



## Intellectual Property Group Podcast

### What to Do If You Receive a Trademark Infringement Cease and Desist Letter

By: Philip Hammarberg and Kevin Donoghue

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- Philip Hammarberg:** Welcome to the Garfunkel Wild Intellectual Property Podcast. Today, we will be discussing cease and desist letters related to trademark infringement.
- Philip Hammarberg:** I'm here with Kevin Donoghue, a partner with Garfunkel Wild, and my name is Philip Hammarberg and I'm the Chair of the Intellectual Property Group.
- Philip Hammarberg:** So Kevin, what should a client do when they received a cease and desist letter? That can be very intimidating.
- Kevin Donoghue:** Thanks Phil. It can be intimidating and a lot of times clients come to us and they've received a cease and desist letter, and they don't know what to do with it. They see it. They know that they've been operating their company, their business, and the cease and desist letter says that they're using a trademark that belongs supposedly to some other company that has rights that are superior to theirs, and they don't know what to do.
- Kevin Donoghue:** So they have a lot of different options and they have different things that they can do in response, but the typical business owner really doesn't know what to do when they get these cease and desist letters.
- Philip Hammarberg:** I guess, we should also give a little bit of background regarding trademarks. I know sometimes when I speak with business owners, they don't know the difference between a copyright and trademark. So when we use the term trademark we're referring to basically a designator of origin, or to put plainly, the name of a business, a logo or something that's used to identify the business to their potential consumers.
- Kevin Donoghue:** That's correct and when they get these cease and desist letters basically there's a party out there that is claiming that they've used their name or the logo or something else to confuse people in the world into using someone else's business as opposed to our client's business and basically telling our client that they have to change their logo or change their name or just continue using it, because they think that they're infringing upon this other third party's right.

- Philip Hammarberg:** So I guess, what's the first thing someone should do when they receive that?
- Kevin Donoghue:** So the first thing we tell everyone to do is actually to get legal counsel. To have it reviewed by an attorney. And, the reason for that is because there are a lot of ways to respond and without really fully having an understanding of the situation and the law and the legal underpinnings for these types of demand letters, there are some traps that the unwary can fall into.
- Kevin Donoghue:** But some of the options that people have include the following: you get the letter. And again, we highly recommend that you get legal counsel involved as early as possible, because someone who's experienced with trademark disputes is going to be able to guide a person, or a company, as to how best to respond and so the initial thought is that you, or the initial analysis, I should say, is whether you respond at all and if you do respond, how do you respond.
- Kevin Donoghue:** Doing nothing is a potential way to deal with it. There are in certain limited instances, times when people and other companies, send out the cease and desist letters and they're only hoping that they can kind of mislead or take advantage of or somehow intimidate someone into stopping using their trademark or their logo, or try to get them to pay money in order to continue using it to get a license for it, or something like that.
- Kevin Donoghue:** But those instances are usually few and far between where you would do nothing. More times than not, the better exercise of judgment is going to be to respond.
- Kevin Donoghue:** There are a few different ways when you're working with your counsel that you can respond. You can respond substantively and you can basically deny the infringement and say that your use of the mark is entirely appropriate and you can give reasons for that. You can also respond and say that it's unclear what the other party's rights are to the mark and how and why the other party believes that there is infringement. Essentially ask the other side whether or not they have any evidence or what is the factual background and the underpinnings for their claim. So you can either push back on it, or you can ask for additional information.
- Kevin Donoghue:** And there's also yet another way that we respond sometimes. Sometimes you approach the party that's sending the cease and desist letter and you can speak with them about negotiating with them, use for the trademark and a license to use the mark on terms that would be mutually agreeable both to you and to the party, claiming that it's being infringed upon.
- Kevin Donoghue:** There are certain instances when you can get a license to use it, or you can buy it, you can work out a transaction or deal, where one party or the other agrees that they will, for a certain amount of money or fee or their consideration, they'll no longer use it, or they'll use it exclusively, to the other.
- Kevin Donoghue:** So those are the typical ways, either respond or you don't and if you do respond to the letter you can do it in a few different ways. The other thing too is there are certain instances when, again you wouldn't do this without the advice and the assistance of

legal counsel, but where you can you file your own lawsuit also. You may want to explore the idea of suing the alleged trademark owner and obtaining a declaratory judgment that essentially tells the whole world, that your mark does not infringe upon the other trademark of the party that sent you the cease and desist letter but again that's not something you probably would do on your own. You definitely need legal counsel for that and really for all these, it should be done, with the guidance and help and support of a lawyer.

**Philip Hammarberg:**

Sounds pretty good. One additional thing I'd like to add. In some instances, related to sort of the settlement options that you mentioned, one additional option may be the idea of a coexistence agreement to the extent that the parties are able to negotiate a settlement. You may, if the trademarks aren't identical, if the parties are willing, perhaps you can enter into a co-existence agreement where in both parties would have certain rights to use the mark going forward in their own separate and different ways.

**Kevin Donoghue:**

That is true, and as you know, we've done them before. And that is another way to kind of deal with the situation because it might be that one party is using it in one area or one realm that really doesn't necessarily overlap or doesn't really infringe upon the other party's use of it in a separate distinct other area, and you can kind of reach a resolution where each of the two parties uses it, and they can, hence the name for the agreement, coexist, appropriately with the use of the mark.

**Kevin Donoghue:**

The other thing that comes up often, is the cease and desist letters with regard to trademark can be very intimidating, and they can be overwhelming to people at times and they say, is this a lawsuit, is this something if I don't answer this or that are my rights going to be harmed? Typically, while there can be a lawsuit along with or, in addition to a cease and desist letter, a cease and desist letter claiming trademark infringement is not in and of itself a lawsuit. It is not a lawsuit at all.

**Kevin Donoghue:**

In order to be served with a federal lawsuit, you need documents: a summons and you need a complaint. You would receive those. Those have to be personally served on you or served on some sort of agent for service of process for your company, and you will get a copy of those papers.

**Kevin Donoghue:**

If you ever get a copy, if any person every gets a copy, any business gets those, those should be immediately brought to a lawyer, because, in order to answer that summons and complaint in a lawsuit it's highly advisable to have legal counsel help you with that, but again, a cease and desist letter in and of itself with nothing else, is not a lawsuit, it's just a demand to stop using something or a demand that if you don't address the situation, it can be a precursor, it could be something that comes before the summons and complaint in an actual law suit, but if you wind up getting sued you will receive a summons and complaint you'll have to get those documents in an action, it will have an index number on it will have a caption for the proceeding and it'll be a more formal legal document that won't be in the form of a letter.

**Philip Hammarberg:** That's an excellent point. Just receiving something making allegations can be intimidating and if you're not used to seeing those types of cease and desist letters or documents, you may misinterpret it and think it's something else.

**Philip Hammarberg:** So I think that's sort of wraps it up for today, thank you for being on the podcast and thank you for sharing this information with the audience.

**Kevin Donoghue:** No problem. Good speaking with you Phil and we'll have to do it again. Take care.