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INTELLECTUAL PROPERTY

The author contends that social media has given alleged infringers a new defense to receipt of a nasty cease and desist letter, and IP owners might be better off “playing nice.”

It's Time to Consider a Kinder, Gentler Cease and Desist Letter



BY PAIGE W. MILLS

There was a time when protecting and enforcing a client's intellectual property rights meant sending a constant stream of intimidating letters full of legalese on firm stationery with lots of names in the letterhead. These letters would catalog a long list of claims, demand immediate and sometimes drastic action, threaten suit, and generally let the letter's target know that he or she was in for the mother of all battles unless there was unconditional surrender. While it can be tempting to take this approach (after all, many clients insist that what they want is a “bulldog”), lawyers and intellectual property owners will do well to reconsider and be a little more, well, nice.

But, you say, potential infringers need to know that my client *means business*, that it has lawyers and is not afraid to use them! If my letter is too nice, the client looks like a pushover and the potential infringer will ignore it and kick the proverbial sand in our faces. If we

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let this one guy off, everyone else will swarm in and, before you know it, my client's intellectual property is worthless. While there is a time and place for the “mean” cease and desist letter,¹ as a general rule, clients are better served by a more measured approach in today's marketplace and its soup of websites, blogs, Facebook pages, Twitter accounts and Instagram feeds.

Here's why. In the old days, the letter you sent was largely between the property owner and the alleged infringer and maybe, eventually, a judge. Today, not only will your cease and desist letter probably end up posted on *Chilling Effects*,² the alleged infringer has enormous social media tools at its disposal to use to control the message, a message that you never intended to share with the rest of the world. If your letter is overreaching or has too nasty a tone, the alleged infringer can use that to paint your client as an unreasonable bully, ridicule its actions and by extension, its brand, and bring vast social media pressure to bear that can make enforcement of legitimate intellectual property rights a public relations nightmare.

First, why send a cease and desist letter at all? Intellectual property rights that are not protected are potentially lost.³ Although just how much “policing and protecting” is necessary is the subject of some debate and

¹ This article is primarily concerned with routine enforcement activities involving uses by others that do not pose an imminent threat to the value of the property. Certainly, in situations where a direct competitor is damaging the property or you have evidence of bad faith or serious imminent harm, the “nice” approach may not be appropriate.

² Chilling Effects (<https://www.chillingeffects.org/>) is a collaborative archive run by several law school clinics and the Electronic Frontier Foundation that allows recipients of cease-and-desist notices to submit them to the site and receive information about their legal rights and responsibilities.

³ See, generally, *McCarthy on Trademarks*, § 11.91, pp. 11.277-11.283 (2014); *Dictaphone Corp. v. Dictamatic Corp.* 199 U.S.P.Q. 437 (D. Or. 1978); *Morningside Group Ltd. v. Morningside Capital Group, LLC*, 182 F.3d 133, 51 U.S.P.Q.2d

mystery,⁴ some reasonable amount of policing and protecting one's rights is undeniably part of the cost of owning the rights. Consequently, IP owners are charged with monitoring the marketplace, finding circumstances where others are infringing their rights, and putting a stop to that infringement (or dilution, misappropriation or whatever harmful conduct is at issue).

The first line of defense is generally the cease and desist letter, which lays out the problem and asks the other party to stop the offending conduct. If that doesn't resolve the problem, the IP owner must follow up with negotiations or, in cases where compromise or the granting of a license is not possible, bring suit to enforce the rights. While the property owner is not charged with finding and stopping *all* incidents of infringement, failing to make reasonable efforts will embolden other potential infringers and can be fatal in a suit to protect the intellectual property down the road. In short, the property owner that wants to keep his or her property rights alive and well needs an effective policing and enforcement strategy.

What makes the enforcement strategy effective? An effective strategy is one that stops the alleged infringement or opens up a dialogue that will lead to a compromise that preserves the property owner's rights, such as a license or consent agreement. Accomplishing this goal without incurring the cost and hassle of litigation, without alienating customers, and without becoming the villain in a viral brouhaha over "bullying" is a win for the property owner.

