹ On the surface, copyright protection is aimed at providing a “fair return for an ‘author’s’ creative labor.”¹⁰⁰ However, this return is a stepping-stone to achieve the overriding purpose of copyrights: the stimulation of artistic creativity for the benefit of society.¹⁰¹ As a result, copyrights are an efficient way to promote the fairness that is owed to those creators of original works while fostering a more diverse collection of works for the public good.¹⁰² Copyright law therefore seeks to maintain the balance between the interests of artists and the interests of the public in order to advance the constitutional goals of promoting the “Arts.”¹⁰³

In order to uphold the interests underlying copyright law, the Copyright Act provides remedies to those who have been subject to

95. *See id.* § 501.

96. *See id.* Although a common-law copyright exists, the presumption of irreparable harm developed in federal courts, which can only hear those claims that are supported by a valid federal copyright registration. This Note focuses on those federal claims. *See* Catherine Palo, 77 Am. Jur. Trials 449, *Copyright Infringement Litigation* § 3 (2000).

97. *See, e.g.,* Feist Publ’n, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 361 (1991).

98. U.S. CONST. art. I, § 8, cl. 8.

99. *See id.*

100. *See* Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 432 (1984).

101. *See id.* (“But the ultimate aim is . . . to stimulate artistic creativity for the general public good.”).

102. *See id.*

103. *See id.* at 431-32 (“The limited scope of the copyright holder’s statutory monopoly . . . reflects a balance of competing claims upon the public interest: Creative work is to be encouraged and rewarded, but private motivation must ultimately serve the cause of promoting broad public availability of literature, music, and the other arts.”).

infringement.¹⁰⁴ Preliminary injunctions are again the first opportunity a plaintiff has to seek relief from the court.¹⁰⁵ This remedial tool is useful for a plaintiff to prevent future infringement and restore the exclusive rights that were originally guaranteed with the copyright.¹⁰⁶ As such, preliminary injunctions play a crucial role in copyright litigation.¹⁰⁷

The presumption of irreparable harm developed concurrently in copyright infringement cases with its counterpart in patent infringement cases.¹⁰⁸ If a plaintiff is able to make a prima facie case for copyright infringement, courts have presumed that the plaintiff would suffer irreparable harm.¹⁰⁹ A copyright owner is guaranteed the exclusive right to use and distribute an original work.¹¹⁰ It follows that a copyright owner suffers harm by virtue of the loss of an exclusive right once this right has been invaded.¹¹¹ This intangible injury has justified the basis for courts to recognize the presumption in copyright law.¹¹² Essentially, courts rationalized the use of the presumption because “a claim of copyright infringement inherently means irreparable harm exists.”¹¹³ Although this rationale does not apply with equal force in all copyright disputes, nearly all of the federal courts of appeal recognized this presumption of irreparable harm in copyright infringement claims.¹¹⁴

104. See 17 U.S.C. § 501 (2012).

105. See *id.* § 502.

106. See Patry, *supra* note 30 and accompanying text (indicating the importance of preliminary injunctive relief in copyright infringement claims).

107. See Patry, *supra* note 30 and accompanying text.

108. See Patry, *supra* note 30, § 22:44 (noting that all but the Fifth Circuit has applied the presumption).

109. See 17 U.S.C. § 502.

110. See *id.* § 106.

111. See *Wainwright Sec., Inc. v. Wall St. Transcript Corp.*, 558 F.2d 91, 94 (2d Cir. 1977), *abrogated by eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006), *as recognized in Salinger v. Colting*, 607 F.3d 68, 74-75 (2d Cir. 2010).

112. See Patry, *supra* note 30, § 22:50 (“The rationale for the presumption is based on copyright’s intangible nature, a fact from which courts extrapolate that there is difficulty in establishing the financial impact of the alleged infringement.”).

113. See Patry, *supra* note 30 (noting that courts used circular reasoning to justify the use of the presumption).

114. See Patry, *supra* note 30, § 22:50 (“Certainly as a per se rule [the presumption] is false: innumerable copyright disputes are only about money.”).

II. *eBAY* AND THE DOWNFALL OF THE PRESUMPTION OF IRREPARABLE HARM

The debate over the validity of the presumption of irreparable harm came to a head following the United States Supreme Court decisions in *eBay, Inc. v. MercExchange, L.L.C.* and *Winter v. Natural Resources Defense Council, Inc.*¹¹⁵ These cases have led to the abolition of the presumption in patent infringement claims and copyright infringement claims.¹¹⁶ Consequently, there are now growing doubts as to the legitimacy of the presumption in false advertisement claims.¹¹⁷ Part II.A introduces *eBay* and *Winter*, the pivotal Supreme Court cases that review the standards for the equitable analysis for preliminary injunctive review. Part II.B examines the extension of *eBay* and *Winter* to preliminary injunctive review in patent infringement claims and copyright infringement claims. Part II.C then considers the debate over the applicability of *eBay* and *Winter* to preliminary injunctive review in false advertisement claims.

A. THE BEGINNING OF THE END FOR THE PRESUMPTION

This section will introduce the Supreme Court decisions that prompted the beginning of the elimination of the presumption.

1. *eBay, Inc. v. MercExchange, L.L.C.*

In 2006, the Supreme Court considered an appeal of the Federal Circuit's grant of a permanent injunction in the patent infringement case *eBay, Inc. v. MercExchange, L.L.C.*¹¹⁸ MercExchange is a limited liability company that invents business method patents and assigns them for use by other businesses.¹¹⁹ MercExchange owned a business method patent for an electronic market that facilitated transactions between

115. See Bernstein & Cerreta, *supra* note 47, at 27 (describing the debate over the continuing validity of the presumption of irreparable harm in intellectual property disputes following *eBay* and *Winter*).

116. See *infra* Part II.B (introducing the cases that first articulated the extension of *eBay* and *Winter* to patent infringement claims and copyright infringement claims).

