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Articles

EX-PARTE SEIZURE OF INTELLECTUAL PROPERTY GOODS

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***308 I. Introduction**

Billions of dollars have been lost by American business due to the unauthorized use of trademarks, copyrights, patents, designs, and trade secrets.¹ The loss attributed to product counterfeiting, passing off, and infringement has reached dramatic levels since U.S. Trade Representative Carla A. Hill's 1986 report to Congress that U.S. companies have lost an estimated \$43 to \$61 billion due to ineffective intellectual property protection.² In 1984, the International Trade Commission reported that over 150 different products are counterfeited, including computer hardware and software, jewelry, luggage, and handbags.³ Losses in the range of \$12 to \$16 billion are attributed to piracy and counterfeiting within the computer software industry.⁴ Since the commercialization of the internet, and the advent of new digital goods, the scope of "goods" related to intellectual property rights (intellectual property goods) has expanded dramatically. According to a survey conducted by the International AntiCounterfeiting Coalition, Fortune 500 companies have reported spending an average of between \$2 to \$4 million dollars per year to combat counterfeiting.⁵

With the increased counterfeiting of goods, practitioners will be faced with requests for advice from clients on how to combat such debilitating activities. The purpose of this article is to discuss the civil ex-parte remedies available to intellectual property rights owners in the State of Texas. This article also discusses the procedures a practitioner should consider and pitfalls to avoid when making an ex-parte application to the court.

II. The Ex-parte Order in General

An ex-parte order is typically the result of one party successfully moving the court to issue an order in the absence of, and usually without notice to, the opposing party.⁶ Generally, a court's ex-parte order is fashioned to enjoin conduct and/or seize property.⁷ When requested by owners of intellectual property rights, *309 the ex-parte application typically seeks the seizure of counterfeit goods or to prohibit certain conduct.⁸ Counterfeit goods are generally low quality and offered as genuine merchandise to the unsuspecting public.⁹

An ex-parte application may also seek the seizure of documents and information related to counterfeit goods or alleged infringing activities. In this regard, the subject matter of the relief requested is akin to pre-trial discovery. In the alternative, or in conjunction with such requests, the intellectual property right owner may move for an order directing a party to refrain from carrying out certain conduct which would frustrate the court's jurisdiction. Such relief, typically in the form of a temporary restraining order (TRO), functions to preserve the status quo and/or prevent irreparable harm.¹⁰ The proper preparation and satisfaction of the statutory requirements significantly improves the likelihood of a court granting the ex-parte application as requested. Additionally, it minimizes the success of a post seizure challenge(s), if any, to the ex-parte order.

III. Inherent Equitable Power of the Court to Fashion Ex-parte Seizure Orders

It should be noted that courts have long been recognized as having inherent equitable powers to fashion remedies that adequately protect the rights of the parties when existing laws are silent or deficient. Prior to the enactment of the Trademark Counterfeiting Act of 1984,¹¹ such was the situation for courts facing ex-parte seizure applications from trademark owners. Courts frequently made broad interpretations of the Lanham Act¹² and used Fed. R. Civ. P. 64 and 65 to craft ex-parte orders that addressed the immediate situation.¹³ However, some courts were reluctant to make such interpretations and denied ex-parte relief.¹⁴

Neither Rule 64 nor 65 confers the power to grant equitable relief, but both articulate the procedural requirements for the court to exercise its equitable powers. Rule 64 focuses on the procedural requirement for seizures, whereas Rule 65 addresses the procedural requirements for injunctive relief (including TROs). *310 Furthermore, the All Writs Act¹⁵ "invests a court with a power essentially equitable" to issue writs that are not otherwise covered by statute.¹⁶ This quasi-equitable power can be used by the court to fashion ex-parte orders to seize, inspect, and/or enjoin.

A. Fed. R. Civ. P. 64--The Door to State Seizure Remedies

Fed. R. Civ. P. 64 states in part:

At the commencement of . . . an action, all remedies providing for the seizure of person or property for the purpose of securing satisfaction of the judgment ultimately to be entered in the action are available under the circumstances and in the manner provided by the law of the state in which the district court is held, existing at the time the remedy is sought¹⁷

The critical aspect of Rule 64 is that state law controls the availability of such relief to an intellectual property owner so long as there is no violation of federal law. In Texas, the seizure of property prior to adjudication of the underlying action is governed by Tex. Civ. Prac. & Rem. Code Sections 61.001-61.063 for attachment; Tex. Civ. Prac. & Rem. Code Sections 62.001-62.063 for sequestration; and Tex. Civ. Prac. & Rem. Code Section 63.001 for garnishment.¹⁸

1. Attachment under Texas Law

Generally, under Section 61.001, the general statutory requirements for issuance of a writ of attachment are:

- (1) the defendant is justly indebted to the plaintiff;
- (2) the attachment is not sought to injure or harass the defendant;
- (3) the plaintiff will probably lose his “debt” unless the writ of attachment is issued; and
- (4) specific grounds for the writ exist under Tex. Civ. Prac. & Rem Code § 61.002.

The scope of an attachment under Texas law depends on the residency of the defendant. An attachment may be obtained against a resident only when the suit is based on “debt.” Under Texas law, a “debt” of a resident must be liquidated. This means that the debt must be capable of being definitely ascertained by supporting evidence. However, the “debt” does not have to be due at the time the application for writ of attachment is filed.¹⁹ The term “debt” further includes property that is *311 either real or personal. However, the applicant must have an actual interest in such property. If the defendant is a non-resident, then a writ of attachment may issue on tort claims and/or contract claims with unliquidated damages.²⁰ More specifically, Section 61.005 authorizes attachment in a suit founded in tort or on an unliquidated demand against a party on whom personal service cannot be obtained.

Infringement, counterfeit, and misappropriation claims are all considered torts²¹ and generally have unliquidated damages. Therefore, to properly seize goods under Texas law, the applicant must demonstrate that the trial court lacks in personam jurisdiction over the defendant or that attempts to serve the defendant with the lawsuit have been unsuccessful.²²

2. Sequestration under Texas Law

Similarly, sequestration generally involves an ex-parte pre-judgment seizure of property. However, sequestration is a conservatory process that preserves and protects the property pending the outcome of the underlying action. The underlying action is typically a dispute over which party has ownership of the property.²³ Like attachment, a writ for sequestration requires the ex-parte applicant to have an interest in the property sequestered. The grounds for applying for a writ of sequestration are:²⁴

1. It can not be reasonably concluded that there is an immediate danger that the defendant or the party in possession of the disputed personal property will conceal, dispose of, ill-treat, waste, or destroy the property, or remove it from the county during the suit;
2. It can reasonably be concluded that there is an immediate danger that the defendant or the party in possession of disputed real property will use his or her possession to injure or ill -treat the property, or to waste or convert to his or her own use the timber, rents, fruits, or revenue of the property;
- *312 3. The plaintiff has been ejected from disputed real property by force or violence; or

4. The underlying suit concerns real property and the plaintiff makes an oath that the defendant is not a resident of the state.²⁵ This remedy is statutory and not a common law remedy. Accordingly, the above requirements are strictly construed.

