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WHITE PAPER:

To Oppose or Not to Oppose?

Six Strategies for Policing Brands
in the Information Age

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In this age of instant global communication and commerce, the potential for trademark infringement to damage valuable brands is greater than ever. Detecting potential infringers and counterfeits quickly has never been more critical. How you respond to the threat may depend on the circumstances.

Think Globally, Act Quickly

This describes the challenge of policing trademarks in the 21st century. With new brands constantly introduced into the global, digital marketplace, the chances of a trademark conflict—unintentional or otherwise—is on the rise. To preserve their trademark rights, brand owners must police their marks. But with so many channels, how can trademark owners manage their brand risk within limited budget and time constraints?

According to Dyan Finguerra-DuCharme, partner at Pryor Cashman LLP and recognized trademark protection expert, you have to choose your battles.

“Since the Internet boom, policing trademarks has become much more challenging. Being aware of everything that is happening out there is a big hurdle for brand owners,” Finguerra-DuCharme says, noting that social media has amplified the task. “It can be like triage deciding who to go after and where to go after them.”

Despite the challenge, she says proactively protecting valuable trademarks is a strategic priority. “Your trademark is your connection to consumers, so it’s worth the investment to protect it. I’ve seen cases where brand owners didn’t enforce their mark and a few years down the road, everyone is using it and it becomes more of a generic or descriptive term. At that point, it’s like trying to get toothpaste back in the tube. It’s very difficult.”

The key is focusing on the infringements with the greatest potential impact on your client’s brand and the greatest chance of success for the brand owner, Finguerra-DuCharme says. “You weigh who the infringers are, how much market penetration they have, where they are located, and what is the best way to go after them.”

Watching Your Marks

The first step in enforcing trademark rights is being aware of potential conflicts. Identifying these marks before they reach the marketplace is crucial, Finguerra-DuCharme says. And that means continuous watching.

“Having important brands on a trademark watch is easy and cost-effective,” she says, noting that she recommends receiving watch notices when a new application is filed and when the application is published.

“That way, if you see a potentially infringing trademark, you can send a demand letter before the mark is even published. You can nip it in the bud before there’s a product in play,” she notes, adding that sometimes she also sends a letter of protest to the PTO to alert examiners to her client’s prior rights.

Proactively watching trademarks provides other advantages, Finguerra-DuCharme says. “If you do end up filing suit against an infringer, the court usually looks at how well you have enforced your trademark. If you can show that you have the mark on a watch and you have sent demand letters and engaged in other enforcement activity, that often will help the court’s assessment of whether or not you have strong rights in the mark.”



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The Value of Opposition

She emphasizes, however, that taking infringers to court is not always the best first response. For marks that have been filed but not yet introduced into the marketplace, opposition with the Trademark Trial and Appeal Board (TTAB) may be the only option available.

“Opposition proceedings are generally a lot less costly than a full-blown federal litigation because the issues are more discreet,” she says, adding that opposition is your only choice until the trademark in question enters the market. “If you succeed in the opposition, generally the applicant ends up abandoning their intent to go forward with the trademark.”

In other cases, filing an opposition may lead to the parties negotiating coexistence of the trademarks. “This may include negotiating changes to the application to narrow the goods and service classifications, identifying specific channels of trade or price points, or stipulating that a word mark will never appear in the same font or style as the opposer’s mark,” she explains. “There are all sorts of ways to work out coexistence and filing an opposition can provide leverage for those discussions.”

A successful opposition proceeding also offers the advantage of addressing a potentially conflicting trademark before it enters the marketplace. “You can often stop the infringement before it even begins,” she says.

Making the Case for Protection

How does enforcement look in the real world? To illustrate, Finguerra-DuCharme points to two high-profile cases she has been involved with.

Finguerra-DuCharme was part of a team charged with protecting the trademark for a ground-breaking, new pharmaceutical. The number of infringers abound; over the course of 10 years, the enforcement team secured 26 permanent injunctions from courts located across the U.S. Finguerra-DuCharme says early detection of infringing marks via the watch service played an invaluable role in the enforcement program. Alerted by the watch notices, she sent out dozens of demand letters a month and was able to successfully prevent the sale of alternative medicinal products that used confusingly similar names.