117. See *infra* Part II.C (analyzing the two circuit court decisions that disagree over whether the presumption is still valid in false advertising claims).

118. See *eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006).

119. See *id.* at 390.

private individuals.¹²⁰ They entered into negotiations to license that patent to the popular online auction website eBay, and its wholly owned subsidiary Half.com.¹²¹ The companies were unable to reach an agreement.¹²² Subsequently, MercExchange believed that eBay and Half.com started using its patented invention and filed a patent infringement suit in the Eastern District of Virginia.¹²³ A jury found in favor of MercExchange, determining that an award of damages was appropriate because eBay and Half.com had infringed upon MercExchange's valid patent.¹²⁴ MercExchange submitted a post-trial motion for permanent injunctive relief to prevent further infringement by eBay and Half.com, but the district court denied the motion after determining that the presumption was rebutted because irreparable harm will *never* result when a patent holder is "willing to license its patents" or has a "lack of commercial activity in practicing patents."¹²⁵

On appeal, the Federal Circuit reversed the decision by applying "the general rule that courts will issue permanent injunctions against patent infringement absent exceptional circumstances."¹²⁶ The Supreme Court granted certiorari to determine the appropriateness of this rule.¹²⁷ The Supreme Court determined that neither of the lower courts had properly applied the traditional principles of equity.¹²⁸ In doing so, the Court held that a plaintiff must satisfy the four-factor test for permanent injunctions.¹²⁹ The Court emphasized this rationale by indicating that "a

120. *See id.*

121. *See id.*

122. *See id.*

123. *See id.*

124. *See id.* at 390-91.

125. The court determined that the fact that MercExchange was willing to license its patent and was not going to commercially use the patent was conclusive evidence it would not suffer irreparable harm. *See MercExchange, L.L.C. v. eBay, Inc.*, 275 F. Supp.2d 695, 712 (E.D. Va. 2003), *aff'd in part, rev'd in part*, 547 U.S. 388 (2006).

126. The Court of Appeals for the Federal Circuit did not see reason to depart from this general rule. The Federal Circuit did not believe exceptional circumstances were present that would allow for a departure. Without reference to the remaining factors, the court issued an injunction after finding in favor of the plaintiff on the first factor. *See MercExchange, L.L.C. v. eBay, Inc.*, 401 F.3d 1323, 1339 (Fed. Cir. 2005), *vacated*, 547 U.S. 388, *remanded to* 188 Fed. App'x 993 (Fed. Cir. 2006).

127. *See eBay*, 547 U.S. at 391.

128. *See id.* at 390-94.

129. *See id.* In condemning categorical rules, the Court stated, "this Court has consistently rejected invitations to replace traditional equitable considerations with a rule that an injunction *automatically* follows a determination that a copyright has been infringed." *Id.* at 392-93 (emphasis added).

major departure from the long tradition of equity practice should not be lightly implied.”¹³⁰ As a result, the Court banned the use of “categorical rules” that result in the automatic issuance or denial of a permanent injunction in “patent disputes no less than in other cases governed by such standards.”¹³¹

2. *Winter v. Natural Resources Defense Council, Inc.*

In 2008, the Supreme Court considered the appeal of a preliminary injunction award in the environmental case *Winter v. Natural Resources Defense Council, Inc.*¹³² Natural Resources Defense Council (“NRDC”) is an environmental action group that litigates against environmentally damaging activities.¹³³ NRDC claimed that the U.S. Navy’s use of sonar in training exercises conducted in the water off of southern California was causing serious injuries to the thirty-seven species of marine mammals that lived in those waters in violation of the National Environmental Policy Act of 1969.¹³⁴ NRDC filed suit against the Navy seeking an injunction to prohibit the use of sonar in future training exercises.¹³⁵ The district court issued a preliminary injunction, and the court of appeals affirmed, holding that “when a plaintiff demonstrates a strong likelihood of prevailing on the merits, a preliminary injunction may be entered based only on a ‘possibility’ of irreparable harm.”¹³⁶ The

130. *See id.* at 391.

131. At trial, the district court had determined that the presumption of irreparable harm was rebutted because it found that the plaintiff’s uses of the patent made injunctive relief inappropriate. The Supreme Court discouraged the district court’s suggestion that injunctive relief should never issue under a “broad swath of cases.” However, the Court did not discuss the district court’s underlying use and recognition of the presumption of irreparable harm. The Court viewed the court of appeals’ elicitation of the general rule to grant permanent injunctions whenever a valid patent is infringed as a categorical rule. The Court found that these rules conflicted with the principles of equity requiring a plaintiff establish each factor of four-factor injunctive relief test. *See id.* at 393-94.

132. *Winter v. Natural Res. Def. Council, Inc.*, 555 U.S. 7, 20 (2008).

133. *See About*, Natural Resources Defense Council, <http://www.nrdc.org/about> (last visited Feb. 20, 2014).

134. *See Winter*, 555 U.S. at 12-15.

135. *See id.* at 17.

136. The lower courts did not use a presumption of irreparable harm in the injunctive relief analysis, and the Supreme Court’s review was limited to whether the lower courts had placed a high enough burden on the plaintiff in establishing irreparable harm. *See id.* at 21.

