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Trademark troll fails to obtain preliminary injunction **Confusion**
United States - Leason Ellis LLP

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In *Edge Games Inc v Electronic Arts Inc* (October 1 2010), the video game publisher Electronic Arts Inc (EA) has successfully defeated an apparent hold-up attempt by Edge Games Inc, which asserted shaky rights in the EDGE mark in a trademark infringement action.

Edge's lawsuit alleges that EA's MIRROR'S EDGE mark, used in connection with an action adventure video game, infringed its registrations for the mark EDGE, as well as composite marks incorporating the word 'edge' for use with video games and other goods. Edge submitted a declaration from its sole shareholder, Dr Tim Langdell, claiming a long history of use and licensing of the EDGE marks.

Langdell learned about EA's intended release of MIRROR'S EDGE shortly after it was announced in July 2007. The parties disputed when and how often Langdell allegedly complained to EA about the MIRROR'S EDGE mark, but there was an indisputable three-year period from the time EA announced its MIRROR'S EDGE mark until Edge filed suit and sought preliminary injunctive relief.

In deciding the preliminary injunction motion, the US District Court for the Northern District of California first addressed the likelihood that Edge would succeed on the merits. Because success requires Edge to have a protectable interest in its asserted EDGE marks, the court focused its analysis on EA's evidence that Edge had wilfully committed fraud in obtaining and/or maintaining registrations for many of the asserted EDGE marks. The evidence showed that Edge had:

- altered specimens submitted to the US Patent and Trademark Office (USPTO) in support of several of its filings;
- submitted specimens alleged to show current use that were instead discontinued years earlier; and
- claimed use through companies as alleged licensees which had no relationship with Edge, or where the use in question was outside of the parties' licence.

The evidence of fraud submitted by EA was so compelling that the court decided that the veracity of Langdell's entire declaration was questionable. Without credible evidence of its rights in the EDGE marks, the court held that Edge had failed to establish that it was likely to succeed on the merits.

The court nevertheless continued with a likelihood of confusion analysis and found that Edge would not succeed on the merits, even if it could establish protectable rights in the EDGE marks. The court relied on:

- the differences between the marks (as well as the presence of EA's house marks on its packaging);
- the coexistence of other EDGE marks to weaken Edge's rights;
- the lack of any evidence of bad faith on EA's part in adopting the MIRROR'S EDGE mark; and
- the coexistence of the respective marks for 21 months without any evidence of actual confusion.

Turning to the requirement that Edge should show that it would suffer irreparable harm in the absence of a preliminary injunction, the court invoked the Supreme Court's decision in *Winter v Natural Resources Defense Council* (129 S.Ct 365 (2008)) as requiring an independent showing of irreparable harm. Thus, under *Winter*, "even for trademark actions", irreparable harm will not be presumed but, rather, is part of the plaintiff's burden of proof. Once again, the evidence of Edge's fraudulent registration and/or maintenance of the marks guided the court's analysis. Without a valid mark, the court reasoned, Edge could not suffer any harm from EA's MIRROR'S EDGE mark, let alone irreparable harm.

Moreover, the court determined that Edge's business activities may not "extend beyond trolling various gaming-related industries for licensing opportunities". As such, Edge would not suffer reputational damage due to EA's MIRROR'S EDGE mark, but rather only economic damage that could be adequately remedied by monetary, as opposed to injunctive, relief. Finally, the court was swayed by Edge's long period of delay in filing suit and seeking a preliminary injunction. According to the court, the bulk of any reputational harm would have been suffered in this early period of use, and there was no reason to believe that an injunction was necessary at this late date. Indeed, the court stated that Edge's delay alone was sufficient cause to deny the preliminary injunction motion.

Addressing the final considerations in its analysis of whether to grant preliminary injunctive relief, the court also noted that the harm to EA in enjoining its product at this stage of its business would be inequitable and prejudicial to EA. Additionally, there was no evidence that the public was being confused by EA's mark.

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In sum, EA's diligence in exposing Edge's fraudulent filings with the USPTO and questionable licensing arrangements led the court to conclude that Edge's business consisted of trolling for entities willing to pay Edge for its alleged rights. With no real demonstrable rights and no ability to show any harm beyond potential lost licensing revenue, the court declined to impose preliminary injunctive relief.

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