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TRADEMARK LAW—THE LANHAM TRADEMARK ACT—THIRD CIRCUIT REFUSES TO HOLD ATTORNEYS LIABLE FOR "WRONGFUL" EX PARTE SEIZURES

Electronic Laboratory Supply Co., Inc. v. Cullen (1992)

I. INTRODUCTION

Trademarks play a vital role in our society. They serve as a symbol of a manufacturer's reputation and as a valuable source of product information for consumers. However, trademark counterfeiting, which involves "selling or . . . trafficking goods or services through the use of spurious trademarks," undermines the role of trademarks.


Trademarks have been defined as "any word, name, symbol, device or any combination thereof used by a manufacturer or retailer of a product, in connection with that product, to help consumers identify that product as different from the products of competitors." MICHAEL A. EPSTEIN, MODERN INTELLECTUAL PROPERTY 289 (2d ed. 1989 & Supp. 1991).

2. S. REP. No. 526, supra note 1, at 3-4, reprinted in 1984 U.S.C.C.A.N. at 3629. The Senate Report states that trademarks represent the manufacturer's established reputation and ensure that satisfied consumers will continue to associate this trademark with quality when making future purchases. Id. at 3. Furthermore, the Report notes that consumers "can not investigate . . . every product they buy." Id. Therefore, trademarks serve as a reliable source of information for consumers about the quality of a manufacturer's product. Id.

3. Id. at 3. The Lanham Trademark Act defines "counterfeit mark" as:

(i) a counterfeit of a mark that is registered on the principal register in the United States Patent and Trademark Office for such goods or services sold, offered for sale, or distributed and that is in use, whether or not the person against whom relief is sought knew such mark was so registered; or

(ii) a spurious designation that is identical with, or substantially indistinguishable from, a designation as to which the remedies of this chapter are made available . . . but such term does not include any mark or designation used on or in connection with goods or services of which the manufacture or producer was, at the time of the manufacture or production in question authorized to use the mark or designation for the type of goods or services so manufactured or produced, by the holder of the right to use such mark or designation.


4. See S. REP. No. 526, supra note 1, at 3, reprinted in 1984 U.S.C.C.A.N. at 3630. First, the Senate Judiciary Committee recognized that trademark counterfeiting defrauds consumers who believe they are purchasing a product with the level of quality they normally associate with a particular manufacturer's product,
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cally, counterfeiting leads to serious economic injury to the trademark owner and poses a threat to the public's health and safety.\(^5\) By offering the public a lower-priced product, trademark counterfeiters swindle sales from reputable manufacturers.\(^6\) By offering goods that are of much lower-quality than those sold by reputable manufacturers, trademark counterfeiters also swindle the unsuspecting public.\(^7\)

To deter counterfeiters, Congress enacted the Lanham Trademark Act, which imposes civil penalties for registered trademark counterfeiting.\(^8\) As originally enacted, the Lanham Act authorized courts to issue injunctions or award damages for trademark infringement.\(^9\) However, these penalties proved to be unsuccessful in deterring counterfeiting activities.\(^10\) Therefore, in 1984 Congress amended the Lanham Act to give courts the authority to issue ex parte seizures for counterfeit goods and related materials.\(^11\) Recognizing the severity of this remedy, Congress enacted the Trademark Counterfeiting Act of 1984, Pub. L. No. 98-473, 98 Stat. 2179-83 (1984)(codified as amended at 15 U.S.C. § 1116(d) (1988)). The ex parte seizure order is available to registered trademark owners ("registrants") in civil causes of action against persons who use any "reproduction, counterfeit, copy or colorable imitation" of a trademark in connection with the sale, distribution or advertising of goods or services which is likely to confuse the public. 15 U.S.C. § 1114(1)(a). See H.R. REP. No. 997, supra note 10, at 6. Congress enacted the Trademark Counterfeiting Act to amend the Lanham Act and "provide increased sanctions for the counterfeiting of certain registered trademarks." \(^{12}\) at 4.

One commentator has asserted that these amendments to the Lanham Act...
gress also incorporated a cause of action for victims of "wrongful" seizure into 15 U.S.C. section 1116(d)(11) of the newly amended Act. The language of section 1116(d)(11) raises two liability issues. The first issue is whether the term "applicant" refers only to the party whose trademark is allegedly being counterfeited, or whether it also encompasses that party's attorney. The second issue is whether the common-law theory of aiding and abetting liability can be applied to an applicant's attorney under this section.

One district court, the United States District Court for the Northern District of Illinois, has addressed the first issue—whether the term applicant used in section 1116(d)(11) encompasses a party's attorney. In Skierkiewicz v. Gonzalez, the United States District Court for the Northern District of Illinois concluded that where the ex parte order is sought in bad faith, section 1116(d)(11) of the Lanham Act applies not only to the party seeking the ex parte order, but also to the party's attorney.

The Third Circuit was the first court to address the second issue of whether aiding and abetting liability can be applied to an applicant's attorney under section 1116(d)(11).

"signaled a new era in the fight against counterfeiters." J. Joseph Bainton, Reflections on the Trademark Counterfeiting Act of 1984: Score a Few for the Good Guys, 82 TRADEMARK REP. I (1992) [hereinafter Bainton I]. In particular, Bainton believes the amendments changed trademark law in two ways: 1) Congress began to treat a trademark as a piece of property, the theft of which is a crime; and 2) Congress began to view trademark infringers differently by imposing sanctions for violations other than contempt of court. Id. at 7.


13. 15 U.S.C. § 1116(d)(11). Section 1116(d)(11) further provides that a person who suffers damage as a result of a wrongful seizure may recover damages for lost profits, cost of materials and reasonable attorneys' fees. Id. The plaintiff may also recover punitive damages if the applicant sought the seizure in bad faith. Id.

14. See, e.g., Skierkiewicz v. Gonzales, 711 F. Supp. 931 (N.D. Ill. 1989) (holding attorney liable as applicant for wrongful seizure under § 1116(d)(11)). For a further discussion of whether the term applicant as used in § 1116(d)(11) encompasses a party's attorney, see infra notes 40-46 and accompanying text.

15. Electronic Lab. Supply Co. v. Cullen, 977 F.2d 798 (3d Cir. 1992) (holding that common law theory of aiding and abetting liability does not apply under § 1116(d)(11)).


17. Id. The Gonzalez court found that there is no conditional privilege under Illinois law that protects an attorney who has acted wrongfully in an ex parte seizure order in violation of § 1116(d)(11). Id. at 934-35. For a further discussion of the Gonzalez decision, see infra notes 43-46.
Recently, the Third Circuit became the first circuit court to address both of these issues. In *Electronic Laboratory Supply Co. v. Cullen*, the United States Court of Appeals for the Third Circuit held that, in a civil action under the Lanham Trademark Act, a party's attorney cannot be an applicant under section 1116(d)(11) of the Act. Furthermore, the *Electronic Laboratory Supply Co.* court concluded that the common-law doctrine of aiding and abetting liability does not apply to a statute like the Lanham Act, which expressly limits liability to a small class of defendants.