Supreme Court granted certiorari to determine the appropriateness of the preliminary injunction.¹³⁷ The Court found that the “possibility” of irreparable harm as a standard was “too lenient,” and could lead to judicial speculation.¹³⁸ The Court endorsed a stricter standard, requiring that injunctive relief “only be awarded upon a clear showing that the plaintiff is entitled to such relief.”¹³⁹ Accordingly, the Supreme Court held that a plaintiff must establish that irreparable harm is “likely.”¹⁴⁰ The Court determined that regardless of the standard implemented, the determination of this factor was unnecessary as the other equities weighed in favor of denying the motion.¹⁴¹

B. THE END OF THE PRESUMPTION IN PATENT INFRINGEMENT CLAIMS AND COPYRIGHT INFRINGEMENT CLAIMS

The Supreme Court did not expressly address the validity of the presumption of the irreparable harm in either of its decisions.¹⁴² Furthermore, *eBay* concerned a permanent injunction in a patent dispute while *Winter* involved a preliminary injunction in an environmental dispute.¹⁴³ This caused courts hearing motions for preliminary injunctions in patent infringement claims and copyright infringement claims to struggle over whether the Supreme Court’s reasoning in these cases extended to the applicability of the presumption.¹⁴⁴ This section

137. *See id.* at 20.

138. *See id.* at 22.

139. A clear showing here requires that the plaintiff show not just that irreparable harm is possible, but that it is *likely*. *See id.*

140. *See id.*

141. In discussing the injury, the Court indicated that the naval activities did not present unknown effects on the environment because the activities had been taking place for the past forty years. Furthermore, the Court indicated that there was no documented episode of injury to the marine mammals. The “possibility” standard would allow for remote or suspect injuries, such as these, to satisfy the burden. *See id.* at 22-24, 33.

142. *See id.* at 20-22; *eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 393-94 (2006).

143. *See Winter*, 555 U.S. at 12; *eBay*, 547 U.S. at 390-91.

144. “It remains an open question ‘whether there remains a rebuttable presumption of irreparable harm following *eBay*[.]’” *See Broadcom Corp. v. Qualcomm Inc.*, 543 F.3d 683, 702 (Fed. Cir. 2008).

explores the cases that have extended the rationale of these Supreme Court decisions so as to abolish the presumption.¹⁴⁵

I. Salinger v. Colting

In 2010, the Second Circuit affirmatively stated that the rationales of *eBay* and *Winter* extended to copyright infringement claims in *Salinger v. Colting*.¹⁴⁶ J.D. Salinger, author of the famous *The Catcher in the Rye* (“*Catcher*”), has never permitted adaptations of his works.¹⁴⁷ Frederik Colting wrote *60 Years Later: Coming Through the Rye*, a story about Holden Caulfield, Salinger’s main character, sixty years after the events of *Catcher*.¹⁴⁸ Consequently, Salinger initiated legal action against Colting for copyright infringement and sought a preliminary injunction.¹⁴⁹ The district court granted the motion.¹⁵⁰ In doing so, it determined that Salinger had presented a prima facie case of copyright infringement that permitted a presumption of irreparable harm.¹⁵¹ On appeal, the Second Circuit reversed the lower court’s decision holding that the rationale in *eBay* “applies with equal force to (a) preliminary injunctions (b) that are issued for alleged copyright infringement.”¹⁵² The court bridged the gap between permanent injunctions and preliminary injunctions through *Winter*, stating that its rationale reinforced the applicability of *eBay*.¹⁵³ The court reasoned that the *eBay* opinion did not limit its application strictly to patent contexts

145. For patent infringement claims, the Federal Circuit is the only appellate court with jurisdiction to hear patent claims, therefore *Robert Bosch* necessarily becomes binding precedent in all preliminary injunctive cases in the patent context. See *Robert Bosch, LLC v. Pylon Mfg. Corp.*, 659 F.3d 1142, 1148-49 (Fed. Cir. 2011). For copyright infringement claims, *Salinger* is the first circuit court to extend the rationale in *eBay*. See *Salinger v. Colting*, 607 F.3d 68 (2d Cir. 2010).

146. See *Salinger*, 607 F.3d 68.

147. See *id.* at 71.

148. See *id.* at 71-72.

149. See *id.*

150. See *id.* at 74.

151. See *id.* (noting that the district court recognized the prevalence of *eBay*, but determined that because it had yet to be extended to copyright cases in the Second Circuit, the presumption was valid).

152. The court engages in a discussion about the relevance of earlier Supreme Court cases that indicate that the Supreme Court did not view patent and copyright infringements “as different in kind.” See *id.* at 77-78.

153. See *id.* at 78.

and that the traditional principles of equity apply in any context.¹⁵⁴ Therefore, the court endorsed its view that the presumption fell outside of the traditional principles of equity for copyright infringement claims and it has since been abolished in the Second Circuit in this context.¹⁵⁵

2. *Robert Bosch, LLC v. Pylon Manufacturing Corp.*

In 2011, the Federal Circuit eliminated the use of the presumption in patent infringement claims in *Robert Bosch, LLC v. Pylon Manufacturing Corp.*¹⁵⁶ Robert Bosch, LLC (“Bosch”) holds patents for different aspects of windshield wiper technology.¹⁵⁷ Pylon Manufacturing Corporation (“Pylon”) is a competitor of Bosch that sold similar windshield wipers.¹⁵⁸ Bosch filed suit in the district court for the District of Delaware alleging patent infringement because of Pylon’s commercial activities.¹⁵⁹ A jury found in favor of Bosch after determining that Pylon had infringed upon the valid patents of Bosch.¹⁶⁰ Bosch subsequently filed a motion for permanent injunctive relief, however the court held that Bosch did not satisfy the burden of establishing irreparable harm.¹⁶¹ On appeal, the Federal Circuit considered the impact of *eBay* on the presumption in determining whether an injunction should be issued in patent infringement claims.¹⁶² The Federal Circuit determined that “*eBay* jettisoned the presumption of irreparable harm as it applies to determining the appropriateness of injunctive relief.”¹⁶³ Accordingly, *Bosch* established a precedent in not recognizing a presumption in patent infringement claims.¹⁶⁴

154. See *id.* at 77-78.

155. See *id.*

156. See *Robert Bosch, LLC v. Pylon Mfg. Corp.*, 659 F.3d 1142, 1148-49 (Fed. Cir. 2011).

157. See *id.* at 1145.

158. See *id.*

159. See *id.*

160. See *id.*

161. The district court referenced the presumption of irreparable harm and *eBay*, but did not go into detail on why the presumption was no longer available to a plaintiff seeking an injunction. See *Robert Bosch, LLC v. Pylon Mfg. Corp.*, 748 F. Supp.2d 383, 407 (D. Del. 2010), *rev'd*, 659 F.3d 1142 (Fed. Cir. 2011).