“Our enforcement work ensured that the mark did not become generic,” Finguerra-DuCharme explains. “Nearly 20 years later, it continues to be a very successful product and strong source identifier for the company.”

In another case, Finguerra-DuCharme and her colleagues were successful in blocking an infringement on the name and likeness of celebrity Kanye West by developers of the “COINYE WEST” cryptocurrency in the highly unregulated field of virtual currency. Early detection of the infringement, which the client was made aware of on social media, led to rapid filing in U.S. District Court. “We moved fast and hard in that case and were able to make sure the bitcoin was never launched,” Finguerra-DuCharme says.


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Best Protection Practices

To help guide trademark enforcement decisions, Finguerra-DuCharme offers the following six best practices.

- 1. Be Proactive**—Don’t wait until an infringing trademark enters the marketplace. Get ahead of the curve by watching trademarks and identifying potential conflicts early, ideally when new trademark applications are filed or published. If your brand is global, or has the potential to be, ensure you are watching in all relevant markets. This enables you to take steps to enforce your client’s rights before an infringement impacts their business. If you do plan to pursue an injunction in court, promptness matters, Finguerra-DuCharme says. “The courts are not forgiving when plaintiffs delay in seeking a preliminary injunction.”
- 2. Assess the Risk**—Does the trademark in question really hurt your client? “For example, you may find a domain that uses the client’s brand. But if it’s a domain that gets no traffic or if it’s just a ‘parked’ domain, you may decide to take a wait-and-see approach,” she says. “On the other hand, if it’s a website where they are selling products using a similar mark, you will want to go after that quickly.”
- 3. Consider the Advantages of Opposition**—If you have identified a potential infringement within the opposition window, opposing the mark in a trademark office proceeding can be a less costly way to enforce your client’s rights. If appropriate, it may provide leverage for negotiating specific parameters for how the potentially conflicting brand can go to market, reducing the impact on your client’s brand.
- 4. Secure Your Online Rights**—Today, web domains and social media usernames, hashtags and handles are just as important as trademarks themselves. Make sure to secure these early in the clearance process. Finguerra-DuCharme recommends securing domain names and social media handles *before* filing your mark. “There are people who just troll the trademark office records and buy up domains for products they think will be coming out,” she explains.
- 5. Stay on Top of Social Media and Mobile Applications**—Social media and mobile applications have become major venues for brands and, consequently, for infringement. Monitoring social media websites and mobile apps is critical to spot unauthorized brand uses and other infringements in time to limit the impact.
- 6. Tap Local Expertise**—For infringement threats in other countries, it may make sense to engage local counsel. “Often, we will consult with a local agent and ask them what the chances of success are based on that jurisdiction’s rules,” Finguerra-DuCharme explains, noting that you may discover that someone else has legitimate prior rights to the same trademark in a particular country. “That’s why it’s important to have reliable local counsel who are diligent and provide frank advice, rather than just file a suit because it’s on behalf of a well-known U.S. brand or celebrity.”



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About the Expert

Dyan Finguerra-DuCharme, Partner, Pryor Cashman LLP

A member of Pryor Cashman's Intellectual Property, Litigation and Media & Entertainment Groups, Dyan Finguerra-DuCharme focuses on complex commercial litigation of intellectual property disputes. She also manages large-scale trademark vigilance programs, prosecutes trademarks globally and provides opinions regarding the availability of trademarks in the United States. She has represented clients in a variety of industries, including cosmetics, pharmaceuticals, luxury goods, consumer products, biotechnology, power equipment, computer software, financial services and e-commerce. Finguerra-DuCharme was a Client Choice Award winner in 2016, is ranked as a leading trademark lawyer by *World Trademark Review*, and was named a "Super Lawyer" in IP litigation for several years, including 2016.

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