This Casebrief analyzes attorney liability under the Lanham Trademark Act and the Third Circuit's treatment of attorney liability under section 1116(d)(11). The next section of this Casebrief discusses the legislative history of the Lanham Trademark Act, focusing on Congress' reasoning for incorporating ex parte seizure provisions into section 1116(d)(11) of the Act. This section also introduces the issue of aiding and abetting liability. Then, section III discusses the facts and procedural history of *Electronic Laboratory Supply Co. v. Cullen*. Next, section IV analyzes the Third Circuit's reasoning in concluding that an attorney cannot be a defendant under the Lanham Act. Finally, this Casebrief concludes with an analysis of the impact the *Electronic Laboratory Supply Co. v. Cullen* decision is likely to have on the use of the ex parte seizure provision of the Lanham Act.

II. BACKGROUND

In 1984, Congress amended the Lanham Trademark Act to include an ex parte seizure provision. Congress realized that the civil penalties authorized in the original Act were having little impact on the vol-
Counterfeiting activities were growing to include cosmetics, pharmaceuticals, heart pacemakers and aircraft parts in addition to the traditionally-counterfeited designer products. Further, Gerald J. Mossinghoff, Assistant Secretary of Commerce and Commissioner of Patents and Trademarks, testified before the Senate Judiciary Committee that “it is generally believed that several billion dollars of counterfeit goods are sold annually.”

The Senate Judiciary Committee found that many commercial counterfeiters prevented courts from exercising jurisdiction. Once the counterfeiters' actions have been discovered, the counterfeiters generally testify: “I bought only a few pieces from a man I never saw before and whom I have never seen again. All my business was in cash. I do not know how to locate the man from whom I bought and I cannot remember the identity of the persons to whom I sold.” The problem of evading jurisdiction existed in Vuitton Et Fils S.A. v. Crown Handbags, 492 F. Supp. 1071 (S.D.N.Y. 1979), in which the plaintiff was unable to find any evidence of the defendant's counterfeit activities, and as a result was awarded damages equaling the profits the defendant made on the sale of only six counterfeit articles that were in the defendant's possession. 

Another commentator has explained that ex parte seizure derives from the common-law writ of replevin, which has been used extensively in the common law, and whose purpose is to restore possession of a disputed chattel to the plaintiff during pendency of the action. Brian J. Kearney, Note, The Trademark Counterfeiting Act of 1984: A Sensible Legislative Response to the Ills of Commercial Counterfeiting, XIV FORDHAM URB. L.J. 115, 156-57 (1986). Kearney further notes that
Subsequently, Congress promulgated uniform procedures for obtaining an ex parte seizure in section 1116(d). According to section 1116(d), a court must examine sworn affidavits and other relevant evidence before issuing an ex parte seizure order. This evidence must convince the court that the counterfeit goods are at a specified location and that the plaintiff (trademark owner) will suffer irreparable harm if the goods are not seized. While recognizing the need for a strong remedy, Congress also recognized that ex parte seizures must be employed with caution. Thus, Congress emphasized that ex parte seizures must not "be employed routinely or casually." Instead, the modern ex parte seizure order protects the status quo. Id. This is very important in trademark cases because after defendants are given notice of an impending civil action, they often flee the jurisdiction or take other action which makes it impossible to obtain a judgment. Id. at 157-58. Another commentator has described the goal of trademark litigation. See GLEN E. WESTON ET AL., UNFAIR TRADE PRACTICES AND CONSUMER PROTECTION 251 (5th ed. 1992)(stating that goal of trademark litigation is to put counterfeiter out of business and to settle). 31. Trademark Counterfeiting Act of 1984, Pub. L. No. 98-473, 98 Stat. 2179-83 (1984) (codified as amended at 15 U.S.C. § 1116(d) (1988)). Congress intended these procedures to provide plaintiffs in trademark counterfeiting cases with a remedy so that plaintiffs would not have to rely on "the vagaries of the common law." H.R. REP. No. 997, supra note 10, at 6. 32. 15 U.S.C. § 1116(d)(3)-(4). The relevant text of § 1116(d) provides that:

The application for an order under this subsection shall be based on an affidavit or the verified complaint establishing facts sufficient to support the findings of fact and conclusions of law required for such order . . . [and] the court shall not grant such an application unless . . . the court finds that it clearly appears from specific facts that an order other than an ex parte seizure order is not adequate to achieve the purposes . . . [and] the applicant is likely to succeed in showing that the person against whom seizure would be ordered used a counterfeit mark in connection with the sale, offering for sale, or distribution of goods or services; an immediate and irreparable injury will occur if such seizure is not ordered; the matter to be seized will be located at the place identified in the application; the harm to the applicant of denying the application outweighs the harm to the legitimate interests of the person against whom seizure would be ordered of granting the application; and the person against whom seizure would be ordered, or persons acting in concert with such person, would destroy, move, hide, or otherwise make such matter inaccessible to the court, if the applicant were to proceed on notice to such person.

Id.

33. Id.

34. See H.R. REP. No. 997, supra note 10, at 6. The House Judiciary Committee recognized the seriousness of the counterfeiting problem and the necessity of the ex parte seizure provision. Id. However, the House Judiciary Committee emphasized that the use of this provision must be limited. Id. Otherwise, current courts would use other civil provisions to address such conduct. Id. at 6-7.

35. S. REP. No. 526, supra note 1, at 8, reprinted in 1984 U.S.C.A.A.N. at 3634. The Senate Judiciary Committee noted, in particular, that it would be inappropriate to issue such an order "when the defendant is a reputable
gress intended for courts to authorize ex parte seizures for "only the most egregious conduct."³⁶

Therefore, to deter abuse of ex parte seizures, Congress provided remedies for victims of "wrongful" ex parte seizures in section 1116(d)(11) of the Lanham Act.³⁷ Section 1116(d)(11) permits a defendant to sue the applicant for the damages resulting from a wrongful ex parte seizure.³⁸ A defendant who proves that there has been a wrongful ex parte seizure under section 1116(d)(11) can recover damages for lost profits, cost of materials, unjust enrichment, loss of good will, attorney's fees and other damages the court deems appropriate.³⁹

merchant, absent unusual circumstances." Id. at 15. The Committee reasoned that such a merchant "would not be likely to destroy or conceal counterfeit goods or . . . act to frustrate the court's jurisdiction." Id. Therefore, in such a case an applicant will not be granted an ex parte seizure order. Id.

Furthermore, the House Judiciary Committee noted that judicial orders for ex parte seizures "present substantial constitutional issues." H.R. REP. No. 997, supra note 10, at 16. It is thus essential that the defendant, who is not present at the seizure hearing, be accorded all possible protections against improper seizure of his or her property." Id.

³⁶. H.R. REP. No. 997, supra note 10, at 6. In an attempt to limit the use of the ex parte provision, Congress intended to exclude certain activities from the scope of § 1116(d). Id. at 7. One of these activities is "grey" marketing goods. Id. In grey marketing, a designated manufacturer legitimately makes trademarked articles overseas, but then distributes them "outside the trademark owner's desired distribution channels." Id. Such activities are not subject to the sanctions in § 1116(d). Id.