The holding in *Learn2.com, Inc. v. Bell*²⁶ is instructive regarding the use of a writ of sequestration under Texas law. The plaintiff, Learn2.com, Inc. filed a complaint for breach of contract, misappropriation of trade secrets, civil conspiracy, tortious interference, and destruction of copyright notice claims. It also filed an application for a TRO, preliminary injunction, and a seizure order to seize software applications, programs, and code.²⁷ Although it was not specifically discussed in the opinion of the court, the application for seizure appears to be founded upon Section 62.001.²⁸

At the post seizure hearing, the court found that seizure and the preliminary injunction were appropriate given “[the] software, including the proprietary confidential, trade secret and copyright and software owned by Learn 2.com, Inc. and misappropriated by Media Sync, is easy to copy and transmit for a person having access thereto; and once copied and transmitted, it is difficult, if not impossible, for the owner to obtain the return of misappropriated software.”²⁹ Furthermore, the court stated “Learn 2.com, Inc. clearly has a legitimate claim to such property [software applications, programs, code, or other property relating to Learn2.com., Inc.’s business], and, given Bell’s history of destroying and hiding evidence, it is likely that any property to which Learn2.com, Inc. claims an interest may not survive the final disposition of this action.”³⁰ Implicit in the opinion is the acknowledgment that intellectual property is “property” for purposes of Section 62.001.³¹

3. Garnishment under Texas Law

The remaining general pre-judgment remedy available under Texas law is garnishment as set forth in Tex. Civ. Prac. Rem. Code, Section 63.001. Garnishment is a statutory procedure used where property, money, or credits of one person, in the possession of or owing to the debtor of another are applied to the *313 payment of a debt the debtor owes to a third person.³² Garnishment is a form of attachment. However, it differs from attachment in that it is directed exclusively to a third party and is docketed as a separate suit between the creditor and third party.³³ This is carried out by means of a statutory claim against the debtor and garnishee. It should be noted that a garnishment only occurs when there are three separate parties. It will not occur if there is only a debtor and a creditor.³⁴

There have been no reported cases dealing with the garnishment of intellectual property goods. Such an odd situation may arise in the context of internet service providers that host infringing software applications. If such a situation does arise, the applicant’s attorney should review the statute’s property exemption before applying to the court for the garnishment remedy.

4. Seizure Remedy pursuant to Texas Trademark Act

Pursuant to the Texas Trademark Act,³⁵ the court can order infringing reproductions, counterfeits, copies, or colorable imitations of the infringer to be delivered to either an officer of the court or the registrant of the mark.³⁶ Although the statute is silent on when the order can be issued, the order must be based upon a determining by the court that an infringement has occurred. Unfortunately, there are no reported Texas cases which opine about the timing of such an order. However, given the equitable nature of the remedy and the circumstances of the matter, this author believes that an ex-parte application for seizure based upon the Texas Trademark Act should be actionable.

B. Fed. R. Civ. P. 65--Injunctive Remedies

Injunctions are typically classified in terms of their duration. A permanent injunction is issued after a full adjudication of the parties’ rights, whether by motion, stipulation, or trial.³⁷ Such orders typically remain in effect indefinitely, although a party subject to the injunction may later seek to modify or dissolve it.³⁸ A preliminary injunction is a provisional remedy issued prior to final disposition of the litigation.³⁹ As with a TRO, it functions to preserve the status quo and to *314 prevent irreparable loss of rights prior to judgment.⁴⁰ The last class of injunctive relief is a TRO, which is a sub-set of a preliminary injunctive relief. The typical TRO issues without notice to the adverse party or that party’s attorney.⁴¹ The purpose is to preserve the status quo pending hearing on the moving party’s application for a preliminary injunction. It generally only remains in effect for a matter of days.⁴²

Rule 65 does not confer the power to grant injunctive relief, but rather sets stringent procedural requirements for the court's use of its equity powers. The court must balance the competing claims of injury and consider the effect on each party of the granting or withholding of the requested relief.⁴³ However, Congress may intervene and guide or control exercise of the court's discretion on a lesser showing. Most statutes, including the Patent Act, Lanham Act, and Copyright Act specifically authorize injunctive relief. It should be noted that for certain acts, such as the Endangered Species Act,⁴⁴ Congress specifically removed from the courts their traditional, equitable discretion in injunctive proceedings of balancing the parties' competing interests.⁴⁵ However, such limitations on the powers of the courts are not inferred by the courts themselves.⁴⁶

When seeking preliminary equitable relief such as TRO or preliminary injunction, the applicant must demonstrate the following factors:

- (1) A substantial likelihood of success on the merits;
- (2) A significant threat of irreparable injury;
- (3) A balance of hardships in plaintiff's favor; and
- (4) Whether any public interest will be disserved by granting the injunction.⁴⁷

The first factor is extremely critical and typically requires the applicant to demonstrate a likelihood of prevailing on the underlying suit, as well as any affirmative defense.⁴⁸ However, the applicant need not show positively that it will ***315** prevail on the merits. If the applicant has made a strong showing on the other relevant factors, a showing of some likelihood of success on the merits may support preliminary injunctive relief.⁴⁹ Even though the applicant must demonstrate a likelihood (or some likelihood) of success on the merits, any subsequent preliminary injunction issued is not a preliminary adjudication of the merits. Furthermore, as the Supreme Court stated in *University of Texas v. Camenisch*,⁵⁰ "the findings of fact and conclusions of law made by a court granting a preliminary injunction are not binding at trial on the merits."⁵¹

Unlike the equitable relief sought by Rule 64, the relief sought in terms of a preliminary injunction or TRO must be crafted to preserve the status quo and prevent irreparable harm.⁵² Typically, the applicant will request that the other party cease certain action rather than mandate conduct.⁵³ Where mandatory TROs are requested, the court employs a higher level of scrutiny.⁵⁴ This is because a mandatory injunction or TRO functions to alter the status quo by commanding a positive act. Therefore, the practitioner should be mindful of the relief requested in the ex-parte application.

IV. Statutes Which Provide for Equitable Relief

As discussed above, several federal statutes authorize ex-parte relief, including the Lanham Act for trademarks, the Copyright Act, and the Patent Act. Furthermore, the All Writs Act can be used to seek ex-parte relief where there is no adequate remedy and a failure to craft one would affect the court's jurisdiction over the matter.

A. The Lanham Act

The Lanham Act permits federal courts to issue injunctions "according to the principles of equity" to prevent trademark infringement and/or dilution.⁵⁵ Any unauthorized use of a registered trademark (or a similar mark) is infringement if it ***316** "is likely to cause confusion, or to cause mistake, or to deceive."⁵⁶ Federal courts have consistently ruled that a likelihood of confusion between registered trademarks and those used by others entitles the owners of the registered mark to injunctive relief.⁵⁷ Furthermore, seizure of infringing merchandise is authorized by Section 36 of the Lanham Act.⁵⁸

With the passage of the Trademark Counterfeiting Act in 1984, the ex-parte seizure of counterfeit registered (or Olympic) marks was incorporated into the Lanham Act.⁵⁹ This was partly due to a congressional finding that: "Many of those who traffic in counterfeits have become skilled at destroying or concealing counterfeit merchandise when a day in court is on the horizon."⁶⁰ Pursuant to 15 U.S.C. Section 1116(d), the applicant must establish that:

1. relief other than ex-parte relief is inadequate;
2. the seizure has not been publicized by the movant;