So back to kinder and gentler cease and desist letters. Why are they part of an effective enforcement strategy in today's marketplace? Historically, the IP owner was generally in the driver's seat. It is no secret that IP litigation is the "sport of kings," because it is exorbitantly expensive. IP litigation can start in the low six figures and cost from between \$1 million and \$10 million in high stakes situations.⁵ When the IP owner would claim that its property was being infringed or otherwise harmed and threaten suit, even if the claims were weak or overreaching, the potential defendant would often have no choice but to fold to avoid an investment of hundreds of thousands of dollars on a very uncertain bet, the ultimate outcome of litigation. Though distasteful, it was usually easier and cheaper to "switch than fight."⁶ Because litigation, usually in federal court, was the only way to defend against the property owner's claims, the junior user of the property would more often than not give up if it couldn't afford to go the distance.

In today's marketplace, however, litigation is not the only defense available to the potential defendant. Rather than spend millions on litigation, the junior property user can take the fight to the streets, so to speak, letting it all play out on social media, the Internet and the court of public opinion, in an effort to force a quick and favorable settlement. This defense is re-

markably cheap and often effective.⁷ The potential defendant will post the cease and desist letter and/or complaint on its website, Facebook page, Twitter, etc., and quickly mobilize its customers and fans to sign petitions, write letters, comment on social media, post YouTube videos, boycott the IP owner, and generally ridicule the IP owner's brand and the claims. The media then reports on the story, calling even more attention to the brand owner and its public relations nightmare.

Brand owners like Chik-Fil-A (for trying to stop the use of "Eat More Kale" for t-shirts by an individual in Vermont⁸); the US Olympic Committee (for trying to stop an on-line knitting community from holding the "Ravelympics"⁹); Procter & Gamble (for trying to stop the use of "Willa" for pre-teen skin care products made by an entrepreneurial mom¹⁰); and Louis Vuitton (for trying to stop the use of an LV inspired design on a poster promoting a law school educational conference¹¹) have all been painted as "bullies" by media-savvy enforcement targets. Not only does the brand owner get a black eye, the lawyer who signed that cease and desist letter or complaint is also part of the story and googling his or her name now yields lots of articles about the brouhaha and derogatory references to the lawyer's work. And, since the Internet never forgets, the whole embarrassing incident is immortalized forever.¹²

⁷ Although cheap, this approach is not without peril for the alleged infringer. If the supposed "little guy" who is the target of the alleged bully publishes things that are not true about the IP owner, he or she can open themselves to new claims and backlash from interested consumers. Further, when these situations play out in social media, there is a great deal of "conversation" from consumers that takes place, which can create unfavorable evidence for the alleged infringer, i.e., there is a good chance that a number of consumers will weigh in and state that they *do* find the use confusing or infringing.

⁸ See, generally, http://www.nytimes.com/2011/12/05/us/eat-more-kale-t-shirts-challenged-by-chick-fil-a.html?_r=1&.

⁹ See, generally, <http://www.npr.org/blogs/thetwo-way/2012/06/21/155508908/after-knitters-get-in-a-twist-usoc-apologizes-for-cess-and-desist-letter>.

¹⁰ See, generally, <http://dealbook.nytimes.com/2011/09/28/a-start-up-takes-on-procter-gamble-over-a-name/>.

¹¹ See, generally, <https://www.techdirt.com/articles/20120305/02351917976/louis-vuittons-international-tour-trademark-bullying-runs-smack-dab-into-upenn-law-school-who-explains-trademark-law-return.shtml>.

¹² Consider what it would be like to have a potential client google your name and have this comment appear prominently in the search results:

What Mr. [Richard] Trenk did was so egregiously sloppy that I'm told his name is entering the legal lexicon: "To Trenk" means "to show a lackadaisical attitude toward the law, with catastrophic results for the client." A usage example might be: "We were doing great until the lawyer missed the filing deadline and Trenked the whole case."

—Jake Freivald, owner of the domain name westorange.info, in public comments made during a West Orange Township Council meeting. Freivald received a cease-and-desist letter from Trenk, and Freivald's lawyer, Stephen Kaplitt, responded with a snarky letter that went viral globally. These comments about Mr. Trenk and his work are recorded on the Internet forever. See <http://abovethelaw.com/2013/06/the-awesome-aftermath-of-the-west-orange-cess-and-desist-letter-that-went-viral-worldwide/> and http://www.abajournal.com/news/article/will_another_lawyer_enter_the_legal_lexicon_and_get_borked.

