



Practitioners' Checklists

Cease and Desist Letter for Trademark Infringement, Unfair Competition or Claim of Dilution

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Cease and Desist Letter for Trademark Infringement, Unfair Competition, or Claim of Dilution

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A cease and desist letter should only be undertaken after investigating the relative rights of the parties, the claims and objectives of the sender, the likely defenses and motivations of the recipient, the practical and legal consequences of sending or not sending the letter, and the ramifications of responsive action or inaction after the letter.

I. The Client's Goals

What remedies are sought?

- Stop use?
- Compensation for past use?
- License for future use?
- Deter future encroachment or infringement?
- Clear the trademark register of conflicting marks?
- Establish record of enforcement to enhance the strength of the mark for future litigation?

II. **Pre-Demand Investigations**

1. ____ Is there a legal standard in the subject jurisdiction for proper or reasonable investigation prior to sending a cease and desist letter?
2. ____ What information is available regarding the infringer's uses of the applicable mark(s) and company status on the infringer's website, search engines, SEC filings, annual reports, press releases, earnings reports, productivity reports, product announcements, catalogs, advertisements and promotional materials and the like?
3. ____ What trademark searches or investigations should be considered or undertaken?
 - Should an investigator be retained to verify the extent of use, the duration of use, and/or the actual use?
4. ____ Does the client (or anyone else) have records of the infringement?
 - Consider asking the client to keep and maintain records of the infringement, and especially evidence of any instances of actual confusion.
 - Is there access to information of others?
5. ____ Why is the client concerned with the infringement?
 - Why does the client think that there is a problem?
 - What conditions in the industry, marketing channels or customers of the parties make confusion or dilution likely?
6. ____ Does the client have the financial resources, ability, time, and desire to pursue serious enforcement action?
 - Is the client contractually obligated to pursue an enforcement action?
 - Will the client pursue any threatened actions?
7. ____ What insurance coverage is available?
 - Does the client have coverage for enforcement of trademark rights?
 - Is there a notification requirement?

8. ____ Is the client's mark protectable, that is, is it inherently distinctive (includes fanciful, arbitrary or suggestive elements) or distinctive via secondary meaning (has long and extensive use and advertising)?
- Does the mark distinguish the client's goods, services or business from those of other persons?
 - What is the scope and extent of protection in the applicable jurisdiction?
 - Is it protected by statute or treaty as a special symbol?
9. ____ If the mark is the configuration of the product (i.e., product configuration trade dress):
- Is it unique, unusual, or unexpected for the market?
 - Is it a common or basic shape?
 - Is it a mere refinement of commonly known ornamentation?
 - Is it capable of creating a distinctive commercial impression apart from any accompanying word?
 - Is it an indicator of the source of the goods?
10. ____ Is the client's mark used in commerce as a trademark in the applicable country and/or in commerce between the applicable country and a foreign country?
- Is actual use required in the applicable country?
11. ____ Does the client's use of its mark predate the infringer's use in the jurisdiction?
- Worldwide?
 - Is first use necessary?
 - Are there third party rights to the mark and what affect do they have on the contemplated challenge?
 - Can plaintiff rely upon use by a licensee in the jurisdiction?
12. ____ Does the client or the infringer own a registration for their respective marks in the jurisdiction?
- Worldwide?

- Is registration necessary?
 - What is the consequence of a registration by the client?
 - By the infringer?
 - What might be the impact of a challenge in this jurisdiction on the client's ability to use the mark in other jurisdictions?
13. _____ Can the client enforce the client's rights, based either on use or registration in the applicable jurisdiction under any bilateral or multilateral intellectual property treaty, i.e. Paris Convention, TRIPS Agreement, Pan American Convention, NAFTA Agreement or UDRP?
14. _____ Does the client or the infringer have a "family" of marks using a similar word or structure?
15. _____ Is there a time requirement such as when the mark becomes incontestable or is there any other applicable statute of limitations?
- Are there any facts to override incontestability?
16. _____ Is the challenged use by the infringer likely to cause confusion or to cause mistake or to deceive due to:
- similarity of the marks; or
 - similarity of the goods and services in the same trade or industry, i.e., competitive with or related to plaintiff's use?
17. _____ What is the applicable test for likelihood of confusion in the jurisdiction?
- Consider the following factors to analyze a "likelihood of confusion":
 - The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression.
 - The similarity or dissimilarity and nature of the goods or services with which the respective marks are used.
 - The similarity or dissimilarity of established, likely-to-continue trade channels.
 - The conditions under which and buyers to whom sales are made, e.g. "impulse" vs. careful, sophisticated purchasing.
 - The fame of the client's mark (sales, advertising, length of use).

