



Ninth Circuit Articulates Its Version of the Acquiescence Defense to Trademark Infringement

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Acquiescence has long been accepted as a defense to a claim of trademark infringement in most jurisdictions. The Ninth Circuit recently articulated its definition of the defense in *Seller Agency Council, Inc. v. Kennedy Center for Real Estate Education, Inc.*, No. 08-56791 (9th Cir. 2010).¹

Specifically, the Ninth Circuit found that acquiescence "limits a party's right to bring suit following an affirmative act by word or deed by the party that conveys implied consent to another." Accordingly, it held that the elements of an acquiescence defense are: (1) the trademark owner actively represented that it would not assert a right or a claim; (2) the delay between the active representation and assertion of the right or claim was not excusable; and (3) the delay caused the defendant undue prejudice. Prejudice must involve reliance on the trademark owner's affirmative act or deed, and the reliance must be reasonable. The reasonableness of the reliance depends on the content of the affirmative act and the context in which that act was performed. By contrast, to establish a laches defense in the Ninth Circuit a defendant must, first, establish that the plaintiff's delay in bringing suit was unreasonable and, second, that the defendant was prejudiced by the delay.

In this case, the district court found that the trademark owner had acquiesced in all uses of its mark by the appellee by asking the appellee to process certain transactions on behalf of customers. The Ninth Circuit ruled, however, that the district court's decision had to be vacated because the court did not make findings on whether the trademark owner's requests regarding the specific transactions at issue were sufficient to support a ruling that the trademark owner acquiesced in all uses of its mark. That is, did the trademark owner merely acquiesce in continued use of its mark for a limited purpose or more generally.

1 Available at http://scholar.google.com/scholar_case?case=2923506844958558429&q



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Acquiescence necessarily is a fact specific inquiry with respect to the words said or acts performed that the other side claims underlie its belief that it could use a mark. Trademark owners must be vigilant about what employees say regarding the use of a company's marks to avoid unintended consequences.

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