1183 (2d Cir. 1999); *Amstar Corp. v. Domino's Pizza, Inc.*, 615 F.2d 252, 258 (5th Cir. 1980), cert. den., 449 U.S. 899 (1980).

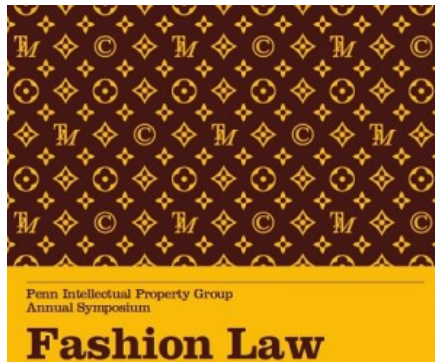
⁴ *McCarthy on Trademarks*, § 11.91, pp. 11.277-11.283 (2014).

⁵ See *Fulbright's Annual Litigation Trends Survey*.

⁶ See, generally, *Kane on Trademark Law*, § 13.1, p. 13-1 (6th Ed. 2014).

Further, I was recently a part of a case where upset customers mobilized by the alleged infringer sent the brand owner's lawyers some 18,000 angry emails. Incidents like these are why it makes sense for the brand owner and its legal team to ratchet the drama down a few notches and set a more conciliatory tone on the front end.

Looking at the cease and desist letter sent by Louis Vuitton (LV) in the situation referenced above is instructive here. The University of Pennsylvania held a symposium on legal issues in the fashion industry, which it promoted using the poster copied below.



Louis Vuitton was not pleased with this homage to its iconic look and sent a cease and desist letter to the law school that called the use an “egregious action” and “serious willful infringement.” Beyond just stating its legal position, Louis Vuitton went on to gratuitously throw this in: “I would have thought the Penn Intellectual Property Group, and its faculty advisors, would understand the basics of intellectual property law and know better than to infringe and dilute the famous trademarks of fashion brands, including the LV Trademarks, for a symposium on fashion law.”¹³

UPenn responded, claiming its use was an obvious parody, and refused to cease or desist. Both letters went viral and suffice it to say that the Internet did not like LV's tone. Much was written about LV's heavy-handed enforcement tactics and the condescending, sarcastic nature of the letter.¹⁴

In short, regardless of whether it had a legal basis for the claims in made in its letter, LV probably made too much of a use that was unlikely to damage its brand, asserted its rights too aggressively considering its audience, called attention to a use that no one would have noticed but for the controversy and, came off looking like a jerk. Not only would a kinder, gentler cease and desist letter have served LV well here, it arguably should not have sent one at all. This is precisely the sort of situation that calls for a collegial phone call between

¹³ The entire cease and desist letter can be found here: https://www.law.upenn.edu/fac/pwagner/DropBox/lv_letter.pdf.

¹⁴ See, e.g., <https://www.techdirt.com/articles/20120305/02351917976/louis-vuittons-international-tour-trademark-bullying-runs-smack-dab-into-upenn-law-school-who-explains-trademark-law-return.shtml>; <http://lawoffashion.com/blog/story/03/03/2012/121>; <http://abovethelaw.com/2012/03/a-top-law-school-tells-a-high-end-fashion-house-where-to-stick-its-cess-and-desist-letter/>; <http://blogs.reuters.com/alison-frankel/2012/03/09/louis-vuitton-and-penn-offer-unintended-lesson-in-trademark-law/>; <http://www.duetsblog.com/2012/10/articles/trademarks/trademark-civility/>.

lawyers to work out a fair solution, not a heavy-handed letter. With the phone call, you are able to keep the tone friendly and professional, which is far more likely to achieve a good solution for your client and has the added benefit of not creating a paper trail that can embarrass you or your client on the Internet later.