162. See *Robert Bosch*, 659 F.3d at 1148-50.

163. See *id.* at 1149.

164. This holding is now binding precedent in all patent infringement claims. See *Apple Inc. v. Samsung Elecs. Co.*, 735 F.3d 1352, 1359 (Fed. Cir. 2013).

C. THE END OF THE PRESUMPTION IN FALSE ADVERTISEMENT CLAIMS?

The circuit courts have not agreed on whether the presumption of irreparable harm in false advertisement cases survives the decisions of *eBay* and *Winter*.¹⁶⁵ This section will introduce the debate regarding the validity of the continued recognition of the presumption of irreparable harm.¹⁶⁶

1. *Time Warner Cable, Inc. v. DIRECTV, Inc.*

In 2007, the Second Circuit considered the validity of the presumption in *Time Warner Cable, Inc. v. DIRECTV, Inc.*¹⁶⁷ The case involved two of the giants in the multichannel service industry, Time Warner Cable (“TWC”) and DIRECTV.¹⁶⁸ TWC, as a cable provider, must receive a franchise from a local government before it can operate in that locale.¹⁶⁹ DIRECTV, on the other hand, is not similarly restricted because it broadcasts directly via satellite.¹⁷⁰ Because of this market structure, satellite providers undeniably become direct competitors with cable providers.¹⁷¹ DIRECTV began an advertising campaign that did not mention any cable provider by name, but instead made claims about

165. The abolition of the presumption of irreparable harm in patent infringement claims was foreseeable insofar as *eBay* is in fact a patent case itself. The similarities between the underlying claims in *eBay* and *Bosch* make the jump a small one. Moreover the leap to copyright in *Salinger* is logical given the similarities between patent and copyright laws. Alternatively, while the presumption that is applied in false advertising cases is the same as that which was abolished in *Bosch* and *Salinger*, the underlying claim is not the same as *eBay*. This has caused conflict between and trouble for the circuit courts that have had the opportunity to review preliminary injunctions against false advertising. *See infra* Part II.C.

166. *See Ferring Pharm., Inc. v. Watson Pharm., Inc.*, 765 F.3d 205, 216 (3d Cir. 2014); *Time Warner Cable, Inc. v. DIRECTV, Inc.*, 497 F.3d 144, 161-62 (2d Cir. 2007).

167. *Time Warner*, 497 F.3d at 144.

168. *See id.* at 148

169. TWC owned a franchise in the greater part of New York City. *See id.* at 148-49.

170. *See id.* at 149.

171. The franchise gives TWC a pseudo-monopoly, which means that it is the main cable provider in a given locality. TWC’s pseudo-monopoly restricts all other cable competitors, but it does not restrict satellite providers. Therefore, as a matter of fact, the fiercest competitor a cable company that has a franchise will face is a satellite provider that can overstep the privileges that come with that franchise. *See id.*

DIRECTV's superior picture quality to "cable" in general.¹⁷² TWC filed suit alleging that DIRECTV's campaign constituted false advertising in violation of section 43(a) because the campaign misled consumers into believing that DIRECTV actually had superior quality, when in fact there was no difference.¹⁷³ TWC subsequently filed a motion for a preliminary injunction against DIRECTV's campaign.¹⁷⁴ In affirming the district court's grant of the motion, the Court of Appeals for the Second Circuit reiterated the validity of the presumption "where the case presents a false comparative advertising claim [because] 'the concerns . . . regarding speculative injury do not arise.'" ¹⁷⁵ However, the court endorsed an expanded view of the presumption, recognizing it both where the advertisement expressly mentions a competitor's name and where it does not mention the competitor by name, but consumers would understand the advertisement as referring to that competitor.¹⁷⁶ In doing so, the Second Circuit took the opportunity to reiterate why the principles underlying the presumption apply equally in both instances;

172. DIRECTV's advertising campaign consisted of three different advertisements: a commercial starring Jessica Simpson, a commercial starring William Shatner, and internet advertisements, all of which compared the quality of its own services to cable in general. *See id.* at 149-51.

173. Although the advertisements all stated this in one way or another, the most egregious example came at the conclusion of the commercials where a voice-over stated, "[f]or picture quality that beats cable, you've got to get DIRECTV." Although they were subsequently revised, the commercial still implied an essence of superiority over cable. *See id.* at 150.

174. Before the motion was filed, the companies entered into negotiations, which resulted in a stipulation wherein DIRECTV agreed to halt any transmission of its original advertisements, among other things. They subsequently created revised advertisements that led to TWC seeking the preliminary injunction. *See id.* at 151.

175. In reviewing the motion, the district court determined that TWC had established the first factor requiring that the plaintiff is likely to succeed on the merits of the case, and turned to the irreparable harm prong. The court reiterated the precedent of the Second Circuit and the underlying rationale for the presumption. *See id.* at 162 (quoting *McNeilab, Inc. v. Am. Home Prods. Corp.*, 848 F.2d 34, 38 (2d Cir. 1988)).

