Case Name and Number: *Abitron Austria GmbH* v. *Hetronic International, Inc.*, No. 21-1043

Introduction: Today, the Supreme Court held that two provisions of the Lanham Act prohibiting trademark infringement do not apply extraterritorially and that infringement is domestic, and therefore actionable under the Lanham Act, only if the "use in commerce" occurred domestically.

Background: The Lanham Act prohibits the unauthorized use of "any reproduction . . . of a registered mark in connection with the sale" when it "is likely to cause confusion." 15 U.S.C. § 1114(1)(a). The Act also prohibits the "us[e] in commerce" of a protected mark (even if not registered) that "is likely to cause confusion." *Id.* § 1125(a)(1).

Hetronic, a U.S.-based company, manufactures radio remote controls for construction equipment worldwide. Abitron, a foreign company, previously distributed Hetronic's products internationally but eventually began selling Hetronic-branded products that it was manufacturing. Hetronic sued Abitron under the Lanham Act. Abitron argued that the Lanham Act does not apply extraterritorially. The district court disagreed, and a jury awarded Hetronic $96 million in damages. The Tenth Circuit affirmed, concluding that Abitron's foreign infringing conduct had sufficient domestic impact to create a sufficient U.S. interest in the dispute.

Issue: Whether the trademark infringement provisions of the Lanham Act apply extraterritorially.

Court's Holding: In an opinion written by Justice Alito and joined by Justices Thomas, Gorsuch, Kavanaugh, and Jackson, the Supreme Court held that the Lanham Act's trademark infringement provisions do not extend extraterritorially. Applying the presumption against extraterritoriality, which holds that a law does not apply extraterritorially unless Congress has clearly indicated to the contrary, the Court concluded that the provisions lacked any "clear, affirmative indication" that they apply extraterritorially. The Court then addressed the standard for determining when conduct is sufficiently "domestic" to support a claim under the statute – holding that the conduct is actionable when the infringing "use in commerce" itself occurred domestically.

Justice Jackson authored a concurrence. She elaborated on the meaning of "use in commerce," positing that the inquiry into "use in commerce" is not limited to where the mark is first affixed or the item is first sold.

Justice Sotomayor concurred in the judgment, joined by Chief Justice Roberts and Justices Kagan and Barrett. Although she agreed that the Tenth Circuit applied the wrong test, she disagreed with the majority's standard. Instead, she argued, the Lanham Act should apply to activities abroad if they are likely to cause consumer confusion in the United States.

Read the opinion here.