- The number and nature of similar marks in use on similar goods.
 - The nature and extent of any actual confusion.
 - The length of time during and conditions under which there has been concurrent use without evidence of actual confusion.
 - The variety of goods on which a mark is or is not used (house mark, “family” mark, product mark).
 - The market interface between the client and the infringer.
 - The extent to which the client has a right to exclude others from use of its mark on its goods.
 - Any other facts probative of the effect of use.
18. _____ Even if likelihood of confusion or of competition cannot be established, is the client’s mark famous or well-known in the geographic location, in the industry, or with customers of the jurisdiction?
19. _____ Is there a likelihood of dilution?
- Consider the following factors to analyze a “likelihood of dilution”:
 - The degree of inherent or acquired distinctiveness of the mark.
 - The duration and extent of use of the mark in connection with the goods or services with which the mark is used (i.e. sales or volume turnover or market share) (in/outside the jurisdiction).
 - The duration and extent of advertising and publicity of the mark (size of advertising costs, of investment in promoting the mark and of unsolicited media attention).
 - The geographical extent of the trading area in which the mark is used.
 - The geographical extent of identical or similar registrations by the client outside the relevant territory.
 - The channels of trade for the goods and services with which the mark is used.
 - The degree of recognition of the mark in trading areas and channels of trade used by the client and by the infringer.

- The nature and extent of use of the same or similar marks by others.
- The registrations owned by the infringer for the mark at issue within the territory.
- How long the mark has been registered.
- The client's emphasis or lack of emphasis on the mark in advertisements.
- The promotional activities relating to the mark, including at conventions, exhibitions, and fairs.
- The unsolicited media attention accorded the mark.
- The relevant niches of commerce/business circles for the mark and their extent.
- The nature of actual and/or potential consumers of goods bearing the client's mark and their extent.
- The extent of recognition of the mark in the relevant sector(s) of the public.
- The commercial value attributed to the mark.
- The brand or quality image of the mark.
- The local or worldwide exclusivity of use and registration attained by the mark.
- The record of successful enforcement of rights in the mark.
- The extent to which mark has been recognized as well-known by competent authorities.
- As a practical matter, whether either party thinks their mark is famous or well-known.
- Whether the infringer's use will injure the business reputation, dilute, impair or harm the distinctive quality or character of the client's mark, cause "blurring" or "whittling away" of the client's "selling power or provide other unfair advantage to the infringer."

20. ____ Consider the law of the jurisdiction relating to dilution including:
- Is the jurisdiction a signatory to TRIPS (and Paris Convention) extending to well-known marks not registered in the jurisdiction?
 - Has the jurisdiction adopted or followed recommendations of WIPO on well-known marks?
 - Ascertain any other criteria required or useful to the court.
21. ____ Has the infringer intentionally palmed off its goods or services as those of the client?
- Has the infringer simulated trade dress or packaging?
 - Does the client have claims of unfair competition arising from the infringer's conduct?
22. ____ Have there been prior dealings between the parties relating to the mark or otherwise?
- Is there some special protectable right created by contract, license, privacy, publicity rights, statute or regulation?
 - Was the infringer a prior licensee or distributor of the client or does infringer have any other rights, implied or actual?
 - Have there been prior dealings between the parties relating to the mark or otherwise?
23. ____ Are there any procedures or practical timelines for filing an opposition to any applications of the infringer?
24. ____ Are there any procedures or practical timelines for cancelling any trademark registrations of the infringer?
25. ____ Should the client retain a third party to do trap purchases of the infringing use?
26. ____ Is a survey likely to be needed to prove protectability of the mark or any elements of the likelihood of confusion, passing off, or likelihood of dilution?
- Is there enough direct evidence to prove the elements or is evidence based on questionnaires or pro-forma affidavits necessary?
 - Is a survey likely to provide the missing elements?