LV is not the only rights owner who has not come off well in the opinion of the Internet. Consider the following representative public disputes in which the party asserting its rights with an arguably over-reaching cease and desist letter was subject to substantial criticism from commentators, bloggers and consumers:

- the dispute between DirectBuy and individual hosting blogs critical of DirectBuy, where DirectBuy's lawyer claims cease and desist letter itself is subject to copyright and forbids reproduction or publishing of it¹⁵;

- the dispute between the FBI and Wikipedia complaining of Wikipedia's use of the FBI seal in the entry on the FBI;¹⁶; and

- the dispute between Internet activists Free Press.net and Newport Television over Free Press' alleged use of copyrighted video to criticize Newport's policies.¹⁷

Without taking a position on the merits of the IP owner's claims, the disputes arise from (or are worsened by) the IP owner's failure to consider possible defenses (such as fair use) to the alleged misuse of the IP or to attempt to use IP rights to silence criticism. The Internet is rife with examples that such missteps by the IP owner will be met with mocking and derision.¹⁸

While these disputes demonstrate the danger of taking too strident a tone in your enforcement efforts, one property owner, Jack Daniels Property Inc. (JDPI), owner of the Jack Daniels[®] trademarks, can provide an example of how to handle a situation like this with tact and finesse. JDPI became aware that an author was using cover art for the book, “Broken Piano for President,” that looked a lot like the label on a bottle of Jack Daniel's whiskey.

Rather than send the author a form cease and desist letter full of legalese and litigation threats, JDPI's trademark lawyer, Christy Susman, used a different approach, which *The Atlantic* called “the most polite, encouraging, and empathetic cease-and-desist letter”¹⁹

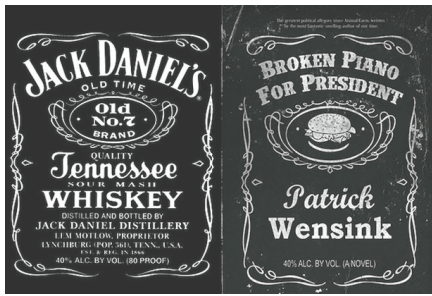
¹⁵ See, generally, <http://www.citizen.org/documents/directbuycd.pdf>.

¹⁶ <http://www.nytimes.com/2010/08/03/us/03fbi.html>.

¹⁷ See, generally, <http://www.freepress.net/blog/11/07/11/free-press-newport-we-wont-be-silenced>, and links imbedded therein.

¹⁸ See also the dispute between TechDirt and Jeffrey Morris, wherein Morris's lawyers demanded that Techdirt take down its entire site over comments critical of Mr. Morris (<https://www.techdirt.com/articles/20100825/02002110771.shtml>); the dispute between Sharron Angle and Harry Reid over the Reid campaign's republication of Ms. Angle's former website to demonstrate that her positions had radically changed (<http://www.cbsnews.com/news/sharron-angle-accuses-harry-reid-of-dirty-tricks-in-campaign-website-scuffle/>); and the dispute over use of domain name westorange.info (<http://abovethelaw.com/2013/06/the-awesome-aftermath-of-the-west-orange-cess-and-desist-letter-that-went-viral-worldwide/>).

¹⁹ See full text of letter below. Copy of letter used by permission.



ever to be sent in *the history of lawyers and humanity.*"²⁰

Like the LV letter, this one also went viral,²¹ but for entirely different reasons. Ms. Susman politely explained why the use was a problem for Jack Daniels and suggested a reasonable remedy—to modify the cover art on the next printing—and even offered to contribute some money toward the re-design if he would do it sooner. There were no nasty threats and it was written from the assumption that the whole thing was an honest mistake and that the parties could work together to fix it.

The ABA Journal,²² *Above the Law*,²³ *The Atlantic*,²⁴ *Forbes*²⁵ and many other sources reported on the letter and were extremely complimentary of Ms. Susman and the Jack Daniels brand. In short, by using civility in this situation, Ms. Susman managed to protect the brand and engender *more* good will and positive attention for her client, rather than the reverse.

What is the takeaway here? Do not use a form cease and desist letter for every incident of alleged infringement that you or your client come across. Ask a few important questions before you fire off a traditional “mean” cease and desist letter. Is this use even a problem? Will anyone even see it? If people do see it, are they your client’s customers? Will your client’s customers be confused? Will the use otherwise damage the client’s intellectual property?²⁶ Does the alleged in-

²⁰ <http://www.theatlantic.com/technology/archive/2012/07/this-cease-and-desist-letter-should-be-the-model-for-every-cease-and-desist-letter/260170/>.