³⁷. 15 U.S.C. § 1116(d)(11). The Senate Judiciary Committee strongly believed that a victim of a seizure should be entitled to damages if the remedies provided in the Act (ex parte seizure) are "used as part of a scheme to control the resale prices" of non-counterfeit goods or to prevent the sale of these goods in foreign markets. S. REP. No. 526, supra note 1, at 8, reprinted in 1984 U.S.C.A.A.N. at 3634. Furthermore, the Committee noted that Congress had explicitly incorporated all of the protections of the Federal Rules of Civil Procedure into the Lanham Act to provide additional protection when a court authorizes the use of ex parte seizures. Id. at 7.

³⁸. 15 U.S.C. § 1116(d)(11). Congress incorporated this provision to ensure that the due process rights that defendants are entitled to under the federal Constitution, such as notice, are not guaranteed before an ex parte seizure. H.R. REP. No. 997, supra note 10, at 25. For the language of § 1116(d)(11), see supra notes 8-13 and accompanying text.

³⁹. 15 U.S.C. § 1116(d)(11). Congress deliberately refrained from defining the phrase "wrongful seizure." H.R. REP. No. 997, supra note 10, at 25. Congress decided to permit the courts to determine whether a seizure was wrongful based on the circumstances of each particular case. Id. However, Congress did enumerate at least three specific situations that it intended the courts to treat as wrongful. Id.

First, a seizure is wrongful if the applicant acts in bad faith in obtaining the ex parte order. Id. For example, if the applicant seeks an ex parte seizure order to regulate pricing by decreasing the competition, the seizure will be considered wrongful. Id. Second, a seizure is wrongful if the matter seized is not counterfeit. Id. The plaintiff's good faith is not a defense in this case because the defendant is the less culpable of the two parties. Id.

Finally, an ex parte seizure may be wrongful if executed improperly, regardless of the nature of the goods and the bad faith of the defendant. Id. For in-
A. "Applicant" Under Section 1116(d)(11)

An important issue concerning section 1116(d)(11)'s implementation is the appropriate interpretation of the term "applicant." There has been confusion over whether the term applicant includes a party's attorney. In section 1127, the Lanham Act defines the term applicant as embracing the "legal representatives, predecessors, successors and assigns of such applicant or registrant." However, the Lanham Act also provides that if a contrary meaning is plainly apparent from the text of another section of the Act, the former definition will not apply. Thus, the issue is whether the text of section 1116(d)(11) provides a definition of applicant that is contrary to the definition explicitly set forth in section 1127 of the Lanham Act.

The United States District Court for the Northern District of Illinois confronted this issue in Skierkewiecz v. Gonzalez. The Gonzalez court held that an attorney can be a defendant in a wrongful ex parte seizure action under section 1116(d)(11). The Gonzalez court reasoned that section 1116(d)(11) does not explicitly or implicitly provide a conditional privilege for an attorney who has been accused of wrongful seizure. In

stance, if the defendant's property is unnecessarily destroyed or if the trademark owner violates a court order prohibiting access to the defendant's business records, the seizure is wrongful. Id. at 25-26.

40. Electronic Lab. Supply Co. v. Cullen, 977 F.2d 798, 801-05 (3d Cir. 1992). For a further discussion of whether the term "applicant" under § 1116(d)(11) includes a party's attorney, see infra notes 40-46, 78-89 and accompanying text.


42. Id. Specifically, § 1127 states: "In the construction of this chapter, unless the contrary is plainly apparent from the context ... [t]he term ... embrace[s] the legal representatives, predecessors, successors and assigns of such applicant." Id.


44. Id. at 935. In Gonzalez, the court granted the defendant attorneys an ex parte seizure order for their client, even after the attorneys made numerous misrepresentations to the judge presiding over the ex parte hearing. Id. at 933. After the court granted the order, the victims of the seizure filed a motion to vacate the seizure order and for return of their goods. Id. In his Memorandum Opinion and Order, the judge stressed that he would not have ordered the ex parte seizure had he known that the defendants were falsely portraying the plaintiffs as counterfeiters. Id. However, despite the fact that defendant attorneys made misrepresentations to obtain the ex parte seizure order, the judge found it necessary to issue a preliminary injunction. Id. Plaintiffs then filed a complaint against the defendant attorneys in which the plaintiffs sought damages pursuant to the wrongful seizure provision of the Lanham Act. Id.

45. Id. at 934. The Gonzalez court noted that Congress had enacted § 1116(d)(11) to prevent abuse by persons applying for ex parte seizure orders. Id. The Gonzalez court held that “[section] 1116(d)(11) does not explicitly or implicitly require the plaintiff to show the applicant acted with malice ... even where the applicant was an attorney allegedly acting on his client’s behalf.” Id. Thus, the Gonzalez court held that there is no malice requirement under § 1116(d)(11) of the Act. Id. One commentator has asserted that reading a malice requirement into § 1116(d)(11) would hinder the purpose of deterring "ap-
concluding that an attorney can be liable for wrongful seizure, the Gonzalez court implicitly found that there was not an alternate meaning of applicant in the text of section 1116(d)(11) that was contrary to the definition provided in section 1127 of the Act. Before the Third Circuit's decision in Electronic Laboratory Supply Co. v. Cullen, the Gonzalez court had been the only court to address the issue of whether an attorney is an applicant under section 1116(d)(11).

B. Aiding and Abetting Liability

The common-law theory of aiding and abetting imposes liability upon those who assist an illegal venture while refraining from committing the direct act that constitutes the offense. Courts have applied aiding and abetting liability to several federal statutes. Generally, however, courts have limited aiding and abetting liability primarily to criminal offenses.

In the Third Circuit, courts have extended aiding and abetting liability in some circumstances to permit civil theories of recovery. First, in Petro-Tech, Inc. v. Western Co. of North America, the Third Circuit applied aiding and abetting liability to permit a civil theory of recovery under a federal RICO statute. The Petro-Tech court concluded that Congress intended aiding and abetting liability to apply to civil actions applicants from seeking orders except when absolutely necessary. See Bainton I, supra note 11, at 22 n.101.

46. 711 F. Supp. at 934. According to § 1127 of the Lanham Act, the term applicant includes an attorney unless a contrary meaning appears in the text of the relevant provision. 15 U.S.C. § 1127. In concluding that applicant includes an attorney under § 1116(d)(11), the Gonzalez court implicitly found no contrary definition in the text of § 1116(d)(11). 711 F. Supp. at 934. For the relevant text of § 1127, see supra notes 41-42 and accompanying text. For the relevant text of § 1116(d)(11), see supra note 13 and accompanying text.

47. 18 U.S.C. § 2 (1988). Specifically, § 2 provides that: [w]hoever commits an offense against the United States or aids, abets, counsels, commands, induces or procures its commission, is punishable as a principal . . . . [and] [w]hoever willfully causes an act to be done which if directly performed by him or another would be an offense against the United States, is punishable as a principal.

