

## Instructions for the **Trademark Cease and Desist Letter**

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**T**he cease and desist letter is the opening shot in a trademark dispute. The trademark owner (normally the first user of the mark and sometimes referred to as the “senior user”) requests that the infringer (referred to as the “junior user”) stop all infringing activity. As the owner of a trademark, you can stop others from using your trademark, or a confusingly similar one, depending on whether:

- the trademark is being used on competing goods or services (goods or services compete if the sale of one is likely to affect the sale of the other)
- consumers would likely be confused by the dual use of the trademark, and
- the trademark is being used in the same part of the country or is being used on related goods (goods that will likely be noticed by the same customers, even if they don’t compete with each other).

## Before You Write Your Letter

Before writing the cease and desist letter, the trademark owner should take the following steps.

### Review Your Trademark Ownership.

You should confirm that you have title to the trademark, for example, if your business acquired the trademark from another party, you would verify that all assignments or transfers are proper. If your mark is registered, check the records at the U.S. Patent and Trademark Office website ([www.uspto.gov](http://www.uspto.gov)) to make sure that the mark is still properly registered and considered “LIVE” for purposes of federal registration.

You should also review the validity of your mark for its strength and distinctiveness. Trademark rights are based on a “strength” classification system. Distinctive trademarks are strong and protectable. Trademarks that are not distinctive are considered weak and are harder to protect against some infringers.

Strong marks include coined words such as Polaroid, arbitrary terms, such as Apple for computer products, or terms that have a suggestive quality without describing the goods or services, for example Roach Motel. These marks are all born strong and are so memorable or clever that they are classified as “inherently distinctive.”

Weak marks such as Healthy Favorites, Beef & Brew, or Chap Stick describe some quality, ingredient, or characteristic of the goods and services. Many businesses prefer to use weak trademarks because a descriptive mark provides information about the product to the consumer. For example, consumers know immediately that Food Fair is the name for a supermarket and Windows is the

name for an operating system that uses separate frames (or windows) for each program. A weak mark can acquire distinctiveness if, through extensive sales and advertising, the public becomes aware of the mark and associates it with a particular source (also known as secondary meaning).

The question of what makes one mark strong and another mark weak often is difficult to predict and often becomes the key to resolving trademark disputes. In general, if you have used your mark for a period of five years, you can consider it distinctive.

## Identify and Investigate the Infringers

Locate relevant information about the infringer. Before firing off an angry letter, learn about the other company's products or services. Generally you can only stop others from using a similar mark on similar goods and services. So, if you are selling Oak Tree clothing, and the other party is selling Oak Tree chewing gum, there's not going to be any issue of infringement of your mark. Also, research the corporate records if possible, find out the person to whom your letter should go. You may also want to weigh the size and litigation history of the company if possible, as these may be factors in your decision about sending a letter.

## Determine Whether to Pursue State or Federal Trademark Remedies

State and federal laws provide different remedies. It's not necessary to have a state or federally registered trademark to pursue infringers. However, a federal registration is required to obtain certain remedies such as halting importation of infringing goods with the aid of U.S. Customs. A certificate of registration also has a powerful psychological effect when used in conjunction with a cease and desist letter. For laypersons who are not knowledgeable about trademark law, the registration implies "government certification" of the trademark owner. If the trademark owner has applied for but not acquired a registration, the cease and desist letter should state that the trademark application is being processed.

## Avoid Passion

The cease and desist letter should have a dispassionate tone. It is important to remember that this letter, like all correspondence preceding a lawsuit, may become an exhibit or addendum to papers filed with the court, where a shrill or overbearing tone is unnecessary.

## Use High Quality Reproductions of the Work

When sending the cease and desist letter, it is important to enclose high quality reproductions of the trademark (or trade dress) and the infringing mark. Inferior reproductions may result in the claim being taken less seriously.

## Drafting the Letter

The cease and desist letter should have the following elements:

- an explanation of the trademark owner's rights;
- a description of the infringing activity;
- a request that the infringing activity stop;
- a statement of what will happen if the infringement continues;
- a request for payment (an "accounting") for the infringing activities; and
- a time limit for future action.