176. Although the court noted that irreparable harm couldn't be presumed when the defendant is not mentioned by name, it ruled that the presumption of irreparable harm applied in this scenario because TWC was essentially synonymous with "cable" in the markets where it was the franchisee. Therefore, even though they were not mentioned by name, consumers in those markets would understand the advertisements to be about TWC. *See id.* Alternatively, the court recognized that when a false advertisement does not expressly or impliedly reference a competitor's product, it would not have the diminishing effect that a comparative advertisement inflicts, thereby making the presumption speculative. *See id.*

namely that the presumption causes little concern over speculative injury because “a false ‘comparison to a specific competing product necessarily diminishes that product’s value in the minds of the consumer,’” when the consumer recognizes the advertisement to refer to a competitor.¹⁷⁷ The court did not discuss the effect *eBay* or *Winter* might have on the presumption.¹⁷⁸ Ultimately, the court granted TWC the preliminary injunction against DIRECTV’s advertising campaign.¹⁷⁹ The reasoning in *Time Warner* has survived *Salinger*, and it has guided the court in continuing to recognize the presumption of irreparable harm in false advertising claims.¹⁸⁰

2. *Ferring Pharmaceuticals, Inc. v. Watson Pharmaceuticals, Inc.*

In 2014, the Third Circuit received its opportunity to answer the question of whether the presumption continues to exist in *Ferring Pharmaceuticals, Inc. v. Watson Pharmaceuticals, Inc.*¹⁸¹ The case involved Ferring Pharmaceuticals (Ferring) and Watson Pharmaceuticals (Watson), two competing pharmaceutical companies that manufacture competing progesterone products, hormonal drugs that help women become pregnant and maintain their pregnancies.¹⁸² Ferring’s product, Endometrin, and Watson’s product, Crinone, are the only U.S. Food and Drug Administration (“FDA”) approved vaginal progesterone inserts.¹⁸³ Before the dispute, Watson hosted an invitational event where it paid consultant Dr. Kaylen M. Silverberg to deliver two presentations to medical professional invitees during which

177. Since a false comparison will necessarily lead consumers to take a different view of the product than before they had seen the advertisement, no proof of injury is necessary. *See id.*

178. *See id.*

179. *See id.*

180. *See Merck Eprova AG v. Gnosis S.p.A.*, 760 F.3d 247, 259-61 (2d Cir. 2014) (holding that the presumption applied when the competitor is expressly mentioned in the advertisement and when the competitor is not expressly mentioned, but the advertiser and competitor operate in a two-player market).

181. *See Ferring Pharm., Inc. v. Watson Pharm., Inc.*, 765 F.3d 205, 212-14 (3d Cir. 2014).

182. *See id.* at 206.

183. Endometrin is delivered in capsule form, whereas Crinone is a gel delivered via applicator. *See id.* at 207.

he made statements regarding both Endometrin and Crinone.¹⁸⁴ Ferring subsequently filed suit alleging that the statements constituted false advertisements in violation of section 43(a) because the statements mislead medical professionals about the efficacy, reputation and risks of their product.¹⁸⁵ Ferring submitted a motion for a preliminary injunction to enjoin Watson from further statements and for corrective advertising.¹⁸⁶ The district court denied the motion, refusing to entitle Ferring to the presumption of irreparable harm.¹⁸⁷ On appeal, the Third Circuit was faced with a case of first impression, as it had never before awarded a plaintiff a presumption of irreparable harm when reviewing a motion for a preliminary injunction.¹⁸⁸ The court's opinion was guided by the principles of *eBay*, *Winter*, and *Salinger*.¹⁸⁹ The court utilized *Salinger* as a vehicle to rationalize the extension of *eBay* to false advertisement claims.¹⁹⁰ In an attempt to rebut this extension, Ferring highlighted an inherent distinction between patent or copyright

184. Medical professionals who were given an access password were also able to view the presentations online. *See id.* at 207. Ferring was concerned with three of Dr. Silverberg's statements: (1) his statements after referencing to a "Black Box" warning which indicates to the medical community that a product carries significant risk of serious or life-threatening effects; (2) his statements after referencing to a patient preference survey indicating that patients overwhelmingly preferred Crinone over Endometrin; and (3) his statements after referencing to studies of Endometrin's efficacy for women over the age of thirty-five. *See id.* Dr. Silverberg subsequently acknowledged that the statements when referring to these three items were incorrect with regard to what the items actually stated. *See id.* at 206-10.

185. *See id.* at 207.

186. *See Ferring Pharm., Inc. v. Watson Pharm., Inc.*, No. 12-cv-05824 (DMC)(JAD), 2013 WL 1405226 (D.N.J. Apr. 4, 2013).

187. After refusing to recognize the presumption, the district court found that Ferring did not allege enough facts sufficient to show that it would suffer harm. *See id.* at *4.

188. The court acknowledged that other circuits had previously recognized the presumption for false advertisement claims, and that it had recognized the presumption for trademark infringement claims. *See Ferring*, 765 F.3d at 210.

189. Of importance here is that the Second Circuit issued its decision in *Time Warner Cable* three years prior to its in *Salinger* decision. The court in *Salinger* did not review the standard stated in *Time Warner Cable* because neither the parties nor the district court raised the issue. *See Salinger v. Colting*, 607 F.3d 68, 77 n.6 (2010). The Second Circuit subsequently endorsed the *Time Warner Standard* for false comparative advertising claims in *Merck*. *See Merck Eprova AG v. Gnosis S.p.A.*, 760 F.3d 247, 259-61 (2d Cir. 2014).

190. The court used *Salinger* to indicate that *eBay* is not strictly limited to the patent context, thereby allowing for its extension to the false advertising context. *See Ferring*, 765 F.3d. at 213-14.

infringement and false advertising: “the injury arising from patent or copyright infringement can generally be measured in monetary terms . . . [while] injury to goodwill and reputation [arising from false advertising] ‘is real but difficult to measure in dollars and cents.’”¹⁹¹ However, the court was not persuaded by this argument, indicating that the rationale in *eBay* and *Winter* is focused on the proper framework for injunctive relief, and not the underlying claim.¹⁹² Thus, the Third Circuit declined to recognize the presumption of irreparable harm for false advertisement claims.¹⁹³ In turn, the court imposed on Ferring the burden of demonstrating a likelihood of irreparable harm if the injunction were not granted.¹⁹⁴ The Third Circuit affirmed the district court’s denial of the motion after determining that the evidence Ferring produced was too speculative to overcome the burden.¹⁹⁵ This case represents not only a stark contrast to the holding in *Time Warner Cable*, but also the first

191. *See id.* at 215 (quoting 5 J. Thomas McCarthy, *supra* note 28, § 30:47); *see generally supra* Part I (discussing the similarities between patent and copyright infringement claims).