Id.

48. For example, aiding and abetting liability has been applied to RICO, the Securities and Exchange Act of 1934 and the Securities and Exchange Act of 1934. See Petro Tech v. Western Co. of N. Am., 824 F.2d 1349 (3d Cir. 1987) (applying aiding and abetting liability to RICO); Monsen v. Consolidated Dress Beef Co., 579 F.2d 793, 799-802 (3d Cir.), cert. denied, 439 U.S. 930 (1978) (noting that every circuit to address issue has applied aiding and abetting to securities violations).

49. See Petro-Tech, 824 F.2d at 1356-58 (applying aiding and abetting liability to civil action under federal RICO).

50. 824 F.2d 1349 (3d Cir. 1987). The statute in question in Petro-Tech was the federal civil Racketeering Influenced and Corrupt Organizations Act (RICO). Id. at 1351.

51. Id. at 1356-58.
because courts applied such liability to the same misconduct in criminal actions under RICO.\footnote{\textit{Id.} at 1356-62. For a further discussion of the facts and holding of \textit{Petro-Tech}, see infra notes 122-25 and accompanying text.}

Second, the Third Circuit has also allowed civil recovery under the theory of aiding and abetting as contained in the Securities and Exchange Act of 1934.\footnote{See Monsen v. Consolidated Dress Beef Co., 579 F.2d 793, 799-802 (3d Cir.), \textit{cert. denied}, 439 U.S. 930 (1978)(finding that every circuit court to address the question has held aiding and abetting liability for securities laws violations). Notably, both RICO and the Securities and Exchange Act of 1934 are federal criminal statutes, unlike the Lanham Act, which is civil.} The Third Circuit applied aiding and abetting liability to civil actions under the 1994 Act because many courts have applied such liability to criminal actions brought under the statute for the same offenses.\footnote{Electronic Lab. Supply Co. v. Cullen, 977 F.2d 798, 805 (1992).} Thus, the Third Circuit found that the application of aiding and abetting liability "logically followed" congressional intent.\footnote{Id.}

Nevertheless, the Third Circuit has not extended aiding and abetting liability to all civil statutes. For example, the Third Circuit has declined to extend such liability to federal civil statutes where the statute expressly imposes liability on a small class of defendants for narrowly defined misconduct.\footnote{See Craftmatic Sec. Co. v. Kraftsow, 890 F.2d 628, 636-37 (3d Cir. 1989)(citing Pinter v. Dahl, 108 S. Ct. 2063, 2076-81 (1988))(setting forth principles for imposing aiding and abetting liability). For a further discussion of the principles \textit{Craftmatic} set forth, see infra notes 129-30 and accompanying text.} Prior to \textit{Electronic Laboratory Supply Co. v. Cullen}, no court has ever addressed aiding and abetting liability as applied to section 1116(d)(11) of the Lanham Trademark Act.

III. FACTS AND PROCEDURAL HISTORY OF \textit{ELECTRONIC LABORATORY SUPPLY CO. V. CULLEN}

Electronic Laboratory Supply Corporation (ELSCO) purchases scrap electronic parts from manufacturers of electronic equipment and smelts these parts to retrieve the valuable metals contained therein.\footnote{Electronic Lab. Supply Co. v. Cullen, 977 F.2d 798, 799 (1992).} From 1980 to 1988, ELSCO contracted with Motorola, Inc. to remove scrap semiconductors from Motorola facilities and to destroy them within thirty days.\footnote{Id. at 800.} Motorola contracted to have this "scrap" destroyed "to protect its reputation and intellectual property rights."\footnote{Id. at 798.} These semiconductors either contained defects or had an expired shelf life.\footnote{Id.}

In 1988, Motorola discovered that its scrap semiconductors, which
should have been destroyed, were being sold as first-quality Motorola electronic equipment. After an investigation, Motorola suspected that ELSCO was illegally selling Motorola's scrap. To confirm its suspicions, Motorola visited ELSCO's facilities to inventory the Motorola scrap material on ELSCO's premises. After comparing the amount of scrap that Motorola had originally sold to ELSCO with the amount of scrap ELSCO had smelted or still had on its premises, Motorola determined that ELSCO could account for at least ninety-eight percent of the Motorola scrap ELSCO had purchased. However, Motorola proceeded to visit ELSCO a second time to verify its tabulations. Although Motorola again found that ELSCO could account for most of the Motorola scrap it had purchased, Motorola filed a complaint for trademark infringement against ELSCO. The complaint alleged that ELSCO had been improperly selling scrap semiconductors as first-quality Motorola semiconductors.

Simultaneously, Motorola applied for an ex parte order to seize both the Motorola scrap in ELSCO's possession and "various ELSCO business records," in accordance with section 1116(d)(11) of the Lanham Act. Motorola submitted the affidavit of Charles Rawles, an ELSCO employee that ELSCO had fired for theft, in support of the order. This affidavit alleged that ELSCO had sold the Motorola scrap and had deceived the Motorola investigators. The district court granted the ex parte seizure order, and federal marshalls subsequently seized most of ELSCO's inventory and held it in a private storage facility.

61. Id. This scrap was being sold as original Motorola equipment in Hong Kong. Id.
62. Id. Motorola may have suspected ELSCO because some of the scrap parts sold to ELSCO for smelting had the Motorola registered trademark on them. Id.
63. Id. Specifically, the corporate manager of precious metals controls for Motorola contacted the president of ELSCO, requesting ELSCO's permission to "audit the scrap" that ELSCO had purchased from Motorola. Id. ELSCO permitted Motorola investigators to investigate the ELSCO premises, books and materials and to take inventory of the scrap. Id. Motorola summarized the results of the investigation in an inter-office memo, which "compared the amount of scrap sold to ELSCO with the amount of scrap on the premises or already smelted." Id.
64. Id.
65. Id. ELSCO had 98.05% of the copper scrap and 98.7% of the steel scrap that it had bought from Motorola on ELSCO premises. Id.
66. Id.
67. Id. Motorola filed the complaint in the United States District Court for the Eastern District of Pennsylvania (Civ. No. 88-2452). Id.
68. Id.
69. Id. at 800-01.
70. Id. at 800.
71. Id. at 801. As attorneys for Motorola, defendants Cullen, Hauben and Wolfson, failed to inform the district court during the ex parte order proceeding
In response to Motorola's actions, ELSCO filed its own complaint against Motorola and Motorola's attorneys, alleging wrongful seizure under section 1116(d)(11) of the Lanham Act. The district court consolidated the ELSCO and Motorola cases. Eventually, ELSCO and Motorola reached a settlement. However, ELSCO and Motorola did not settle ELSCO's claim against Motorola's attorneys. This claim proceeded to court. Thus, the defendants in *Electronic Laboratory Supply Co. v. Cullen* were the three attorneys who prepared Motorola's application for the ex parte seizure.