## Explanation of the Trademark Owner's Rights

The opening section of the cease and desist letter describes the rights of the trademark owner. There are two alternative openings.

Alternative A1 should be used if your trademark is federally registered. You will need to include your registration number, the date of registration, and the classes in which you are registered. You can obtain this information online at the U.S. Patent and Trademark Office website ([www.uspto.gov](http://www.uspto.gov)). Click "Search Trademarks" and find your trademark records. If you have used your federally registered mark for more than six years, you likely have filed a Declaration of Use and Incontestability. Check the federal records to confirm this information and include the optional provision to Alternative A1.

Alternative A2 is for trademark owners who do not have a federal registration. If you have a state registration (and no federal registration), do not use this clause. Instead, modify Alternative A1 to reflect the state registration number, etc.

Include Alternative A1 or Alternative A2 and delete the alternative you don't use.

## Description of the Infringing Activity

The second part of the cease and desist letter describes the infringing activity. In this section you should provide a succinct description of the offending activity. This should include information about the other company's trademarks and products. Avoid making conclusory statements such as "You are infringing my

mark by selling these products.” Instead always couch your statements in terms such as “I am informed and I believe that your sale of these products infringes my trademark.”

## Request That the Infringing Activity Stop

The heart of the cease and desist letter is the request to stop the infringing activity. Attorneys refer to this as the “setup” because it is written notice that further infringements will be considered as willful. A willful infringement can result in larger damages.

## What Happens If the Activity Does Not Stop

There are two strategies used when drafting the “threat” portion of the cease and desist letter. One strategy (Alternatives B1 and B2) is to take a stern or “hardball” approach to the infringer and threaten litigation. (B1 is for registered trademarks, B2 is for unregistered.) Large corporations commonly take this approach. The advantage is that it may frighten a smaller or less powerful infringer. The disadvantage is that it may trigger an action for declaratory relief, described below.

A second approach (Alternative B3) is to invite the infringer to resolve the dispute. Litigation is not threatened. The advantage is that it avoids a declaratory relief action and invites a nonlitigious resolution. (See “Avoid Creating an Actual Controversy,” below.) The disadvantage is that since it is not threatening, the infringer may not take the letter as seriously.

Include Alternative B1, B2, or B3 and delete the other two clauses that you don’t use.

## Time Limit for Future Action

As with the preceding sections, there are two approaches to the final paragraph of the letter. Alternative C1 sets a time limit for response. However, if there is a time limit, the trademark owner should be prepared to take action at the end of the time period. If no action is taken, it is unlikely that the infringer should take any further threats seriously. Alternative C2 is to leave the response period open-ended. If no response is received within two weeks, a follow-up letter will be sent.

Include either Alternative C1 or Alternative C2 and delete the clause you don’t use.

## Considerations Before Sending the Cease and Desist Letter

There are two instances when a trademark owner should reconsider the cease and desist letter:

- the infringer may destroy evidence or transfer assets; or
- the infringer may file a declaratory relief action.

### The Infringer May Destroy Evidence or Transfer Assets

When the trademark owner believes that the infringer may destroy evidence or transfer assets, there is no point in sending a cease and desist letter. Instead, the trademark owner will want to obtain an ex parte temporary restraining order or writ of seizure. As a general rule, a trademark owner should beware of mobile infringers who can move their operation quickly, for example T-shirt infringers or merchandise counterfeiters.

### Declaratory Relief Action

Sometimes, after receiving a cease and desist letter, or after the breakdown of negotiations to settle a dispute, the alleged infringer may file a lawsuit seeking declaratory relief. A declaratory relief action is not a lawsuit for money but a suit in which a court reviews the facts and makes a declaration as to each party's rights.