192. The court opined that the rationale in *eBay* was not unique to patent cases, and rather that injunctive relief must be granted in accordance with the traditional principles of equity. The court bolstered its opinion with the line of reasoning seen in *Winter*. The court gave little, if any, weight to Ferring’s argument. *See Ferring*, 765 F.3d at 215-17 (disagreeing with Ferring’s argument that *eBay* does not apply to Lanham Act cases because the court believed that the unique characteristics of patents did not factor into the ultimate holding and using *Winter* to reinforce this conclusion).

193. *See id.* at 217.

194. *See id.*

195. Ferring submitted a declaration from Dr. Angeline N. Beltsos that stated: “(1) Dr. Beltsos and other doctors would be less likely to prescribe a drug if they believed it contained a Black Box warning; (2) Dr. Beltsos and other doctors would be less likely to prescribe a drug if patients in the marketplace generally preferred another drug; and (3) Dr. Beltsos and other doctors would be less likely to prescribe a drug if it was not effective for a particular age group.” *Id.* at 217. The court found this declaration to be speculative because she stated that these types of statements “may influence” her professional decisions, and, moreover, nothing in the declaration indicated that she had changed her prescription rate of Endometrin. *See id.* at 218-19. Furthermore, the court gave significant weight to Dr. Silverberg’s certifications that he would refrain from making the offending statements in the future and that no evidence was produced to support the fact that the statements were still available, or would later be made available, in the marketplace, notwithstanding the fact that Watson itself had not certified that it would refrain from making any of these statements in the future. *See id.* at 217-18.

extension of *eBay* by a circuit court to abolish the use of the presumption in a false advertisement claim.¹⁹⁶

III. LONG LIVE THE PRESUMPTION OF IRREPARABLE HARM

Part II introduced the debate about whether the presumption of irreparable harm should continue to exist in false advertisement cases in the wake of *eBay* and *Winter*. Part III argues that it should continue to be recognized where a false comparative advertisement is at issue. Part III.A discusses why the presumption in false advertisement cases is consistent with *eBay* and *Winter*. Part III.B examines the market interests in a false advertisement case that ground the presumption in sound policy. Part III.C will then argue that the presumption applied by the Second Circuit in *Time Warner Cable* is properly designed to address the interests of the Lanham Act while operating within the equitable framework endorsed by the Supreme Court.

A. THE PRESUMPTION OF IRREPARABLE HARM IS CONSISTENT WITH *eBAY* AND *WINTER*

The presumption in false comparative advertisement cases can continue to be recognized because it is consistent with the holding in *eBay*.¹⁹⁷ In *eBay*, the Court forbade the use of a categorical rule that would override the four-factor equitable analysis and result in an automatic denial or issuance of an injunction.¹⁹⁸ The presumption does not operate as a categorical rule during either the individual determination of irreparable harm or in the resulting outcome of the analysis.¹⁹⁹ When determining whether irreparable harm has resulted, the presumption is rebuttable, thereby allowing the defendant to defeat it by offering counter evidence.²⁰⁰ Thus, the presumption standing alone

196. See *id.* at 214. *Contra* *Time Warner Cable, Inc. v. DIRECTV, Inc.*, 497 F.3d 144, 161-62 (2d Cir. 2007) (offering an opposing view to the continued recognition of the presumption of irreparable harm in the limited context of comparative false advertising claims).

197. See *supra* notes 64-65 and accompanying text (explaining that the presumption operates *within* the equitable framework as opposed to overriding it, which is at the core of the argument in favor of recognizing that the presumption is consistent with *eBay*).

198. See *supra* notes 128-131 and accompanying text (analyzing the Supreme Court's disagreement with the lower courts' holdings, which involved elements that were contradictory to the traditional principles of equity).

199. See *supra* notes 64-65 and accompanying text.

200. See *supra* note 64 and accompanying text.

does not result in an automatic determination because the rebuttal option serves as a safeguard.²⁰¹ In turn, the presumption must be fairly balanced against an examination of the other factors of the equitable analysis.²⁰² A categorical rule would override this analysis resulting in an absolute outcome dependent on one factor.²⁰³ The presumption merely governs the second factor of the analysis, allowing for the four-factor test to be the final referee.²⁰⁴ As a result, the presumption does not parallel a categorical rule.²⁰⁵ The fact that *eBay* does not criticize the district court's underlying use of the presumption reinforces this view.²⁰⁶ It follows that presumptions that operate within the equitable analysis framework are not a departure from the traditional principles of equity.²⁰⁷ Thus, the presumption is an appropriate tool that can be used within the framework set out in *eBay*.²⁰⁸

Likewise, the Supreme Court's holding in *Winter* does not threaten the presumption's legitimacy.²⁰⁹ *Winter* held that a plaintiff's burden of establishing the "possibility" of irreparable harm was too lenient and that the plaintiff must satisfy the burden by showing that it is "likely."²¹⁰ This decision does not reinforce an extension of *eBay* or stand in its shoes to accomplish the same result because the Court did not determine

201. See *supra* note 64 and accompanying text.

202. See *supra* note 65 and accompanying text.

203. See *supra* notes 128-31 and accompanying text.

204. See *supra* notes 64-65 and accompanying text.

205. Compare *supra* notes 64-65 and accompanying text (indicating that the presumption does not foreclose the potential for a defendant to defeat a motion for a preliminary injunction), with *supra* notes 125-26, 129-31 and accompanying text (detailing the rules that the Supreme Court deemed to be categorical, which had resulted in automatic outcomes on the motion for a preliminary injunction in both of the lower courts).