ELSCO believed Motorola's attorneys were liable for wrongful seizure because the attorneys were aware of, but never informed the district court of, the inventories that Motorola had taken at ELSCO's facilities, the reason for Rawls' termination, the compensation Motorola had paid to Rawls for his affidavit and ELSCO's full cooperation with Motorola during the inspections. The district court rejected ELSCO's argument that the defendant attorneys were liable for wrongful seizure under the Lanham Act. Accordingly, the district court granted the defendants' motion for summary judgment, determining that section 1116(d)(11) only creates a cause of action against the applicant for an ex parte seizure order, not the applicant's attorneys.

The district court concluded that the term applicant, as used in section 1116(d)(11), refers to the trademark owner and not the trademark owner's attorney. In reaching this conclusion, the district court relied that Motorola had audited ELSCO with ELSCO's full cooperation, that the results of these audits were that ELSCO could account for 98% of the scrap Motorola had sold to ELSCO to be smelted, and that Motorola paid Rawls $700 for his affidavit. The district court referred only to the legislative history of § 1116(d). The court also reviewed the use of applicant in other provisions of the Lanham Act to find that attorneys are not included in the term applicant. For a discussion of how the Third Circuit analyzed the term "applicant," see infra notes 98-118 and ac-
on the structure of the Lanham Act and the legislative history concerning amendments to the Act. In the legislative history, Congress used the term applicant to describe the plaintiff and did not define applicant as including the attorney of the applicant.

ELSCO had asked the district court to reconsider the grant of summary judgment, asserting that the court had not considered the theory of aiding and abetting liability as a ground for holding the defendants liable under section 1116(d)(11) of the Lanham Act. The district court refused to reconsider its decision to grant summary judgment in favor of Motorola. In addressing this issue, the district court looked to the Third Circuit's established framework for determining the existence of aiding and abetting liability under federal statutes.

Additionally, the district court considered Congress' intent in enacting section 1116(d)(11), which was to hold an applicant for a wrongful ex parte seizure liable. According to the court, the application of aiding and abetting liability to this section would expand the reach of

companying text. For the relevant text of § 1127 of the Lanham Trademark Act, see supra note 41-42 and accompanying text.

83. Id. The district court examined the legislative history of the Lanham Act amendments: the Comprehensive Crime Control Act of 1984. Id. at 1018-20. The district court concluded that the Senate Judiciary Committee used the term applicant to describe the plaintiff and that the Committee had not further defined or expanded the term to include the plaintiff's attorney. Id. Further, the district court noted that the terms "party" and "applicant" are used interchangeably in the legislative history, thereby reflecting congressional intent that an applicant is a party or plaintiff and not the party's attorney. Id.

The district court also examined the interplay of § 1116(d)(11) with other provisions of the Lanham Act. Id. The court determined that Congress must not have intended to expand liability under this section because if Congress had, Congress would have said so in the language of the statute. Id. For example, the court noted that § 1116(d)(9) of the Lanham Act explicitly distinguishes between an "applicant" and his or her agent. Id. Since an attorney is an agent for a plaintiff, the court found that the term "applicant" in § 1116(d)(11) did not include attorneys because the language does not refer to "agents." Id. at 1020. Therefore, because the court concluded that an attorney cannot be an "applicant" under § 1116(d)(11) of the Lanham Act, consequently, there was no genuine issue of material fact. Id. For the relevant text of § 1116(d)(9), see infra note 116.

85. Id. at 68.
86. Id. at 69. The district court referred to the Third Circuit's decision in Petro-Tech v. Western Co. of North America, in which the Third Circuit had applied aiding and abetting liability to a civil RICO statute. Id. In Petro-Tech, the court considered the purpose and structure of RICO in finding that aiding and abetting liability should be applied. 824 F.2d at 1357 & n.9. For a further discussion of the Third Circuit's legal framework for determining whether aiding and abetting liability applies to federal statutes, see infra notes 94-97 and accompanying text.
87. 785 F. Supp. at 69.
liability further than Congress intended. The court concluded that Congress did not intend for section 1116(d)(11) liability to apply to an applicant’s attorney because Congress did not explicitly include attorneys as applicants in section 1116(d)(11). Thus, the district court concluded that aiding and abetting is not a viable theory of recovery under the Lanham Act because it does not advance the congressional intent or purpose of the Act.

IV. Case Analysis

On appeal, the Third Circuit affirmed the district court’s decision and held that the term applicant in section 1116(d)(11) of the Lanham Trademark Act does not include the attorneys who file the application for the ex parte seizure. In concluding that the term applicant in section 1116(d)(11) does not include attorneys, the Third Circuit declined to follow the Illinois district court’s holding in Gonzalez. Rather, the Electronic Laboratory Supply Co. court found that it was plainly apparent from the language of section 1116(d)(11) that Congress did not intend the term applicant to include a party’s attorney.

The Third Circuit also affirmed the district court’s holding that common-law aiding and abetting liability should not be applied to sec-

88. Id.
89. Id.
90. Id. The district court found that Congress had intended the applicant for the ex parte seizure order to be the party that was liable under the wrongful seizure provision. Id. The court determined that there was no indication that Congress intended to expand this liability to attorneys of applicants. Id. Therefore, applying aiding and abetting liability to this provision would unnecessarily “expand the reach” of the liability beyond that intended by Congress. Id.

Moreover, the district court distinguished Electronic Laboratory Supply Co. from cases in which courts that applied aiding and abetting on the ground that the ex parte and wrongful seizure provisions are different from the statutory causes of action to which courts have traditionally applied aiding and abetting liability. Id. For example, securities law is based on common law principles of fraud. Id. Because the tort of fraud recognizes aiding and abetting liability, it is only natural to apply aiding and abetting liability to securities law. Id. Furthermore, RICO, the statute at issue in Petro-Tech, allows civil recovery for criminal acts. Id. Courts have always recognized aiding and abetting liability for criminal offenses. Id. Therefore, because the conduct under § 1116(d)(11) is not similar to the conduct for which courts have traditionally recognized aiding and abetting liability, and it is not recognized under common law, the district court held that the imposition of aiding and abetting liability would not advance the purposes of the provision. Id. Thus, the district court held that it could not expand the reach of the statute to hold additional parties liable when Congress has declined to include these parties. Id.

92. Id. at 802. The Electronic Laboratory Supply Co. court found that the Gonzalez reasoning was unpersuasive because it was not supported by any analysis. Id.
93. Id. at 805-08.
tion 1116(d)(11) of the Lanham Act. The Third Circuit limited the application of aiding and abetting liability to statutes that provide criminal or tort remedies and statutes that impose liability on collateral participants. Additionally, the court concluded that Congress must not have intended such common-law liability to be applied under section 1116(d)(11). The court reasoned that if Congress had intended for aiding and abetting liability to be applied under section 1116(d)(11), Congress would have explicitly provided for such liability in the language of the statute.

A. The Meaning of “Applicant” Under Section 1116(d)(11)

In *Electronic Laboratory Supply Co.*, the Third Circuit confronted the issue of whether the term applicant in section 1116(d)(11) of the Lanham Act encompassed Motorola’s attorneys. The *Electronic Laboratory Supply Co.* court began its analysis of this issue by examining the language of the statute. The court compared the provisions that govern ex parte seizures with the provisions that govern “wrongful” seizures.

