

# Unlawful use doctrine may (or may not) be a defence to trademark infringement in the Eleventh Circuit

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Legal updates: case law analysis and intelligence

- In the underlying lawsuit, the district court granted a preliminary injunction against Weiboli, rejecting its unlawful use defence
- The court found that the Eleventh Circuit did not provide definitive guidance on whether to adopt the doctrine in an infringement context
- The Federal Circuit vacated, holding that the district court had misread Eleventh Circuit guidance

In a case of first impression for the US Court of Appeals for the Federal Circuit, [VPR Brands LP v Shenzhen Weiboli Technology Co Ltd](#) (Federal Circuit 2024), the court has vacated a preliminary injunction for failure of the district court to properly consider the unlawful use defence in response to a trademark infringement claim.

## Background

The underlying lawsuit involves VPR's claim that its registered ELF mark for e-cigarettes was infringed by Weiboli's use of ELFBAR for the same products. Weiboli asserted that VPR failed to obtain pre-marketing authorisation from the Food and Drug Administration for its "new tobacco products" under the Food, Drug and Cosmetics Act. Relying on evidentiary submissions and expert testimony, Weiboli argued that VPR's use of the ELF mark was unlawful, and its registration was therefore invalid and unenforceable. Further, according to Weiboli, without valid trademark rights, VPR would not be likely to succeed on the merits of its infringement claim and thus should not be granted a preliminary injunction. The district court nevertheless granted VPR a preliminary injunction, rejecting Weiboli's unlawful use defence on the basis that applicable Eleventh Circuit law "did not provide 'definitive guidance' on whether to adopt the doctrine in an infringement context".

## Decision

Weiboli appealed to the Federal Circuit, which had jurisdiction because there are also patent claims in the lawsuit. The Federal Circuit undertook a historic look at the unlawful use doctrine, noting its origins in administrative proceedings at the USPTO as a basis for denying registration, albeit without any statutory authority for the doctrine. The Federal Circuit further noted the inconsistent views expressed in the relatively few decisions by courts in the infringement context. The Eleventh Circuit, however, is one of only three Circuit Courts of Appeals to have addressed the doctrine (see *FN Herstal SA v Clyde Armory Inc* (11th Circuit 2016)). Analysing *FN Herstal*, the Federal Circuit determined that evidentiary deficiencies caused the Eleventh Circuit to decline to apply the unlawful use doctrine. The Federal Circuit thus concluded that the district court had committed legal error by "unreasonably rejecting" Weiboli's unlawful use defence because it interpreted *FN Herstal* as a *per se* rejection of the doctrine. According to the Federal Circuit, this precedent was not a "positive inclination" toward or against adoption of the doctrine.

Under *FN Herstal*, a use is unlawful if:

1. a court or agency with competent jurisdiction has previously found a violation; or
2. "there has been a *per se* violation of a statute regulating the sale of a party's goods."

Further, there must be a "nexus" between the use of the mark at issue and the alleged violation, and the violation must be sufficiently grave and significant as to be considered "material". The Eleventh Circuit's refusal to apply the doctrine in *FN Herstal* based on evidentiary deficiencies, according to the Federal Circuit in its decision in *VPR Brands*, "does not support the conclusion that the Eleventh Circuit would reject the doctrine regardless of the circumstances".

The case has been remanded to the district court "to reconsider all pertinent issues and re-evaluate VPR's motion for a preliminary injunction".

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