3. the movant is likely to succeed in showing that the person against whom the seizure would be ordered used a counterfeit mark in connection with the sale, offering for sale, or distribution of goods or services;
4. immediate and irreparable harm will result;
5. the order will be limited to seizure at a specifically identified location;
6. movant's harm outweighs the harm to the non-movant;
7. the person against whom seizure would be ordered would destroy, move, hide, or otherwise make such matter inaccessible; and
8. the movant has given notice to the U.S. Attorney in the district where the seizure will take place.⁶¹

The definition of a "counterfeit mark" is an important component of any discussion of trademark infringement. A counterfeit mark is defined as one "registered on the Principal Register in the United States Patent and Trademark Office for such goods or services sold, offered for sale and distributed and that is in use, whether or not the person against whom relief is sought knew such mark was so registered."⁶² The definition section of the Lanham Act, Section 1127, defines a *317 "counterfeit mark [as] a spurious mark which is identical with, or substantially indistinguishable from, a registered mark."⁶³ Significantly, that section also provides that for the purposes of this Act, a mark shall be deemed to be in use in commerce-- (1) on goods when--(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale.⁶⁴

Read together, these statutory provisions provide that the definition of a counterfeit mark is one that "when it is placed in any manner on the goods" making it "identical with, or substantially indistinguishable from," the use of the registered mark. Use of a mark in "association with" only applies where "the nature of the goods makes such placement impracticable."

B. The Copyright Act

Copyright owners are entitled to the exclusive rights to reproduce, display, perform, and distribute the works, as well as to prepare derivative works based on the copyrighted material.⁶⁵ Any violation of these exclusive rights is a copyright infringement⁶⁶ which may be restrained by temporary or permanent injunction⁶⁷ and is subject to suit for damages.⁶⁸ Infringing articles may be impounded and destroyed by court order.⁶⁹ The Special Rules of Practice, promulgated by the U.S. Supreme Court under the Copyright Act of 1909, permit a U.S. Marshall to seize allegedly infringing materials, including the materials used for making the infringing copies.⁷⁰

The interesting aspect of the Copyright Act is the limitation that documents related to the infringing articles cannot be seized pursuant to the clause providing for seizure.⁷¹ As noted before, the court's power to issue a preliminary injunction is discretionary. The court may issue an injunction pursuant to the factors set forth *318 in Rule 65. Typically, the court will focus upon the showing of a likelihood of success and the danger of irreparable harm.⁷²

C. The Patent Act

Patents have the attributes of personal property and give patent owners the exclusive rights to develop, market, license, or sell the invention to others.⁷³ Anyone who makes, sells or uses the invention without authorization from the patent owner has infringed the patent.⁷⁴ Federal courts have been empowered since 1870 to protect patent rights by issuing injunctions.⁷⁵ In unusual situations, infringing articles may be destroyed by court order.⁷⁶

D. The All Writs Act

The All Writs Act⁷⁷ authorizes federal courts to issue all writs necessary or appropriate in aid of their respective jurisdictions. The Act invests a federal court with a power essentially equitable and not generally available to provide alternatives to other adequate remedies at law. A court may resort to the extraordinary powers conferred on it by the All Writs Act on the basis of extraordinary circumstances. The powers granted by the All Writs Act is discretionary, but must always be necessary or appropriate in aid of the court's respective jurisdiction.⁷⁸ Furthermore, the power to issue such writs as "may be necessary for the respective jurisdictions" extends only to those cases in which jurisdiction already exists and not to those where exercise of such power is necessary to acquire jurisdiction.⁷⁹

While the All Writs Act does not provide much guidance regarding its use, the courts must make findings of fact and state reasons for issuance of a writ pursuant to the Federal Rules of Civil Procedure.⁸⁰ A trial court may rely upon the All Writs Act to issue subpoenas ad testificandum and subpoenas duces tecum as are appropriate for purposes of pretrial discovery pursuant to Rules 26 and *319 45 of the Federal Rules of Civil Procedure.⁸¹ Furthermore, district courts may issue a writ of assistance directing those with technical skills to assist in the implementation of a court's order.⁸² This type of writ may prove useful when dealing with internet related infringement suits and ex-parte remedies.

In the context of cases dealing with intellectual property rights, the All Writs Act has been used to seize property and records related to infringing conduct.⁸³ Most often, the All Writs Act is used in conjunction with Rule 65 and the Copyright Act (or Lanham Act). In such capacity it is used as authority to seize infringing merchandise and all records related to the merchandise to preserve the intellectual property owner's rights and thus allow the owner to assess the extent of infringement.⁸⁴

Both the *Pepe v. Oceanview Factory Outlet Corp.*⁸⁵ and *Bacardi & Co. Ltd. v. New York Lighter*⁸⁶ cases are instructive on the use of the All Writs Act in situations where the goods to be seized are not counterfeits of federally registered trademarks. In *Pepe*, the court stated that, both under this court's traditional rights to prevent copying of unregistered marks and trade dress under 15 U.S.C. § 1125 and in application of federal remedy for violation of Puerto Rico laws of unfair competition, the court had the right to impound articles which bear the mark Pepe or copy Pepe's trade name on ex-parte application.⁸⁷ The court went on to state:

***320** The importance of such provisional remedies in counterfeit cases is undeniable. An important part of the final remedy in an unfair competition suit arising from the use of duplicative marks and trade dresses is the destruction of the counterfeit goods. In such counterfeit cases, even when a court issues a temporary restraining order to prevent the continued sale of bogus goods, it is common for counterfeiters to simply ignore and violate the order by destroying or hiding the property in question and subsequently denying that it ever existed. Alternatively, upon learning that litigation is imminent, it is equally common for counterfeiters to transfer their inventory to another counterfeiter seller whose identity is unknown to the trademark owner.⁸⁸

Almost ten years later in *Bacardi & Co. Ltd. v. New York Lighter Co.*, the court stated "federal courts may properly issue an ex-parte order of seizure 'under traditional rights' and in application of a federal remedy for the violation of state laws of unfair competition and trademark infringement."⁸⁹ More importantly, the court noted that in *Pepe* the judge denied the defendants' objections to ex-parte seizure orders. The court further noted that the *Pepe* decision held that even if defendants' marks were not counterfeits of the registered mark, the court still had authority to issue an ex-parte seizure order in connection with the infringement of an unregistered mark both under federal and state law.⁹⁰

Therefore, the All Writs Act in conjunction with the statutes described above and the Federal Rules of Civil Procedure can be used to seize goods which are counterfeit or in violation of Section 43(a) of the Lanham Act. The same can be said for infringement of copyrights.⁹¹ It should be noted that seizures executed solely under the Copyright Act are limited to the actual infringing articles. However, by invoking the All Writs Act, an applicant should be able to seek seizure of documents and other evidence related to copyright infringement.⁹²

V.Ex-parte Application Practice

Whether the applicant is looking for an ex-parte seizure order or TRO, it must first determine if the order is the only way to prevent irreparable harm and if exigent circumstances exist. A rote recitation of the statutory and procedural requirements is not sufficient to justify ex-parte remedies and only invites counterclaims, sanctions, and possibly disciplinary actions. The

ex-parte application practice can be broken down into two major components.