206. See *supra* note 131 and accompanying text (highlighting the fact that the Supreme Court did not discuss the district court's underlying use of the presumption, but rather its suggestion that injunctive relief would never be appropriate under certain circumstances).

207. See *supra* note 131 and accompanying text.

208. See *supra* note 131 and accompanying text.

209. See *supra* notes 136-40 and accompanying text (analyzing the Supreme Court's holding in *Winter* that for a plaintiff to be entitled to relief they have the burden of proving the likelihood of irreparable harm).

210. See *supra* notes 136-40 and accompanying text.

that the presumption itself was “too lenient.”²¹¹ Instead, *Winter* expressly speaks to the burden of establishing irreparable harm, not to a presumptive tool that shifts that burden.²¹² The distinction of the presumption from the domain of *Winter* is bolstered by the Court’s desire to prevent future courts from granting an injunction on speculative facts.²¹³ The presumption does not give rise to judicial speculation because irreparable harm *necessarily* results from a false comparative advertisement.²¹⁴ In light of this, it can be said that the injury is not only likely, but it is certain.²¹⁵ Therefore, the presumption is consistent with *Winter* because it is not a speculative burden requirement itself, but rather a burden shifting mechanism based on established norms.²¹⁶

B. POLICY REASONS FOR CONTINUED RECOGNITION

The market interests that false advertising law is designed to protect provide sound policy reasons for the continued recognition of the presumption in false comparative advertisement claims. On the other hand, patent law and copyright law lack the necessary market interests to justify its future use.

False advertisement law does not seek an equal balance of market interests.²¹⁷ The Lanham Act’s goal of protecting the market by promoting a truthful one pushes in favor of a presumption that would

211. See *supra* note 136 and accompanying text (noting that the presumption was not up for review by the Supreme Court and the ruling was limited to the proper standard for the burden of proof for preliminary injunctions).

212. See *supra* note 136 and accompanying text.

213. See *supra* note 138 and accompanying text (indicating that the Supreme Court seemed to have concerns regarding the issuance of a preliminary injunction based on an improperly low burden for establishing irreparable harm).

214. See *supra* notes 57-62 and accompanying text (analyzing the reason why false comparative advertisements provide a unique legal landscape in which the presumption can operate without speculation).

215. See *supra* notes 57-62 and accompanying text.

216. Compare *supra* notes 64-65 and accompanying text (indicating that the presumption is merely a burden-shifting mechanism), with *supra* notes 136-40 and accompanying text (describing the issue before the Supreme Court in *Winter* and how the decision is directed at preventing the issuance of a speculative preliminary injunction by increasing the threshold level for establishing irreparable harm, a question very different from whether a burden-shifting mechanism is valid).

217. See *supra* notes 39-49 (indicating that the Lanham Act has the fundamental purpose of protecting the interests of the targeted company and the injured consumer compared to those who decide to violate its mandates).

give assistance to a party with interests aligned with that goal.²¹⁸ Two factors emphasize the difficulty in supporting these interests in the absence of the presumption. First, the harm from a false comparative advertisement necessarily results whenever the false message is conveyed to consumers.²¹⁹ The presumption should not violate any sense of equity because it presumes an injury that can legitimately be presumed.²²⁰ Second, without access to the presumption, a plaintiff is faced with the notoriously difficult burden of establishing an injury from false advertising.²²¹ A company would be so limited in its ability to prove this and succeed in its pursuit of a preliminary injunction that the market would be forced to endure the perpetuation of false perceptions until the conclusion of trial thereby increasing the costs imposed upon the market.²²² Given that the injury to the market occurs *every time* the false message is conveyed to a consumer, this result is so contrary to the policies underlying false advertisement law that it *should* violate a sense of equity.²²³ Therefore, if the market interests are to be duly supported, the recognition of the presumption will provide the first line of defense in guarding those interests in a fashion that still operates within the equitable framework.²²⁴

Patent law and copyright law are both concerned with a much more equitable division of interests.²²⁵ Accordingly, a court must actively seek an equal playing field between the parties when determining whether to grant a preliminary injunction lest it set off that balance.²²⁶ Presuming irreparable harm in these contexts would unwarrantedly tip the scales in favor of the plaintiff.²²⁷

218. See *supra* notes 39-49 and accompanying text.

219. See *supra* notes 57-62 and accompanying text.

220. See *supra* notes 57-62 and accompanying text.

221. See *supra* notes 66-71 and accompanying text (describing the almost insurmountable burden that a plaintiff must overcome to establish irreparable harm resulting from false comparative advertisements at such an early stage in litigation).

222. See *supra* notes 52-55 (describing that the heightened burden is bad for the market because both the plaintiff and consumers will be subject to the false advertisement if the plaintiff cannot overcome that burden).

223. See *supra* notes 39-49 and accompanying text.

224. See *supra* notes 66-71 and accompanying text.

225. For an analysis of the interests underlying patent law, see *supra* notes 76-82 and accompanying text. For a similar analysis in copyright law, see *supra* notes 98-103 and accompanying text.