How can an alleged infringer sue a trademark owner? The Federal Rules of Civil Procedure (28 U.S.C. § 2201) permit a federal court to “declare the rights of any interested party” involved in an “actual controversy.” An alleged infringer that is notified of an “actual controversy” may ask a federal court to make a declaration as to its rights. For example, a company in Florida is accused of infringing but doesn't believe that the federal trademark owner located in California has a valid claim. The company does not want to be sued for infringement in a California federal court, so it files a declaratory relief action in a Florida federal court. This creates a problem for the trademark owner, who must travel to Florida and hire local attorneys or pay for the travel costs of California attorneys.

From the perspective of the trademark owner, there are two disadvantages to a declaratory relief action. First, it is possible that the trademark owner never intended to file a lawsuit and, now, the trademark owner has been drawn into litigation. Second, the trademark owner must travel and has lost the “home-court advantage.” (Obviously, if the trademark owner and alleged infringer are in the same state, this is not an issue.)

There are two ways for a trademark owner to avoid a declaratory relief action:

- avoid creating an “actual controversy”;
- use a “short-fuse” cease and desist letter.

## Avoid Creating an Actual Controversy

A declaratory relief action can be filed only if an “actual controversy” exists. A controversy exists when the trademark owner threatens to file a lawsuit if the infringement continues. If there is no threat of infringement litigation, there is no actual controversy. It is for this reason that trademark owners may prefer to send a cease and desist letter that does not threaten litigation. In addition, a nonthreatening letter may establish a better environment for alternative dispute resolution.

## Use a “Short Fuse” Cease and Desist Letter

Some trademark owners fax a cease and desist letter to the infringer and attach a trademark infringement complaint, the document that will be filed to commence litigation. The trademark owner threatens to file the lawsuit within a very short period (for example, 24 hours) unless the infringement is immediately halted. This time period is usually too short for an infringer to prepare and file a declaratory relief action. The advantage of this strategy is that it is intimidating and avoids declaratory relief. The disadvantage is that the trademark infringement complaint can cost between \$500 to several thousand dollars in attorney fees.

For detailed information about protecting trademarks, see *Trademark: Legal Care for Your Business & Product Name*, by Steven Elias and Richard Stim (Nolo).

## Sending the Letter

If you decide to send your cease and desist letter, be prepared for one of these responses:

**No Response.** If you don’t hear anything within two weeks, send a second letter referencing your earlier letter. Make sure you have the right address. Seek delivery confirmation to make sure it’s been received. If you don’t receive a response to the second letter, you should consult with an attorney. Perhaps a letter from an attorney will have better results. If not, determine with your attorney’s advice whether litigation is the best course of action.

**Get Lost.** You may receive a response telling you to get lost—for example, “We have reviewed your letter and have determined that you have no legal claims against our company.” You should consult with an attorney before you fire off an angry response; it’s always possible that the responding party is correct.

**Let’s Talk.** If the responding letter invites you to discuss the matter, then you may be on your way to resolving things. Depending on your finances, you may wish to consult an attorney for advice on how to proceed, particularly if you expect to reach a written settlement with the other party (see below).

**You’re Right; We’ll Stop.** Congratulations. The responding party has reviewed the matter and decided you’re right. What happens next depends on how you want to end things. You may decide to resolve it informally—for example, the other party agrees to stop using a similar trademark and you agree without signing any paperwork. Depending on the scale or type of infringement, you may want to use a more formal settlement agreement. Again, an attorney can assist (and it may be worth the expense to wrap things up properly).

## After You Send the Letter

If the infringer does not respond to the letter or denies the infringement, the trademark owner must decide whether to proceed with a lawsuit. If, however, the infringer wants to resolve the dispute, the parties will attempt to negotiate a settlement.

### If You Need Legal Advice, See a Lawyer

Nolo publishes legal forms that are useful in many situations. But we can’t tell you whether or not a form is right for you and your particular circumstances. No general legal form is a substitute for personalized advice from a knowledgeable lawyer licensed to practice law in your state. To find a local lawyer, you can begin with [Nolo’s Lawyer Directory](http://www.nolo.com) at [www.nolo.com](http://www.nolo.com).