First, the Third Circuit examined Congress’ purpose in authorizing applications for ex parte seizures under the Lanham Trademark Act. The court determined from the language of section 1116(d)(1)(A) that Congress’ purpose was “to protect the property rights of persons likely to suffer immediate and irreparable harm from such counterfeiting of their goods or marks.” Additionally, the Third Circuit concluded that the beneficiary of the wrongful seizure provision is the person injured by the trademark infringement. Therefore, the Third Circuit concluded that those protected by the ex parte seizure provision—trademark owners and not attorneys—are the applicants for such orders.

Second, the Third Circuit considered the conditions an applicant must meet before a court may grant an order for an ex parte seizure. For example, section 1116(d)(4)(A) requires a person obtaining an ex

94. *Id.* at 805. For a further discussion of the principles the Third Circuit used to limit the applicability of aiding and abetting liability, see *infra* note 129.
96. *Id.*
97. *Id.* at 806.
98. *Id.* at 802-05.
99. *Id.* at 801. The *Electronic Laboratory Supply Co.* court noted that this was an issue of statutory construction, and as such, the court’s standard of review was plenary. *Id.*
100. *Id.* at 802-05. For a further discussion of the provisions governing ex parte seizures, see *supra* notes 27-31 and accompanying text.
102. *Id.*
103. *Id.*
104. *Id.* at 803.
105. *Id.* at 802-03. For the relevant text of § 1116(d), see *supra* note 32.
parte seizure order to post a bond to cover possible damages resulting from a wrongful seizure.\textsuperscript{106} Reading this provision as a counterpart to section 1116(d)(11), the Third Circuit determined that "the person obtaining an order" in section 1116(d)(4)(A) and the "applicant" in section 1116(d)(11) must refer to the same person.\textsuperscript{107} Therefore, the court reasoned that the applicant must post a bond.\textsuperscript{108} The court concluded that because it is commonly accepted that clients, and not attorneys, are the persons who pay such bonds, Congress must not have considered attorneys to be applicants under section 1116(d)(11).\textsuperscript{109}

Finally, the \textit{Electronic Laboratory Supply Co.} court proceeded to examine four other requirements that an applicant must meet before a court may grant an order for an ex parte seizure.\textsuperscript{110} In particular, the Third Circuit looked to the sections of the Act that provide that a court cannot grant an ex parte order unless it clearly appears that: 1) no other remedy would achieve the purpose of protecting the trademark owner's property rights; 2) the applicant is likely to succeed in showing that the defendant used a counterfeit mark; 3) the applicant will incur immediate and irreparable injury if the court does not grant the order; and 4) the harm to the applicant outweighs the harm to the person whose goods are to be seized.\textsuperscript{111}

\textsuperscript{106} \textit{Electronic Lab. Supply Co.}, 977 F.2d at 803. Section 1116(d)(4)(A) provides that:

\begin{quote}
The court shall not grant such an application [for an ex parte seizure order] unless the person obtaining an order ... provides the security determined adequate by the court for the payment of such damages as any person may be entitled to recover as a result of a wrongful seizure or wrongful attempted seizure.
\end{quote}

\textit{Id.} (quoting 15 U.S.C. § 1116(d)(4)(A)).

\textsuperscript{107} \textit{Electronic Lab. Supply Co.}, 977 F.2d at 803.

\textsuperscript{108} \textit{Id.}

\textsuperscript{109} \textit{Id.}

\textsuperscript{110} \textit{Id.} at 803-04. These provisions are 15 U.S.C. § 1116(d)(4)(B)(i), (iii), (iv) and (vi).

\textsuperscript{111} \textit{Electronic Lab. Supply Co.}, 977 F.2d at 803-05. Specifically, § 1116(d)(4)(B)(i) provides that a court cannot grant an ex parte seizure order unless it clearly appears that no other order would achieve the purpose of protecting the rights of the plaintiff whose trademark is infringed. 15 U.S.C. § 1116(d)(4)(B)(i).

Section 1116(d)(4)(B)(iii) provides that a court cannot grant an ex parte seizure order unless it "clearly appears that the applicant is likely to succeed in showing" that the defendant was counterfeiting his or her trademark. 15 U.S.C. § 1116(d)(4)(B)(iii). This section demonstrates that the party who is to "succeed in showing" the counterfeiting activity bears the burden of proof. \textit{Electronic Lab. Supply Co.}, 977 F.2d at 803.

Section 1116(d)(4)(B)(iv) provides that a court cannot grant an application for an ex parte order unless the applicant demonstrates that "immediate and irreparable injury will occur" if it is denied. 15 U.S.C. § 1116(d)(4)(B)(iv).

Lastly, § 1116(d)(4)(B)(vi) provides that it must clearly appear that the harm to the applicant if the court denies the application for the ex parte seizure is greater than the harm to the interests of the person against whom the seizure is sought. 15 U.S.C. § 1116(d)(4)(B)(vi).
The Third Circuit reasoned that these requirements demonstrated congressional intent to regard only the trademark owner as an applicant for the ex parte seizure order. The Third Circuit found that an attorney's property rights are not protected by the ex parte seizure provision. A party, not the party's attorney, has the burden of proving success. Also, an attorney cannot be injured by a violation of the Act and as such cannot show immediate and irreparable injury that is greater than the person's whose goods might be seized.

The Electronic Laboratory Supply Co. court also noted that Congress had distinguished between applicants and those who act on the applicant's behalf elsewhere in the statutory provisions governing ex parte seizures. For example, the court noted that section 1116(d)(9) provides that a court may issue an ex parte seizure order to protect a party from "undue damage" resulting from disclosure of confidential information, "including, where appropriate, orders restricting the access of the applicant (or any agent or employee of the applicant)" to the information. The court found this distinction between applicants and agents to be evidence of Congress' intent to exclude attorneys from the definition of applicant in section 1116(d)(11).

113. *Id.*
114. *Id.*
115. *Id.*
116. *Id.* at 803-04. The Third Circuit, like the district court in *Electronic Laboratory Supply Co.*, noted that § 1116(d)(9) expressly distinguishes between an applicant and his or her agent. *Id.* at 804. The relevant text of § 1116(d)(9) provides that:

> The court shall issue orders, when appropriate, to protect the defendant from undue damage from the disclosure of trade secrets or other confidential information during the course of the seizure, including, where appropriate, orders restricting the access of the applicant (or any agent or employee of the applicant) to such secrets or information. 15 U.S.C. § 1116(d)(9)(emphasis added).

118. *Id.* The Third Circuit concluded that the use of the term "agent" in § 1116(d)(9) includes attorneys, who are agents for their clients, and the distinction between applicants and agents in this section shows congressional intent to differentiate between an applicant and his or her attorney. *Id.* at 804-05. As such, the Third Circuit found that Congress would have expressly mentioned the terms applicant and attorney in § 1116(d)(11), as in § 1116(d)(9), if it had intended for liability to apply to an applicant and an attorney under § 1116(d)(11). *Id.* at 804.

