BERGER SINGERMAN
FLORIDA'S BUSINESS LAW FIRM

SCOTUS LIMITS EXTRATERRITORIAL REACH OF LANHAM ACT

June 29, 2023

In a 9-0 decision on June 29, 2023, the Supreme Court held in A*bitron Austria GmbH v. Hetronic Intl., Inc*. that the Lanham Act, which is the underpinning of all federal trademark law in the United States, cannot allow for recovery of damages connected with any non-domestic sales, limiting extraterritorial reach. The case concerned a trademark dispute between Hetronic, a U.S. company, and six foreign parties who are collectively deemed "Abitron". Hetronic sought damages for Abitron's infringement in the U.S. and globally, and the District Court entered a permanent injunction preventing Abitron from using Hetronic's marks anywhere in the world and approved a jury award of $96 million in damages stemming from Abitron's global infringement.

Even where sales outside the United States cause a likelihood of confusion in the United States, that is not actionable as a matter of law. Given the global nature of the internet, social media and search engines, this ruling will make it more difficult, if not impossible, for U.S. businesses to block infringing activity. It will complicate the ability of businesses to obtain recovery in U.S. courts; monetary damages in trademark infringement matters can only be recovered regarding products made, shipped through, or sold in the United States. However, because many of the social media and advertising networks through which consumer and other products and services are marketed are based in the U.S., injunctions and requests for takedowns based on networks' 'Terms of Use' policies should not experience significant changes. It will also have no impact on proceedings before the U.S. Trademark Office's Trademark Trial and Appeal Board, as all registrations and pending applications, by their nature, concern domestic conduct.

Berger Singerman attorneys have experience in federal Lanham Act litigation including obtaining injunctions against infringers, and have strong relationships with collaborating foreign firms in obtaining injunctions in other countries where trademarks have been infringed upon. If you have any questions, please contact Geoffrey Lottenberg, Heidi Howard Tandy, or other member of the Intellectual Property practice.

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