²¹ The Internet noticed the letter after the author posted on his website. As the story went viral, one interesting consequence was an onslaught of publicity for his book. According to *Forbes*, the book went to the top of the Amazon satirical books chart and was the number six bestseller overall. His website hits jumped from 20 a day to 200,000 in three days.

²² http://www.abajournal.com/news/article/jack_daniels_cease-and-desist_letter_goes_viral_for_being_exceedingly_poli/.

²³ <http://abovethelaw.com/2012/07/cease-and-desist-letter-of-the-day-captain-jack-doesnt-need-mean-lawyers/>.

²⁴ <http://www.theatlantic.com/technology/archive/2012/07/this-cease-and-desist-letter-should-be-the-model-for-every-cease-and-desist-letter/260170/>.

²⁵ <http://www.forbes.com/sites/avidan/2012/07/26/the-worlds-nicest-cease-and-desist-letter-ever-goes-viral-sells-books/>.

²⁶ While beyond the scope of this article, it is extremely important that you satisfy yourself that your client has priority of use or valid ownership rights that trump the alleged infringer’s before you send the letter. If you are wrong, you could be exposing the client to liability or threats to his or her ownership rights in the property. For example, in the case of trademarks, if it turns out the alleged infringer actually used the mark first, you have admitted by sending that ill-advised cease and desist

letter that there is a likelihood of confusion between the two marks.

fringer have obvious defenses to this conduct, such as fair use or parody?

If this series of questions leads you to the conclusion that stopping the use is important (and legally sound), address the issue. However, unless you have reason to believe that the alleged infringer is directly competing with your client and purposely trading on your client’s good will, consider policing and enforcing the rights with a softer approach. For example, do you even need to send a cease and desist letter? Can your client’s CEO place a friendly call to the president of the alleged infringer? Can you as the attorney have a professional chat with the alleged infringer’s in-house counsel? For uses where the risk of harm is very low, this can be a good way to start the conversation and keep it pleasant. Just be sure to document the call and the conversation in an e-mail or memo so there is record of all enforcement efforts made.

If you do decide that a letter is warranted (and the claims are well-grounded), write it with the following guidelines in mind:

1. *Provide a strong factual basis as to why the alleged conduct poses a problem.* Don’t just pull out a form letter. Write a letter that is well-tailored to the facts of the current situation. Make it as nice and professional as possible, with an eye towards how it will look on the Internet, immortalized forever. Do not shy away from stating your claims and the facts that support those claims, just avoid using a belligerent or sarcastic tone. Make the letter clear and direct and avoid using stilted language or legalese.

2. *Address the recipient’s defenses on the front end.* If the other side has an arguable defense, address that defense on the front end and state clearly why it would not apply. Be especially wary if what your client is really trying to accomplish is the silencing of a critic rather than the protection of its legitimate intellectual property rights. Make sure that your client understands that a heavy handed approach to such a sensitive situation can back-fire badly, leading to the involvement of free-speech advocacy groups and Anti-SLAPP lawsuits, not to mention dramatically highlighting comments that would have otherwise gone unnoticed by the vast majority of its customers.

3. *Provide picture evidence.* If possible, be sure to put pictures of the alleged infringement or other wrongful conduct up front in the letter (or complaint if you have reached that point) because the pictures are what the blogs and commentators will focus on if the Internet gets interested in your dispute. You want the public to be able to see the problem at a glance, so demonstrate that your claims are real and not theoretical.

4. *Do not make unreasonable demands.* Don’t demand all of the alleged infringer’s profits from the beginning of time (this is a demand that the alleged infringer will focus on in an online “bully” dispute). Do not demand six years of accountings or the shut down of the alleged infringer’s business. Just ask for what

letter that there is a likelihood of confusion between the two marks.