***321 A. Collection of Evidence**

The first discipline is related to the collection of evidence sufficient to support an application for an ex-parte seizure or TRO. The holding in *Paramount Pictures v. Doe* is instructive.⁹³ The two defendants operated retail video stores, from each of which applicants' investigator purchased six bootleg videos. It was alleged that roughly ten percent of each store's 4,000 video inventory were bootleg versions of the applicants' copyrighted films.⁹⁴ However, this was nothing more than an unsubstantiated allegation. Based on this allegation, applicants sought to seize all bootleg copies of the applicants' films, which the applicants' proposed orders had not even identified.⁹⁵ The court denied the application, finding that, "the plaintiffs prove too little, when asking for too much."⁹⁶ The court further stated that because the plaintiffs had made "no showing . . . that the defendants here are savvy film pirates; nothing . . . suggests that defendants are engaged primarily in illegitimate and infringing activities and are thus likely to disregard an order from this court preventing them from disposing of or destroying any video cassettes . . ."⁹⁷ At best, the applicants' papers only proved infringement regarding six videos. Yet, in seeking such broad relief while proving infringement of only six videos, the applicants' request was denied.⁹⁸

Therefore, it is imperative that an experienced and well-informed investigator conduct a thorough and comprehensive investigation regarding potential counterfeiting/infringing activities. Since the investigation is the basis upon which the application is founded, the investigator must understand what properly constitutes a counterfeit trademark/copyright. The applicant's attorney should provide this definition as part of the instructions to the investigator. The investigator must also be able to testify that there were counterfeit goods at a specific location.⁹⁹ In assessing the counterfeit nature of a product, the investigator should utilize information about genuine products provided by the applicant to determine whether or not a product is counterfeit. Of course, the investigator should tag or clearly mark each offending product obtained so that a chain of custody can be produced at subsequent hearings/trial. It is recommended that the above instructions be sent to the investigator in the form of specific written instructions and objectives.

While the investigator carries out its objectives, it is imperative upon the applicant's attorney to ensure that, indeed, the intellectual property rights sought to be enforced are enforceable. For example, the registered marks should still be in ***322** use and confirmation should be made that the appropriate affidavits have been filed in a timely manner with the Patent and Trademark Office. Likewise for copyrights, confirmation should be obtained that the appropriate registrations are on file and ownership can be traced to the applicant. Without such verification and supporting evidence, the applicant risks exposure to counterclaims and sanctions.

B. Preparation and Submission of Application

The second part of an ex-parte application process is to prepare and present the application to the court. As with the investigator, the applicant's attorney should proceed with caution and conservatism especially when drafting and presenting the ex-parte application. The holding in *Warner Bros.* is instructive.¹⁰⁰ The defendants were a small store selling "inexpensive merchandise such as combs, wallets and mirrors."¹⁰¹ The evidence supporting the TRO was almost non-existent; the papers made false claims about the infringements and claimed that the defendants were "counterfeiters."¹⁰² The TRO authorized private parties to search the premises and seize all counterfeit items and records.¹⁰³ The orders were signed and executed by the applicant. The seizure turned up almost no infringing merchandise.¹⁰⁴ Both the appellate and district court found that the applicant's attorney had demonstrated a blatant disregard of the rules and regulations which permit the judicial machinery to function smoothly.¹⁰⁵ Accordingly, the Second Circuit imposed, on the attorney alone, double costs for the appeals taken by both him and the applicant and damages in the sum of \$1,000.¹⁰⁶

The *Warner Bros.* decision further illustrates the problems with using a private security firm to conduct the seizure, rather than using the U.S. Marshals. As succinctly put by the court in *D'Angelo v. Petroleos Mexicanos*,¹⁰⁷ "entry upon a premises for the purpose of seizing goods and chattels by virtue of a judicial writ such as attachment or execution is made by a sheriff or other officer of the law, avoids many Fourth and Fifth Amendment problems."¹⁰⁸ Furthermore, while some practitioners may feel the need to accompany the Marshals in seizing goods and records, the attorney should carefully consider the consequences of doing so. By being present at the seizure, the attorney becomes a fact witness at subsequent ***323** hearings/trial. This can prove to be devastating if the seizure is challenged and found to be wrongful and/or in bad faith.

As set forth above, the applicant must post a security bond which serves two functions. First, the bond limits the applicant's liability for obtaining an improper injunction to the amount of the bond.¹⁰⁹ The idea is that the applicant consents to the liability upon the amount of the bond, as the price for the injunction.¹¹⁰ There are two exceptions to this rule:

(1) When the conduct in obtaining the injunction amounts to malicious prosecution;¹¹¹ and

(2) When a statute specifically authorizes an action for wrongful injunction.¹¹²

The amount of the bond should be based on a reasonable calculation of the amount of the profits that may be lost by the defendant in carrying out a seizure or TRO. While the applicant may be pressuring its attorney to seek a bond in the lowest possible amount, it is well advised that the applicant be reminded of the consequences of failing to have a proper bond in place. Failure to make a good faith attempt to set a reasonable bond does nothing more than support claims for abuse of judicial process in the form of Fed. R. Civ. P. 11 sanctions or a counterclaim against the applicant. It is well worth the effort to ask about the costs to issue a bond in an amount twice the value of the claim fairly estimated.¹¹³ Once the seizure occurs, the applicant may petition the court to reduce the bond to a value more in line with the potential claims of the defendant(s).¹¹⁴

When drafting the application for ex-parte relief, the attorney should also consider whether or not the U.S. Marshal Service will be in custody of the seized items and/or records. Generally, the U.S. Marshal Service does not want to be the depository for seized items. Therefore, it is recommended that practitioners provide a substitute custodian other than themselves.¹¹⁵

***324 VI. Remedies for Wrongful Seizure**

In the event that a party applies for approval from the court to seize goods, the applicant should prepare for counterclaims resulting from the seizure. Furthermore, in preparing the application, the applicant and attorney should review the elements of the following causes of action to eliminate or reduce the success of the following counterclaims:

(1) malicious prosecution;

(2) abuse of process;

(3) invasion of process;

(4) misuse of court order;

(5) defamation;

(6) unfair competition;

(7) Civil RICO pursuant to 18 U.S.C. § 1961-68 (2001);

(8) intentional or negligent interference with existing or prospective contractual business relationships;

(9) intentional or negligent infliction of emotional distress;

(10) negligence or gross negligence;

(11) sanctions pursuant to Fed. R. Civ. P. 11;

(12) false imprisonment;

(13) false arrest;

(14) Federal Fair Debt Collection Practices Act--15 U.S.C. § 1692 et seq.;

(15) trade libel or disparagement;

- (16) conversion;
- (17) civil conspiracy;
- (18) prima facie tort;
- (19) antitrust;
- (20) fraud;
- (21) cancellation of plaintiff's mark registrations;
- (22) trade secret misappropriation;
- (23) trespass to land or to chattel;
- (24) breach of fiduciary duty or duty of loyalty;
- (25) motion to execute on bond;
- (26) Code of Professional Responsibility violations;
- (27) false advertising--15 U.S.C. § 1125(a); and

(28) counsel's liability for excessive costs--28 U.S.C. § 1927 (2001).¹¹⁶ ***325** An attorney should be particularly concerned about sanctions stemming from Rule 11 of the Federal Rules of Civil Procedure and sanctions from the Code of Professional Responsibility. Under the Texas Disciplinary Rules of Professional Conduct,¹¹⁷ a lawyer is a representative of clients, an officer of the legal system and the public citizen having special responsibilities for the quality of justice.¹¹⁸ These duties require lawyers to understand their relationships and function within the legal system. In short, a lawyer must maintain the highest standards of ethical conduct. As further stated in the Preamble: "[I]n the nature of law practice, conflicting responsibilities are encountered. Virtually all difficult ethical problems arise from apparent conflict between a lawyer's responsibilities to clients, to the legal system and to the lawyer's own interest."¹¹⁹

The Texas Disciplinary Rules of Professional Conduct provide definitions and rules for resolving such tensions.¹²⁰ In doing so, the Rules state the minimum standards of conduct below which no lawyer can fall without being subject to disciplinary action.¹²¹ In applying these rules, attorneys may find interpretive guidance in the comments to the Rules.