- When should a trademark survey company be consulted as to costs of a survey, type of survey and likely results of a survey and timing?
- What are the considerations if the client will not do a survey?

27. _____ Have the following factors been considered to analyze the need or advisability of a survey?:

- Whether there is a relevant cross section of the public to be surveyed.
- Whether the potential survey is of a size to produce a statistically valid result.
- Whether the survey can be conducted fairly.
- Whether the survey methodology can be fully disclosed, including the instructions given to the interviewers, how many surveys were conducted and the total number of people questioned.
- Whether the survey questions can be presented in a manner that is not leading and does not require the person to speculate on areas that they would not have thought about if the question had not been asked.
- Whether the survey can be carried out and the evidence collected so the results are untainted by any artificiality.
- Whether the survey results actually reflect the marketplace.
- Whether the respondents' answers can be recorded fully and not in some abbreviated form.
- Whether the totality of the survey results can be disclosed and made available to the other side.
- Whether coding can be accurately used for analysis of the survey responses.
- Whether some of the individuals surveyed can testify at trial.
- Whether the survey questions can be unambiguous.

28. ____ Is the infringing mark used as part of a domain name or in adwords or sponsored links in a manner that can or should be challenged?
- Can the adwords or sponsored links be stopped by applicable law or by filing a complaint with the browser/website?

III. **Assessment of Results, Rights, Defenses, Counterclaims and Remedies**

1. ____ What court(s) or agencies would have appropriate jurisdiction?
- Where is the proper venue?
 - What is the correct forum?
2. ____ Does the client have standing to sue?
- Is the client the true owner of the rights being asserted?
 - If the client is a licensee, does it have the right to enforce both by contract and by law?
 - Is there a duty to notify the owner or licensor prior to or in lieu of enforcement?
 - Must the licensor join in any litigation as a party?
3. ____ Does the infringer have other, perhaps unrelated, claims that it may assert against the client?
- Will these claims affect jurisdictional issues or venue?
4. ____ Will the letter cause the infringer to petition to cancel or oppose registration of the client's mark(s) or take other retaliatory actions including actions for groundless claims, false statements or non-use? Is the client's registration for the mark vulnerable to cancellation in the jurisdiction? For example, in the event of an opposition before the Office of Harmonization for the Internal Market (OHIM), will the other side request proof of use of the client's registration if it is 5 years old?
5. ____ Will the letter trigger an action for a declaratory judgment of non-infringement by the infringer?
- Does the applicable jurisdiction regulate the sending of a demand letter?
6. ____ Are any of the following defenses available to the infringer?
- Has the client's mark been abandoned (actual or implied and with intent not to resume use)?

- Has the client's mark been unintentionally abandoned (no reservation of quality control) or assigned in gross (assigned without goodwill)? Are there permitted widespread usages?
- Has the client acquiesced to use by the infringer (implied or actual)?
- Has the client encouraged the infringer's conduct such that the client is stopped?
- Is there a defense of laches (long delay) for trademark infringement in the jurisdiction and does it apply? When did the client first discover or learn or when should the client have learned of the infringement? Will it be worse to send a letter and then not to take action?
- Does the client have unclean hands?
- Was there fraud in the procurement of a trademark registration?
- Has the mark become a generic name of a good or service?
- Is the mark functional?
- Are the client's rights pre-empted by law or regulation?
- Is the infringer's use a fair use?
- Is the mark a government or other symbol protected by statute or treaty?
- Has the infringer used the mark earlier and thereby acquired common law rights earlier than the date of first use and/or registration of the client's mark?
- Is the mark a person's name or the name of the infringer?
- Is the mark geographically misdescriptive?
- In the United States, was there an assignment of an "intent to use" application for registration of the mark not in connection with the sale of the business associated with the mark?
- In the European Union (EU), if the client has a national registration, does the infringer have an earlier Community Trade Mark (CTM) registration which could be used to invalidate the client's national registration and also form the basis of an infringement action?