July 12, 2012

VIA EMAIL ONLY

Mr. Patrick Wensink
 Louisville, KY
patrickwensink@gmail.com

Re: Mark: **JACK DANIEL'S**
 Subject: Use of Trademarks

Dear Mr. Wensink:

I am an attorney at Jack Daniel's Properties, Inc. ("JDPI") in California. JDPI is the owner of the JACK DANIEL'S trademarks (the "Marks") which have been used extensively and for many years in connection with our well-known Tennessee whiskey product and a wide variety of consumer merchandise.

It has recently come to our attention that the cover of your book *Broken Piano for President*, bears a design that closely mimics the style and distinctive elements of the JACK DANIEL'S trademarks. An image of the cover is set forth below for ease of reference.

We are certainly flattered by your affection for the brand, but while we can appreciate the pop culture appeal of Jack Daniel's, we also have to be diligent to ensure that the Jack Daniel's trademarks are used correctly. Given the brand's popularity, it will probably come as no surprise that we come across designs like this on a regular basis. What may not be so apparent, however, is that if we allow uses like this one, we run the very real risk that our trademark will be weakened. As a fan of the brand, I'm sure that is not something you intended or would want to see happen.

As an author, you can certainly understand our position and the need to contact you. You may even have run into similar problems with your own intellectual property.

In order to resolve this matter, because you are both a Louisville "neighbor" and a fan of the brand, we simply request that you change the cover design when the book is re-printed. If you would be willing to change the design sooner than that (including on the digital version), we would be willing to contribute a reasonable amount towards the costs of doing so. By taking this step, you will help us to ensure that the Jack Daniel's brand will mean as much to future generations as it does today.

We wish you continued success with your writing and we look forward to hearing from you at your earliest convenience. A response by **July 23, 2012** would be appreciated, if possible. In the meantime, if you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "CHRISTY SUSMAN".

Christy Susman
 Senior Attorney - Trademarks

JACK DANIEL'S PROPERTIES, INC.

4040 CIVIC CENTER DRIVE • SUITE 528 • SAN RAFAEL, CALIFORNIA 94903
 TELEPHONE: (415) 446-5225 • FAX (415) 446-5230

your client really needs²⁷ to fix the problem. In short, be reasonable.

5. *Do not claim that the letter is subject to copyright and that you will sue the recipient for copyright infringement if he or she publishes the letter.* Do not demand that the letter's recipient not publish its contents or you will sue for copyright infringement. This demand is most likely unenforceable, will anger the other side, bring free speech advocates to the alleged infringer's rescue, and possibly invite a claim of copyright misuse.

6. *Do not explicitly threaten to sue the alleged infringer.* Threats of lawsuit will obviously raise the recipient's blood pressure and create a bad working relationship from the beginning. Further, it increases the likelihood that your client will be sued for declaratory judgment in the recipient's home forum, an expensive turn of events for your client. Most business people understand that a lawsuit is the likely outcome of unresolved legal claims. You do not have to explicitly state it to get the point across.

7. *Do not give a drop-dead date for response.* It is very common for cease and desist letters to demand compliance by X date. Consider, however, whether that is necessary in your particular situation. The problem

²⁷ That being said, consider whether the situation warrants your stating in the letter that you "reserve all rights" (or some non-legalese equivalent) in the event the issue is not resolved.

with such a deadline is, if it is not met, you have to either sue the recipient immediately or remind him or her again, in which case it makes you look like a blowhard with empty threats. Simply request compliance by a certain date. If the recipient does not comply, you can ask them more forcefully a second time, without any loss of face.

8. *Follow Up, Follow Up, Follow Up.* If the letter was important enough to send, it is important enough to follow through to conclusion. A large number of lawyers will send a threatening cease and desist letter and then drop the matter out of laziness or inattention. This failure to resolve the problem will not paint your client in a favorable light if it is ever called upon to demonstrate that its policing and enforcement efforts are reasonable or that the alleged wrongful conduct really is damaging the client's IP. Calendar a date to follow up with the recipient if he or she did not respond. If possible and the conduct can be monitored online, check the offending website to see if the recipient complied without responding to you. Document all efforts to show that your clients' policing and enforcement activities are reasonable and effective.

Hopefully, by following the guidelines above, you can change the tone of the enforcement conversation, help your client resolve these issues quicker and cheaper, and keep your name as well as your client's brand out of the news for all the wrong reasons.