As mentioned above, a lawyer should not become a custodian for seized goods or documents. It places a burden upon the attorney and/or her firm to be a custodian which may expose the attorney and/or firm to liabilities. It also might be a violation of Tex. Disciplinary R. Prof'l Conduct 1.14. Pursuant to Rule 1.14, "[a] lawyer shall hold funds and other property belonging in whole or in part to clients or third persons that are in a lawyer's possession in connection with a representation separate from the lawyer's own property."¹²² As set forth in the comment to Rule 1.14, "A lawyer should hold property of others with the care required of a professional fiduciary."¹²³ Furthermore, Rule 1.14 provides that "[c]omplete records of such account funds and other property shall be kept by a lawyer and shall be preserved for a period of five years after termination of the representation."¹²⁴ Since the U.S. Marshal Service typically does not want to hold such seized goods, and the attorney should avoid keeping records pursuant to the rules of professional conduct, a motion for a substitute custodian should be drafted and presented to the court as part of the ex-parte application.

Under Tex. Disciplinary R. Prof'l Conduct 3.01, a lawyer is not to bring or defend a proceeding or assert or controvert an issue therein, unless the lawyer ***326** reasonably believes that there is a basis for doing so that is not frivolous.¹²⁵ The lawyer as an advocate has a duty to use the legal proceedings to the fullest benefit of the client's cause, but also has a duty not to abuse legal machinations. The law, both procedural and substantive, affects the shapes the bounds within which an advocate may proceed. The comments to this Rule further state that "a filing or contention is frivolous if it contains knowingly false statement of fact. It is not frivolous, however, merely because the facts have not been first substantiated fully or because the lawyer expects to develop vital evidence only by discovery."¹²⁶ It is interesting to note that the comments indicate that a

lawyer should conform not only to Rule 3.02's prohibitions of frivolous filings, but should comply or conform with more stringent applicable rules of practice or procedure, such as Fed. R. Civ. P. 11.¹²⁷

Tex. Disciplinary R. Prof'l Conduct 3.03 discusses candor towards the tribunal. This is a critical rule that must be followed without deviation when filing and pursuing ex-parte relief. According to Rule 3.03, a lawyer shall not knowingly:

- (1) make a false statement of material fact or law to a tribunal;
- (2) fail to disclose a fact to a tribunal when disclosure is necessary to avoid assisting a criminal or fraudulent act;
- (3) in an ex-parte proceeding, fail to disclose to the tribunal an unprivileged fact which the lawyer reasonably believes it should be known by that entity for it to make an informed decision;
- (4) fail to disclose to the tribunal authority in the controlling jurisdiction known to the lawyer to be directly adverse to the position of the client and not disclosed by opposing counsel; or
- (5) offer to use evidence that the lawyer knows to be false.¹²⁸

As stated in the comment, "The advocate's task is to present the client's case with persuasive force. Performance of that duty while maintaining confidences of the client is qualified by the advocate's duty of candor to the tribunal."¹²⁹ Therefore, it is imperative upon the applicant's attorney when submitting the ex-parte application and arguing it to the court that she does so with full disclosure of the case. This means that she must present facts which support as well as those that do not support the ex-parte relief. Not only does failure to do so expose the attorney and his or her law firm to counterclaims or professional misconduct, it has the affect of ruining the esteem with which the court regards the firm. This in itself can be much more devastating than any monetary fine imposed by counterclaims or reprimand from disciplinary committees.

*327 The comments to Rule 3.03 further states that "an advocate has a limited responsibility of presenting one side of the matters" to the tribunal reaching a decision¹³⁰ where "the conflicting position is expected to be presented by the opposing party."¹³¹ The comments then go on to state that, "However, in an ex-parte proceeding, such as an application for a temporary restraining order, there is no balance of presentation by opposing advocates" but that, as such, "The object of an ex-parte proceeding is to yield a substantially just result."¹³² This requires the lawyer for the represented party to "make disclosure of unprivileged material facts known to the lawyer" if the lawyer "reasonably believes" the tribunal will not reach a just decision unless informed by those facts.¹³³

Finally, Tex. Disciplinary R. Prof'l Conduct 3.08 states that:

(a) [a] lawyer shall not accept or continue employment as an advocate before a tribunal in a contemplated or pending adjudicatory proceeding if the lawyer knows or believes that the lawyer is or may be a witness necessary to establish an essential fact on behalf of the lawyer's client, unless:

- (1) the testimony relates to an uncontested issue;
- (2) the testimony will relate solely to a matter of formality and there is no reason to believe that substantial evidence will be offered in opposition to the testimony;
- (3) the testimony relates to the nature and value of legal services rendered in the case;
- (4) the lawyer is a party to the action and is appearing pro se; or
- (5) the lawyer has promptly notified opposing counsel that the lawyer expects to testify in the matter and disqualification of the lawyer would work substantial hardship on the client.¹³⁴

Rule 3.08 will come into play if the attorney attends and participates in the seizure with the U.S. Marshal Service. This is especially true when the lawyer believes that she will be compelled to furnish testimony that will be substantially adverse to the lawyer's client, unless the client consents after full disclosure. This may have repercussions to the firm's representation of the client. Without the client's informed consent, a lawyer may not act as advocate in an adjudicatory proceeding in which

another lawyer in the lawyer's firm is prohibited from serving as an advocate. The comments illustrate that Rule 3.08 is set up for two purposes. First, it is designed to allow the lawyer to operate as an effective advocate for her client.¹³⁵ Secondly, it prevents combining the roles of advocate and witness to cause unfair prejudice to the opposing party.¹³⁶ For example, "A witness is required to testify on the basis of personal knowledge, while an advocate is *328 expected to explain and comment on evidence given by others."¹³⁷ Where the two are combined, "It may not be clear whether a statement by the advocate's witness should be taken as proof or as analysis of the proof."¹³⁸

It cannot be over emphasized that the conduct of the attorney in pursuing an ex-parte application should heed the Disciplinary Rules of Professional Conduct, as well as the common sense approach of disclosing that which would be critical for a judge to consider in reviewing the application. In fact, in most situations, the courts and judges do not have the luxury of reviewing all the documents which are set forth in the application. Therefore, it is up to the applicant's attorney to bring forth and disclose the law and the evidence which supports the applicant's position as well as those facts and law which may cause difficulties in obtaining the order. It should always be remembered that granting such orders is a discretionary exercise of the court. If the applicant discloses all information during the application process the court will be in a better position both at the time of granting the order and at any subsequent post-seizure hearings to consider adverse evidence and counterclaims.

