

US: TRADE MARKS

Proper geographic scope for injunctive relief

Katten Muchin Rosenman LLP
New York



Karen Artz Ash and Bret J Danow

In *Guthrie Healthcare System v ContextMedia, Inc.*, the Court of Appeals for the Second Circuit issued a decision regarding the appropriate geographic scope of an injunction in a trade mark infringement case.

Guthrie Healthcare System, which operates medical facilities, hospitals and clinics, primarily in the Twin Tiers region of New York and Pennsylvania (which the court termed the “Guthrie Service Area”), and owns a federal registration for its stylized logo mark, filed a complaint in the Southern District of New York against ContextMedia alleging trade mark infringement based on ContextMedia’s use of a similar logo in connection with its delivery of health-related content to physician practices. The district court found that there was a likelihood of confusion between the logos at issue in the Guthrie Service Area but not outside of the Guthrie Service Area. Therefore, the District Court granted a limited injunction, preventing ContextMedia from using its logo in the Guthrie Service Area but allowing it to continue to use the logo everywhere else, including on its websites, in social media and in internet transmissions.

Both parties appealed the decision, ContextMedia contesting the finding of liability and Guthrie Healthcare System objecting to the narrow scope of the injunction. The Second Circuit affirmed the finding of a likelihood of confusion, determining that the logos are “jaw-droppingly similar” and overruled the district court with respect to the scope of the injunction, holding that the district court had misinterpreted the law. The Court held that while it is correct that the senior user of a mark must prove a probability of confusion in order to obtain injunctive relief, such injunctive relief should not only extend to those geographic areas for which a probability of confusion has

been shown.

In evaluating the scope of the injunction, the Court held that “once the senior user has proven entitlement to an injunction, the scope of the injunction should be governed by a variety of equitable factors – the principal concern ordinarily being providing the injured senior user with reasonable protection from the junior user’s infringement”. In this connection, the Court held that the district court’s ruling was problematic because it allowed ContextMedia to continue to use its marks on the internet where there would also be a likelihood of confusion. Further, the limited injunctive relief provided by the district court could harm the plaintiff by preventing it from expanding its business beyond the geographic area to which the injunction applied without subjecting it to consumer confusion.

The Court specifically noted that “every case turns on its particular facts”, indicating that senior users who demonstrate a likelihood of confusion with a junior user’s use of a mark in a particular area of operation are not necessarily entitled to injunctions that extend beyond the senior user’s geographic area of operation. To the contrary, a junior user has the ability to demonstrate that there will be no likelihood of confusion in a particular geographic area such that an injunction in that area will not serve any useful purpose.