IV. **Consequences of Sending or Not Sending a Letter**

1. ____ Is there a requirement in the jurisdiction that a cease and desist letter be sent prior to initiating litigation?
 - If not, should the client skip the cease and desist letter and pursue legal action whether in state/provincial court, federal court, arbitration or before the trademark office?
2. ____ Should the client call the infringer to ask for information or to clarify the situation?
3. ____ If the infringer is represented by legal counsel, should the client's counsel call infringer's counsel?
 - If the infringer is represented, can the client's counsel call the infringer directly under applicable ethic's rules?
4. ____ Should the client or its legal counsel send a basic inquiry letter to ask for information about use?
5. ____ If the client sends a cease and desist letter, is there a risk that the infringer will change or transfer domain names, go underground, or otherwise evade actions?
6. ____ Should the client seek a temporary restraining order or injunctive relief?
 - If so, what are the costs, timing considerations, availability of parties and evidence, and bonding requirements? Will the client be able to prove irreparable injury and a likelihood of prevailing at trial?
7. ____ If the client sends a cease and desist letter; does the cease and desist letter act to weaken the client's position as to admitting confusing similarity, jurisdiction or ripeness?
 - Is the client's position weakened if no action is taken?
8. ____ Is there a requirement for mediation or arbitration, whether by agreement, statute or treaty?
 - What are the rules for such mediation or arbitration?
9. ____ Can the dispute be resolved through WIPO or UDRP or another organization or body?

V. **Cease and Desist Letter Content Considerations.**

1. ____ Consider the right tone for the letter and recognize that different tones are appropriate for different circumstances.
 - Should it be intimidating with “legalese” and express threats?
 - Should it be explanatory/persuasive with case citations and analysis?
 - Should it be curt, with just enough information to put the infringer on notice and only an implied threat?
 - Should it be friendly and appeal to the infringer’s desire to be helpful (See <http://brokenpianoforpresident.files.wordpress.com/2012/07/jd-letter-entire-big1.jpg>)?
2. ____ Consider the right person or attorney to send the letter.
3. ____ Consider the right addressee for the letter.
 - Confirm the address.
4. ____ Consider whether a traceable method for sending the letter should be utilized.
 - What are the best modes of delivery?
5. ____ Identify in the letter the writer and the writer’s authority to send the letter.
6. ____ Identify the mark and how it is used by the client and if there are any registrations. Thought should be given prior to asserting (or admitting) client’s first use date.
7. ____ Identify the infringer’s mark and how it is used.
8. ____ Identify how the infringer’s mark and/or use of the mark are or is potentially infringing or otherwise damaging to the client.
9. ____ Consider attaching exhibits to the letter supporting the rights of the client or the nature of the infringements showing examples of uses of the marks, registrations, prior enforcement successes, and/or applicable market presence.
10. ____ Consider identifying applicable statutes, regulations or treaties which provide relief.
11. ____ Identify any applicable licenses, distribution agreements, or other applicable contract rights.

12. ____ Consider stating that the client is committed, if applicable, to enforcing its rights in its marks.
13. ____ Identify the actions or remedies sought:
 - Cessation of use or use restrictions;
 - Damages, statutory and/or actual;
 - Accounting for past use, including all sales;
 - Identification of the location of goods including manufacturers;
 - Identification of any licenses, assignments, or other rights granted to third parties;
 - Destruction or return of all uses of the marks;
 - Transfer to client, or withdrawal of any applications or registrations, and withdrawal of oppositions or cancellations;
 - Assignment of any domain names utilizing any marks;
 - Cessation of adwords or sponsored links;
 - Payment of costs and attorneys' fees, if applicable;
 - Proof of compliance; and/or
 - Signed receipt of letter.
14. ____ Consider including a form of express withdrawal of an application or cancellation of a registration.
15. ____ Set definite timeline for a response and docket the date(s).
16. ____ Consider including a disclaimer that the letter does not waive any rights to immediately pursue any legal or equitable remedies.
17. ____ Consider whether to identify the client or others copied with the letter as a "cc" or a blind copy (i.e., "bcc").
18. ____ Near the timeline date, check to see if use has ceased by the infringer, including on websites, social sites, browsers, or any other means and report to client.
19. ____ Establish follow-through according to stated timeline and demand including docket for telephone call or additional correspondence to infringer, legal actions or investigations.

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