VII. Conclusions

When obtaining ex-parte seizure of intellectual property goods, the practitioner should be mindful of the procedural means used to obtain the seizure. Understanding the procedural limits of Rules 64 and 65 as well as the substantive law, will assist the practitioner in assessing the facts to determine whether or not a seizure or TRO is justified. The practitioner should always plead, if available, the justification for the ex-parte relief. Failure to do so may result in a denial or significant alteration of the proposed order. It may further expose the applicant and its attorney to counterclaims if the order is granted. The All Writs Act and the general provisions of the Lanham Act and Copyright Act can be helpful in this regard. Furthermore, the practitioner should always be aware of possible counterclaims which could be levied should the seizure occur. Understanding the basis for such counterclaims can be important in crafting the application in the first hand. In short, the practitioner should refrain from overstating the facts, law, and relief requested. Finally, when crafting ex-parte applications and moving the court to provide such relief, the practitioner should be keenly aware of her duty as an officer of the court. Failure to do so exposes the applicant and practitioner to counterclaims, sanctions and/or disciplinary action.

Footnotes

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¹ Congress enacted the Anticounterfeiting Consumer Protection Act of 1996 (ACPA), Pub.L. No. 104-153, 110 Stat. 1386, based in part upon a finding that U.S. businesses lose an estimated \$200 billion each year due to counterfeit goods. S. Rep. No. 104-177, at 1 (1995), reprinted in 1996 U.S.C.C.A.N. 1074. In 1992, the International Intellectual Property Alliance reported to Congress that an estimated \$12 to \$15 billion per year was lost in the U.S. copyright industries. Legislation: Industry Calls for Stiffer Enforcement of Anti-Counterfeiting Laws Abroad, Pat. Trademark & Copyright J. (BNA), No. 1099, at 585 (Oct. 1, 1992).

² House Panel Holds Oversight Hearing on Trade and Intellectual Property, Pat. Trademark & Copyright J. (BNA), No. 940, at 317 (July 27, 1989) (providing figures for 1986 reported by U.S. Trade Representative Carla A. Hills).

³ ITC Report Focuses on Foreign Counterfeiting, Pat. Trademark & Copyright J. (BNA), No. 666, at 361 (Feb. 9, 1984).

⁴ Id.

⁵ International AntiCounterfeiting Coalition, The Economic Impact Of Product Counterfeiting, International Anticounterfeiting Coalition, at [http:// www.iacc.org/economic.html](http://www.iacc.org/economic.html).

6 Fed. R. Civ. P. 65(b); and 56 Am Jur. 2d Motions, Rules and Orders §33.

7 Fed. R. Civ. P. 64, 65.

8 Id.

9 Intel Corporation v. Terabyte International, Inc., 6 F.3d 614, 618-620; 28 U.S.P.Q.2d 82, 85-87 (9th Cir. 1993).

10 See 11A Charles Alan Wright et al., Federal Practice and Procedure §2951 (2d. ed. 1999) (finding that in the event a party is “faced with the possibility that irreparable injury will occur before the hearing for a preliminary injunction.... [A] temporary restraining order may be available.... [T]o preserve the status quo.”).

11 Pub. L. No. 98-473, §1501-03, 98 Stat. 2178.

12 15 U.S.C. §1051 et seq. (2001).

13 Joel v. Various John Does, 499 F. Supp. 791, 792 (E.D. Wis. 1980) (citing Chase Nat’l Bank v. City of Norwalk, 291 U.S. 431, 436-37 (1934)). See also Vuitton et Fils S.A. v. Carousel Handbags, 592 F.2d 126 (2d Cir. 1979).

14 See, e.g., N.F.L. Props., Inc. v. Coniglio, 554 F. Supp. 1224, 223 U.S.P.Q. (BNA) 6 (D. Colo. 1983); Rock Tours, Ltd. v. Various John Does, 507 F. Supp. 63, 212 U.S.P.Q. (BNA) 571 (N.D. Ala. 1981).

15 28 U.S.C. §1651 (2001).

16 Clinton v. Goldsmith, 526 U.S. 529, 537 (1999). See also, e.g., Carlisle v. United States, 517 U.S. 416, 429 (1996).

17 Fed. R. Civ. P. 64 (emphasis added).

18 The procedures to effect such pre-judgment seizures are set forth in Tex. R. Civ. P. 592-609. However, state rules of civil procedure have no application to a federal action relying upon state law. See New England Merchs. Nat’l Bank v. Iran Power Generation and Transmission Co., 495 F. Supp. 73, 77 (S.D.N.Y. 1980).

19 Tex. Civ. Prac. & Rem. Code §61.004 (West 2000).

20 Tex. Civ. Prac. & Rem. Code §61.005 (West 2000); In re Fredeman Litigation, 843 F.2d 821 (5th Cir. 1988); 21 Turtle Creek Sq., Ltd. v. New York State Teachers’ Ret. Sys., 425 F.2d 1366, 1368-69 (5th Cir.1970) (citations omitted). See also E.E. Maxwell Co. v. Arti Decor, Ltd., 638 F. Supp. 749, 751-53 (N.D. Tex. 1986).

21 North Am. Philips Corp. v. American Vending Sales, 35 F.3d 1576, 32 U.S.P.Q.2d (BNA) 1203 (Fed. Cir. 1994) (determining that while the Patent Act does not state that patent infringement is a tort, the Act clearly suggest sso); Porter v. United States, 473 F.2d 1329, 1337, 177 U.S.P.Q. (BNA) 238 (5th Cir. 1973) (holding that copyright infringement is one sounding in tort and, therefore, federal government could not be sued without consent); Union Nat’l Bank of Tex., Laredo v. Union Nat’l Bank of Tex., Austin, 909 F.2d 839, 16 U.S.P.Q.2d (BNA) 1129 (5th Cir. 1990) (observing that unfair competition is a broad class of business torts of which trademark infringement is one species); In re Miller, 156 F.3d 598, 48 U.S.P.Q.2d (BNA) 1293 (5th Cir. 1999) cert denied 526 U.S. 1016 (1999) (considering misappropriation and misuse of trade secrets to be intention torts).

22 S.R.S. World Wheels v. Enlow, 946 S.W.2d 574 (Tex. App.-Fort Worth 1997) (holding that trial court erred in granting writ of attachment in misappropriation of trade secret case where defendant was personally served with copy of underlying action).

23 Other underlying actions related to sequestration are enforcement or foreclosure of a security interest, lien, or mortgage; remove a cloud to title; or for partition. See Tex. Civ. Prac. & Rem. Code §62.001 (West 2000)

24 Tex. Civ. Prac. & Rem. Code §62.001(West 2000).

25 Tex. Civ. Prac. & Rem. Code §62.001(4) (West 2000).

26 2000 U.S. Dist. Lexis 14283 (N.D. Tex. July 20, 2000).

27 Id.

28 Id.

29 Id. at *48.

30 Id. at *49.

31 See also College Sav. Bank v. Florida Prepaid Secondary Educ. Expense Brd., 527 US 666, 673, 51 U.S.P.Q.2d (BNA) 1065, 1068 (1999) (holding that the Lanham Act may well contain provisions that protect constitutionally cognizable property interests--notably, its provisions dealing with infringement of trademarks which are the "property" of the owner).