The *Electronic Laboratory Supply Co.* court did not examine the legislative history of § 1116(d)(11) because it found that the language of the Lanham Act suggests that there is no cause of action against attorneys. *Id.* (citing *Blum v. Stenson*, 465 U.S. 886, 896 (1984) (holding that when court is resolving question of federal law court should look first to statutory language and then, if language of law unclear, to legislative history)).
THIRD CIRCUIT REVIEW

B. Aiding and Abetting Under Section 1116(d)(11)

After the Electronic Laboratory Supply Co. court concluded that attorneys are not applicants under section 1116(d)(11), the court addressed the issue of whether attorneys could be liable for aiding and abetting a wrongful ex parte seizure. While the courts have traditionally applied aiding and abetting liability to criminal cases, courts have also applied the theory to federal civil statutes in some cases. In the Electronic Laboratory Supply Co. case, ELSCO argued that even if an attorney is not an applicant under section 1116(d)(11), an attorney should still be liable under the common-law theory of aiding and abetting if there has been a wrongful ex parte seizure.

To resolve this issue, the Third Circuit referred to Petro-Tech, Inc. v. Western Co. of North America, in which it had outlined a general framework for determining when aiding and abetting liability can be a theory of civil recovery under a federal statute. The Petro-Tech framework applies common-law aiding and abetting liability when such liability advances the goals of a particular statute and when the structure and text of the statute indicate congressional intent to impose such liability. In Petro-Tech, the court applied aiding and abetting liability to a civil RICO action because courts had commonly applied such liability to federal criminal offenses under the same statute for the same misconduct.

In contrast, the Electronic Laboratory Supply Co. court noted that the Lanham Trademark Act is a purely civil statute. Unlike federal criminal law, the purpose behind federal civil law does not automatically suggest that it would be appropriate to impose aiding and abetting liability.

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119. Electronic Lab. Supply Co., 977 F.2d at 805. This was a question of first impression. Id.

120. Id. at 805-06. For instance, the Third Circuit has applied aiding and abetting liability to federal civil statutes for civil RICO violations, and also to § 10(b) and § 14(a) of the Securities and Exchange Act of 1934. Id.; see, e.g., Petro-Tech v. Western Co. of N. Am., 824 F.2d 1349 (3d Cir. 1987)(imposing aiding and abetting liability under federal civil RICO statute); Monsen v. Consolidated Dressed Beef Co., 579 F.2d 798, 799 (3d Cir.), cert. denied, 439 U.S. 980 (1978)(recognizing aiding and abetting liability under § 10(b) and Rule 10b-5 of S.E.C. Act of 1934); Gould v. American-Hawaiian S.S. Co., 535 F.2d 761 (3d Cir. 1976)(finding aiding and abetting liability cause of action under § 14(a) and Rule 14a-9 of S.E.C. Act of 1934).


122. 824 F.2d 1349 (3d Cir. 1987).


124. Petro-Tech, 824 F.2d at 1357-61.

125. Id. at 1357-58. The Petro-Tech court found clearly-expressed congressional intent that aiding and abetting liability apply to the criminal RICO statute at issue, and as such, the court reasoned that it logically follows that such liability should apply to civil actions under the same statute. Id.

In the present case, the court did not find evidence of congressional intent to impose aiding and abetting liability under the Lanham Trademark Act, nor did it find that imposing such liability would advance the goals of the Act.\textsuperscript{128}

After it considered the Petro-Tech framework, the Third Circuit proceeded to apply the principles of another Third Circuit case, \textit{Craftmatic Securities Litigation v. Kraftsow}.\textsuperscript{129} The \textit{Electronic Laboratory Supply Co.} court applied the \textit{Craftmatic} principle that where the language of a statute limits liability to a narrow class of defendants, imposing aiding and abetting liability frustrates congressional intent.\textsuperscript{130} Thus, the Third Circuit concluded that because the Lanham Act contains detailed rules and procedures for a very specific cause of action—wrongful use of ex parte seizures—and expressly imposes liability on only a small class of defendants, it is inappropriate for a court to apply a common-law doctrine such as aiding and abetting liability.\textsuperscript{131} Imposing such liability would “circumvent the express intent of Congress,” which was to prohibit only specific conduct and impose liability on a precise group.\textsuperscript{132} Therefore, based on the text and legislative history of the Lanham Trademark Act, the Third Circuit in \textit{Electronic Laboratory Supply Co.} did not find evidence of congressional intent to impose aiding and abetting liability against

\begin{itemize}
\item \textsuperscript{127} \textit{Id}. at 805. The Third Circuit noted that the Lanham Act is a federal civil statute, and, unlike federal criminal law, there is no presumption of aiding and abetting liability. \textit{Id}. Further, the \textit{Electronic Laboratory Supply Co.} court noted a trend toward a more cautious approach in determining the scope of aiding and abetting liability under federal civil statutes. \textit{Id}. at 806 (citing Pinter v. Dahl, 486 U.S. 622 (1988)) (refusing to extend liability under S.E.C. Act of 1933 where language imposing liability was narrowly tailored to specific group).

\item \textsuperscript{128} \textit{Id}. at 808.

\item \textsuperscript{129} \textit{Craftmatic}, 890 F.2d 628 (3d Cir. 1989). The \textit{Electronic Laboratory Supply Co.} court applied the following principles: 1) where language of a section expressly limits liability to certain defendants; 2) the statute directs that liability does not extend to collateral participants; and 3) the remedy is not analogous to criminal or tort law. \textit{Craftmatic}, 890 F.2d at 636-37.

\item \textsuperscript{130} \textit{Electronic Lab. Supply Co.}, 977 F.2d at 806 (citing \textit{In re Equity Corp. of Am. Sec. Litig.}, 416 F. Supp. 161, 181 (C.D. Cal. 1976)).

\item \textsuperscript{131} \textit{Electronic Lab. Supply Co.}, 977 F.2d at 808. The Third Circuit found that § 1116(d)(11) limits liability for wrongful seizure to the applicant for the order and the statute is silent regarding any form of collateral liability, including liability for aiding and abetting. \textit{Id}. at 807. Furthermore, as compared to various federal statutes to which courts have applied aiding and abetting liability, § 1116(d)(11) does not have broad provisions imposing liability on any person involved in the crime. \textit{Id}. In contrast to the Lanham Trademark Act, the Securities and Exchange Act of 1934, under which courts have applied aiding and abetting liability, imposes liability on anyone offering or selling securities or soliciting proxies. \textit{Id}.