226. See *supra* notes 76-82, 98-103 and accompanying text.

227. See *supra* notes 76-82, 98-103 and accompanying text.

In the patent context, the elimination of the presumption is aligned with a legal regime that supports an equal balance of interests.²²⁸ Two factors justify its elimination. First, the existence of a patent infringement claim is not determinative evidence that the patent holder has suffered irreparable harm.²²⁹ The use of the presumption would afford an unwarranted advantage to the plaintiff.²³⁰ Second, this advantage would be conferred in a context where the underlying interests seek a fair balance between the parties.²³¹ The presumption would redistribute the weight afforded to the underlying interests of patent law, giving undue protection to the patent holder thereby offsetting the balance of interests.²³² The abolition of the presumption instead restores the desired fairness aligned with the balance that patent law is intended to promote.²³³

The abolition of the presumption in copyright infringement is an easy jump from patent infringement given the similarities between the two fields.²³⁴ Two analogous factors underscore the justification for prohibiting the presumption in this context. First, because of the variety of uses of a copyright, the existence of an infringement claim is not always dispositive evidence of irreparable injury.²³⁵ The diverging uses of a copyright restrict the acceptance of a presumption that would assume injury regardless of the use.²³⁶ Second, the interests underlying copyright law support a position in favor of requiring the moving party to establish irreparable harm.²³⁷ A presumption would impede the accomplishment of copyright law's desire for an equal balance of

228. See *supra* notes 76-82 and accompanying text (describing the equal balance between affording protection to inventors who have expended effort in the pursuit of innovation and increasing public access to that innovation).

229. See *supra* notes 91-92 and accompanying text (explaining that a plaintiff can be made whole when the litigation concerns a matter where the defendant has committed past infringement, and that future infringement is the limited space where patent infringement could be irreparable).

230. See *supra* notes 76-82 and accompanying text.

231. See *supra* notes 76-82 and accompanying text.

232. See *supra* notes 76-82 and accompanying text.

233. See *supra* notes 76-82 and accompanying text.

234. See *supra* notes 98-103 and accompanying text (describing the equal balance of interests that copyright law has been designed to promote).

235. See *supra* note 114 and accompanying text (noting that there are many copyright disputes that are simply about money, which would foreclose the possibility of irreparable harm).

236. See *supra* notes 98-103 and accompanying text.

237. See *supra* notes 98-103 and accompanying text.

interests because it would shift the initial fairness of the litigation in favor of the plaintiff.²³⁸ Without the presumption, the interests will be appropriately weighed against each other allowing copyright law to promote its goals in the complementary fashion that the law intends.²³⁹ Accordingly, the presumption is an unnecessary tool to achieve the goals of the Patent Act and the Copyright Act, unlike its indispensability to the achievement of the goals of the Lanham Act.

C. THE STANDARD TO BE RECOGNIZED BY COURTS GOING FORWARD

The presumption that most dutifully protects the market interests in a false advertisement claim without violating *eBay* or *Winter* is the standard employed by the Second Circuit.²⁴⁰ Recognition of the presumption in all false advertisement cases has been advocated in a few courts and has scholarly recognition, yet blanket recognition is not feasible.²⁴¹ Presuming that any time there is a false advertisement, there is a corresponding injury would operate as a highly speculative tool that doubles as a categorical rule.²⁴² Alternatively, a plaintiff should be entitled to a rebuttable presumption within the equitable framework limited to the two categories identified by the Second Circuit.²⁴³ The first category results from an advertiser broadcasting a message that contains an express comparison to a competitor.²⁴⁴ The second category occurs when the advertiser does not expressly mention the competitor, but the market is structured in such a way that a consumer would

238. See *supra* notes 98-103 and accompanying text.

239. See *supra* notes 98-103 and accompanying text.

240. See *supra* notes 175-77 and accompanying text (analyzing the rule set forth by the Second Circuit).

241. See *supra* note 57 and accompanying text (explaining the disagreement that has been seen in courts regarding the correct scope of the presumption of irreparable harm between whether it should be limited to false comparative advertising claims or whether it is appropriate to use it in all false advertising claims).

242. See *supra* notes 126-31, 136-41 and accompanying text (analyzing the rules at issue in *eBay* and *Winter* that gave rise to the concerns over the validity of the presumption and whether its use is consistent with the decisions).

243. See *supra* note 176 and accompanying text (describing the two areas in which the Second Circuit has approved the continued use of the presumption). Although the Second Circuit expressed doubt about the presumption in *Salinger*, the court subsequently reaffirmed the framework set out by *Time Warner* in *Merck* for false comparative advertisement claims. See *supra* note 180 and accompanying text.

244. See *supra* note 176 and accompanying text.

reasonably believe the message to be about that competitor.²⁴⁵ The rationale for the presumption under the first category applies with equal force to the other because a competitor's goodwill and reputation will necessarily be damaged whenever a consumer recognizes that the advertisement is a comparison between the two companies.²⁴⁶ As a result, a court can effectively use the presumption under this framework to alleviate the foregoing concerns of the balance of interests in a false comparative advertisement claim while staying within the realm of *eBay* and *Winter*.²⁴⁷

CONCLUSION

The continued recognition of a rebuttable presumption of irreparable harm is the next challenge facing courts hearing false advertisement claims. This Note introduced the related areas of patent law and copyright law that have seen the abolition of the presumption in the wake of *eBay* and *Winter*. Abolishing it in false advertisement claims for the same reasons is not only wholly unnecessary, but would render immaterial the very policies that ground the law. In upcoming decisions, courts should continue to recognize the presumption in false comparative advertisement claims when the advertisement expressly identifies the plaintiff, or when it is clear that a reasonable consumer would infer the advertisement to be targeted at the plaintiff. Limiting the use of the presumption to these two areas will ensure that it promotes the welfare of the market interests in a manner that fully complies with the framework endorsed by *eBay* and *Winter*. A preliminary injunction remains the essential remedy for both the company and the consumer, and the presumption used in this fashion will ensure that the preliminary injunction does not become obsolete in false advertising.

245. See *supra* note 176 and accompanying text.

246. See *supra* note 176 and accompanying text.

247. See *supra* notes 197-216 and accompanying text (explaining why the use of the presumption of irreparable harm is consistent with *eBay* and *Winter*).