32 Tex. Civ. Prac. Rem. Code §63.001 (2000).

33 See, e.g., Baytown State Bank v. Nimmons, 904 S.W.2d 902 (Tex. App. Houston 1995).

34 Orange County v. Ware, 819 S.W.2d 472, 474-75 (Tex. 1991)

35 Tex. Bus. & Comm. Code §16.01 et. seq. (2000).

36 Tex. Bus. & Comm. Code §16.26(c)(2) (2000).

37 See 11A Charles Alan Wright et al., Federal Practice and Procedure §2941 (2d. ed. 1999) ("A permanent injunction will issue only after a right thereto has been established at a trial on the merits.").

38 See id. §2961 (citing Fed. R. Civ. P. Rule 60(b), which states that a "court may relieve a party...from a final judgment, order, or proceeding" when "it is no longer equitable that the judgment should have prospective application").

39 See id. §2941 ("A preliminary injunction is effective pendente lite until a decision has been reached at a trial on the merits.").

40 Sugar Busters LLC v. Brennan, 177 F.3d 258, 272; 50 U.S.P.Q.2d (BNA) 1821, 1825 (5th Cir. 1999). See 11A Charles Alan

Wright et al., Federal Practice and Procedure §2947 (2d. ed. 1999) (“Defined broadly, a preliminary injunction is an injunction that is issued to protect plaintiff from irreparable injury and to preserve the court’s power to render a meaningful decision after a trial on the merits.”); supra note 10 and accompanying text.

41 See 11A Charles Alan Wright et al., Federal Practice and Procedure §2951 (2d. ed. 1999) (“[M]ay be issued with or without notice to the adverse party.”).

42 See Fed. R. Civ. P. 65(b). See also 11A Charles Alan Wright et al., Federal Practice and Procedure §2951 (2d. ed. 1999).

43 Amoco Production Co. v. Village of Gambell, 480 U.S. 531 (1987).

44 16 U.S.C., §1531, et seq. (2000).

45 National Wildlife Fed’n. v. Burlington Northern R.R., Inc., 23 F.3d 1508, 1511 (9th Cir. 1994).

46 Weinberger v. Romero-Barcelo, 456 U.S. 305, 314 (1982).

47 Sugar Busters LLC v. Brennan, 177 F.3d 258, 265, 50 U.S.P.Q.2d (BNA) 1821, 1824 (5th Cir. 1999).

48 Original Appalachian Artworks v. Topps Chewing Gum, 642 F.Supp. 1031, 1034, 231 U.S.P.Q. (BNA) 850, 852 (N.D. Ga. 1986).

49 Productos Canic, S.A. v. Central Am. Beef & Seafood Trading Co., 621 F.2d 683, 686 (5th Cir. 1980).

50 University of Texas v. Camenisch, 451 U.S. 390 (1981).

51 Id. at 395.

52 American Bd. of Psychiatry & Neurology v. Johnson-Powell, 129 F.3d 1, 44 U.S.P.Q.2d 1517, BLAH (1st Cir. 1997) (“The purpose of interlocutory injunctive relief is to preserve the status quo pending final relief and to prevent irreparable injury to the plaintiff.”); Morgan v. Fletcher, 518 F.2d 236 (5th Cir. 1975) (“The function of a preliminary injunction is to preserve the status quo until the merits of the case can be adjudicated.”).

53 See 11A Charles Alan Wright et al., Federal Practice and Procedure §2942 (2d. ed. 1999) (“It has been said that courts are more reluctant to grant a mandatory, or affirmative, injunction than a prohibitory, or negative one. Nonetheless, injunctions compelling the doing of conduct, are an ancient and familiar tool of equity courts and will be used whenever the circumstances warrant.”) (citations omitted).

54 Tom Doherty Assocs., Inc. v. Saban Entm’t, Inc., 60 F.3d 27, 35 U.S.P.Q.2d (BNA) 1537, 1541 (2nd Cir. 1995); Dahl v. HEM Pharm. Corp., 7 F.3d 1399 (9th Cir. 1993); Sanofi v. Med-Tech Veterinarian Prods., Inc., 1983 U.S. Dist. LEXIS 13684, 222 U.S.P.Q. (BNA) 143, 149 (D.C. Kan. 1983).

55 15 U.S.C. §1116 (2001).

56 15 U.S.C. §1114 (2001).

57 TCPIP Holding Co. Inc. v. HAAR Comm., Inc., 244 F.3d 88, 57 U.S.P.Q.2d (BNA) 1969 (2d Cir. 2001); Stuhlbarg Int'l Sales Co. v. John D. Brush & Co., 240 F.3d 832, 57 U.S.P.Q.2d (BNA) 1920 (9th Cir. 2001); Ty, Inc. v. Jones Group Inc., 237 F.3d 891, 57 U.S.P.Q.2d (BNA) 1617 (7th Cir. 2001); Northern Light Tech., Inc. v. Northern Lights Club, 236 F.3d 57, 57 U.S.P.Q.2d (BNA) 1277 (1st Cir. 2001).

58 15 U.S.C. §1116(a) (2001) (“The several courts vested with jurisdiction of civil actions arising under this chapter shall have the power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent and Trademark Office or to prevent a violation under §1125(a) of this title.”).

59 15 U.S.C. §1116(d) (2001).

60 S. Rep. No. 526, 98th Cong., reprinted in 1984 U.S.C.C.A.N.

61 15 U.S.C. §1116(d)(4) (2001).

62 15 U.S.C. §1116(d)(1)(B)(i) (2001). The definition is slightly different than the criminal definition of a counterfeit mark. Cf. 18 U.S.C. §2320(e)(1)(A) (defining the term “counterfeit mark” to be “a spurious mark (i) that is used in connection with trafficking in goods or services; (ii) that is identical with, or substantially indistinguishable form, a mark registered for those goods or services on the principal register in the United States Patent and Trademark Office and in use, whether or not the defendant knew such mark was so registered; and (iii) the use of which is likely to cause confusion, to cause mistake or to deceive.”).

63 15 U.S.C. §1127 (2001).

64 Id.

65 17 U.S.C. §106 (2001).

66 Id. §501 (2001).

67 Id. §502 (2001).

68 Id. §504 (2001).

69 Id. §503 (2001).

70 Id. §501 (2001).

71 Warner Bros. Inc. v. Dae Rim Trading, Inc., 877 F.2d 1120, 11 U.S.P.Q.2d (BNA) 1272 (2d Cir. 1989); First Tech. Safety Sys., Inc. v. Depinet, 11 F.3d 641, 29 U.S.P.Q.2d (BNA) 1269 (6th Cir. 1993).

72 Central Point Software Inc. v. Global Software & Access, Inc., 859 F.Supp. 640 (E.D.N.Y. 1994).

73 35 U.S.C. §261 (2001).