\item \textsuperscript{132} \textit{Id}. at 806-07. Moreover, “where a federal, civil statute like § 1116(d)(11) expressly imposes liability on only a small class of defendants for specific misconduct, it is inappropriate for a court to apply common law doctrines to write a new cause of action into that statute.” \textit{Id}. at 806 (citing \textit{In re Equity Corp. of Am. Sec. Litig.}, 416 F. Supp. 161, 181 (C.D. Cal. 1976)).
\end{itemize}
the defendants for wrongful seizure under section 1116(d)(11).\textsuperscript{133}

V. CONCLUSION

In \emph{Electronic Laboratory Supply Co. v. Cullen}, the Third Circuit refused to impose liability upon a trademark owner's attorney because doing so would not further the congressional intent and purpose of section 1116(d)(11) of the Lanham Trademark Act.\textsuperscript{134} The court believed that it was not necessary to extend liability under the Act and recognize a cause of action against a party's attorney under section 1116(d)(11) because victims of a wrongful ex parte seizure are sufficiently protected by other means.\textsuperscript{135} First, the court noted that the party whose goods were wrongfully seized may sue the applicant under section 1116(d)(11) and then the applicant may implead his or her attorney for legal malpractice.\textsuperscript{136} Second, the court stated that a party whose goods were wrong-

\textsuperscript{133} Electronic Lab. Supply Co., 977 F.2d at 806-08. The Third Circuit held that even though applying aiding and abetting liability might deter some wrongful seizures and compensate some victims, Congress could have provided for aiding and abetting in § 1116(d)(11) when the section was drafted if it had intended for aiding and abetting liability to be imposed by this section. Id. at 807. The Third Circuit found that Congress' intent in providing a cause of action against an applicant in a wrongful seizure action was to "provide a limited supplement to available common law and statutory remedies, without authorizing suits against many different persons on an issue normally collateral to the subject matter of a trademark infringement action." Id. Even if the Third Circuit had found such liability to further the purpose of § 1116(d)(11), the Third Circuit was unwilling to impose the liability absent some evidence of Congressional intent to do so. Id. The plaintiffs in \emph{Electronic Laboratory Supply Co.} also argued that common law aiding and abetting liability could be applied pursuant to the \textsc{Restatement (Second) of Torts} § 876 (1979). Electronic Lab. Supply Co., 977 F.2d at 808. The Third Circuit noted that courts have used the Restatement to impose aiding and abetting liability in civil actions under federal statutes that already impose aiding and abetting liability. Id. The court distinguished these cases as civil actions under federal criminal statutes to which common-law aiding and abetting already applied. Id. at 808. Therefore, the court held that because § 1116(d)(11) is not analogous to a common-law tort, aiding and abetting liability cannot be applied "absent any statutory basis for doing so." Id.

\textsuperscript{134} Electronic Lab. Supply Co., 977 F.2d at 804, 806-07. The Third Circuit in \emph{Electronic Laboratory Supply Co.} believed that it was apparent that Congress had not intended the term applicant in § 1116(d)(11) to include legal representatives. Id. at 804-05. Further, the Third Circuit found that imposing aiding and abetting liability under § 1116(d)(11) would require writing new causes of action into the Lanham Act. Id. Even if this would further the statute's purpose, there is no evidence that Congress intended such an expansion of the scope of liability under § 1116(d)(11). Id. at 806-08.

\textsuperscript{135} Id. at 805.

\textsuperscript{136} Id. The \emph{Electronic Laboratory Supply Co.} court found it unnecessary to extend liability to attorneys under § 1116(d)(11) because a victim of wrongful ex parte seizure can obtain relief through a cause of action for wrongful seizure, in which the victim sues the applicant, and the applicant impleads his attorney for legal malpractice. Id. Such an approach was impossible under the facts of \emph{Electronic Laboratory Supply Co.}, however, because ELSCO had previously settled with
fully seized may bring a cause of action against the other party's attorney under the theories of conversion, wrongful use of civil procedure and trespass.\textsuperscript{137} Thus, the \emph{Electronic Laboratory Supply Co.} court concluded that adequate disincentives existed to prevent attorneys from filing wrongful ex parte seizures.

Some very important issues are raised by the Third Circuit's holding in \emph{Electronic Laboratory Supply Co.} Despite the \emph{Electronic Laboratory Supply Co.} court's self-proclaimed goal of furthering congressional intent, there is no evidence of congressional intent to protect an attorney who misused, perhaps even knowingly, the ex parte seizure provision. To the contrary, there is overwhelming evidence that Congress intended that courts and litigants utilize ex parte seizures sparingly to prevent misuse, which arguably occurred in \emph{Electronic Laboratory Supply Co.}\textsuperscript{138}

Moreover, when articulating the alternate methods of recovery for a victim of a wrongful ex parte seizure, the Third Circuit failed to consider that when an attorney has done exactly what a client has told him or her to do, the applicant cannot bring a cause of action for malpractice liability against the attorney. Additionally, if an applicant's attorney wrongfully suggests an ex parte seizure remedy, the client, unaware of the provisions governing ex parte seizures, will be held liable by the victim with no guarantee of recovery against the attorney. Therefore, the alternatives that the Third Circuit enumerated are somewhat illusory.

Finally, by refusing to extend section 1116(d)(11) liability to attorneys under the definition of applicant or to extend liability to attorneys by applying common-law aiding and abetting liability, the \emph{Electronic Laboratory Supply Co.} court may have perpetuated something that Congress never intended—routine or casual seizures.\textsuperscript{139} After \emph{Electronic Laboratory Supply Co.}, an attorney may make common use of the ex parte seizure

\footnotesize{Motorola and had only preserved its claims against Motorola's attorneys. \textit{Id.} at 805 n.2.\textsuperscript{137} \textit{Id.} at 805.\textsuperscript{138} \textit{See} Slazengers v. Stoller, No. 88-C-3722, 1988 WL 58579, at *2 (N.D. Ill. May 31, 1988) (finding representations made to obtain ex parte seizure order "hyperbolic" and not in accordance with congressional intent to use remedy in only extraordinary circumstances); \textit{see also} S. Rep. No. 526, supra note 1, at 7, reprinted in 1984 U.S.C.A.A.N. at 3633 (recognizing that courts must employ ex parte seizures with caution and that all protections afforded by Federal Rules of Civil Procedure are incorporated into provision in addition to specific protections provided in Act); H.R. Rep. No. 997, supra note 10, at 6 (1984) (recognizing that ex parte seizure must be limited to "only the most egregious conduct, [o]therwise, current civil provisions of the Federal law are adequate to deal with such conduct."). One commentator has discussed that as a practical matter, many courts will not grant ex parte relief except in the most compelling circumstances. \textit{See} Louis P. Petrich, \textit{Preliminary Injunctions and Temporary Restraining Orders in Copyrights and Trademark Infringement Cases: The Trademark Counterfeiting Act, in Patents, Copyrights, Trademarks, and Literary Property} 13 (1992).\textsuperscript{139} \textit{See, e.g.}, S. Rep. No. 526, supra note 1, at 8, reprinted in 1984 U.S.C.A.A.N. at 3654 (emphasizing that courts must not employ ex parte seizures routinely or casually); \textit{see also} H.R. Rep. No. 997, supra note 10, at 25}
provision in trademark infringement cases without fear of incurring liability under the Lanham Trademark Act.

\textit{Alison T. Fiala}

\textit{(noting good faith is no defense for plaintiff who initiated wrongful ex parte seizure).}