- 74 35 U.S.C. §271 (2001).
- 75 35 U.S.C. §283 (2001).
- 76 See *American Caramel Co. v. Thomas Mills & Bro.*, 162 F. 147 (3d Cir. 1907); *Lion Mfg. Corp. v. Chicago Flexible Shaft Co.*, 106 F.2d 930, 43 U.S.P.Q. (BNA) 1 (7th Cir. 1939).
- 77 28 U.S.C. §1651 (2001).
- 78 *Paramount Film Distrib. Corp. v. Civic Ctr. Theater, Inc.*, 333 F.2d 358 (10th Cir. 1964).
- 79 *M'Clung v. Silliman*, 19 U.S. 598 (1821). See also *Brittingham v. Commissioner*, 451 F.2d 315 (5th Cir. 1971) (holding that All Writs Act creates no jurisdiction in district courts, rather, it empowers them only to issue writs in aid of jurisdiction previously acquired on some other independent ground).
- 80 *Ben David v. Travisono*, 495 F.2d 562, 563 (1st Cir. 1974).
- 81 *Garrity v. Thomson*, 81 F.R.D. 633 (D.C.N.H. 1979).
- 82 *United States v. New York Tel. Co.*, 434 U.S. 159 (1977) (holding valid a federal district court's order directing telephone company to provide federal law enforcement officials with facilities and technical assistance necessary for implementation of court's order authorizing government's use of pin registers to investigate offenses which there was probable cause to believe offenses were being committed by means of telephone).
- 83 *Pepe (U.K.) Ltd. v. Oceanview Factory Outlet Corp.*, 770 F. Supp. 754, 21 U.S.P.Q.2d (BNA) 1509 (D.P.R. 1991) (recognizing that prior to enactment of 15 U.S.C. §1116(d), ex parte seizure of counterfeit goods was based upon Fed. R. Civ. P. 65 and the All Writs Act); *Swatch Watch S.A. v. Aste Trading Corp.*, No. 85 Civ. 7726 1986 U.S. Dist. LEXIS 30869 (S.D.N.Y. January 3, 1986) (recognizing that prior to enactment of 15 U.S.C. §1116(d)(2), ex parte seizure orders were issued under the court's traditional equitable powers, upon appropriate showings, in order to protect mark holders from knockoffs and confusingly similar goods); *Bacardi & Co. Ltd. v. New York Lighter Co., Inc.*, No. 97-CV-7140 2000 U.S. Dist. LEXIS 19852 (E.D.N.Y. 2000) (finding that although the goods seized were not counterfeit under §1116(d), the order of seizure was nevertheless proper under both the court's traditional equitable powers and Rule 65.)
- 84 See, e.g., *Fimab-Finanziaria Maglificio Biellese Fratelli Fila S.p.A. v. Kitchen*, 548 F. Supp. 248, 219 U.S.P.Q. 40 (S.D. Fla. 1982) ("Plaintiffs brought to the Court's attention the burgeoning case law around the country which recognized and approved as both appropriate and necessary judicial relief the granting of temporary restraining orders without notice, expedited discovery, and immediate seizure by the United States Marshal of counterfeit goods."); *Pepe*, 770 F. Supp. 754 at 759-60 ("Even with the passage of Trademark Counterfeiting Act, seizures of counterfeit goods and documents based upon Fed. R. Civ. P. 65, the All Writs Act, under the injunctive provisions of the Lanham Act or Puerto Rican law are appropriate."); *Bacardi & Co. v. New York Lighter Co.*, 2000 U.S. Dist. LEXIS 19852 (E.D.N.Y. 2000).
- 85 *Pepe*, 770 F. Supp. 754, 21 U.S.P.Q.2d (BNA) 1509.
- 86 *Bacardi & Co.*, 2000 U.S. Dist. LEXIS 19852.
- 87 *Pepe*, 770 F. Supp. at 760, 21 U.S.P.Q. at 1513.

88 Id.

89 Bacardi, 2000 U.S. Dist. LEXIS 19852 at *45-46.

90 Id.

91 Pepe, 770 F. Supp. at 760-61, 21 U.S.P.Q.2d at 1514-15.

92 See Warner Bros. Inc. v. Dae Rim Trading, Inc., 877 F.2d 1120, 1125, 11 U.S.P.Q.2d (BNA) 1272, 1276 (2nd Cir. 1989). See also First Technology Safety Systems, Inc. v. Depinet, 11 F.3d 641, 29 U.S.P.Q.2d (BNA) 1269 (6th Cir. 1993) (reversing district court's issuance of a seizure order that included the defendant's business records and computed data, noting that the Trademark Counterfeiting Act authorizes seizure of records, but the Copyright Act does not).

93 821 F. Supp. 82, 27 U.S.P.Q.2d (BNA) 1594 (E.D.N.Y. 1993).

94 See id. at 84-85, 27 U.S.P.Q.2d at 1595.

95 See id. at 85, 27 U.S.P.Q.2d at 1595.

96 Id. at 86, 27 U.S.P.Q.2d at 1596.

97 Id. at 89, 27 U.S.P.Q. at 1599.

98 See id. at 84, 27 U.S.P.Q.2d at 1594.

99 See 15 U.S.C. §1116(d)(4) (2001) (requiring that seizure be limited to a specifically identified location).

100 Warner Bros. Inc. v. Dae Rim Trading, Inc., 877 F.2d 1120, 11 U.S.P.Q.2d (BNA) 1272 (2nd Cir. 1989).

101 Id. at 1122, 11 U.S.P.Q.2d at 1275.

102 Id. at 1123-24, 11 U.S.P.Q.2d at 1274.

103 Id.

104 Id. at 1124, 11 U.S.P.Q.2d at 1274.

105 Id. at 1128, 11 U.S.P.Q.2d at 1279.

106 Id. at 1128-29, 11 U.S.P.Q.2d at 1279.

107 378 F.Supp. 1034 (D. Del 1974).

108 Id. at 1037-38.

109 Fed. R. Civ. P. 65(c); 15 U.S.C. §1116(d)(4).

110 See *Blumenthal v. Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 910 F.2d 1049, 1054-55 (2nd Cir. 1990).

111 See, e.g., *Buddy Sys. v. Exer-Genie, Inc.* 545 F.2d 1167-68 (9th Cir. 1976), cert denied, 431 U.S. 903 (1977); *Middlewest Motor Freight Bureau v. United States*, 433 F.2d 212, 225-29 (8th Cir. 1980); *Jamaica Lodge of Brotherhood of R. & S.S. Clerks v. Railway Express Agency, Inc.*, 200 F. Supp. 253 (E.D.N.Y. 1961); *Monolith Portland Midwest Co. v. Reconstruction Finance Corp.*, 128 F. Supp. 824 (C.D. Cal. 1955).

112 See, e.g., 15 U.S.C. §1116(d)(11).

113 Although this is not a required procedure, the practice is prudent. This is typically the procedure used when setting security for maritime seizures. See Supplemental Rules for Certain Admiralty and Maritime Claims R. E.

114 17 U.S.C. §3501 (2001).

115 See *Martin Herend Imports v. Diamond & Gun Trading*, 112 F.3d 1296, 42 U.S.P.Q.2d (BNA) 1801 (5th Cir. 1997).

116 *George W. Abbott, Jr. and Lee S. Sporn, Trademark Counterfeiting §5.03[D][1]* (2000).

117 *Tex. Disciplinary R. Prof'l Conduct* (2001).

118 *Id.* pmb1. P 1 (2001).

119 *Id.*

120 *Id.*

121 *Id.*

122 *Tex. Disciplinary R. Prof'l Conduct R. 1.14.*

123 *Id.*

124 *Id.*

125 Id. R. 3.01.

126 Id. R. 3.01 cmt.

127 Id.

128 Id. R. 3.03 (emphasis added).

129 Id. R. 3.03 cmt.

130 Id.

131 Id. See Tex. Disciplinary R. Prof'l Conduct 3.03.

132 Tex. Disciplinary R. Prof'l Conduct 3.03 cmt.

133 Id.

134 Tex. Disciplinary R. Prof'l Conduct R. 3.08.

135 Id. cmt.

136 Id.

137 Id.

138 Id.