



54TH ANNUAL IFA LEGAL SYMPOSIUM



IFA[®]

INTERNATIONAL FRANCHISE ASSOCIATION



Glad to Be Here This Morning

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Intellectual Property Driving Franchise System

- Trademarks
- Trade Dress
- Trade Secrets
- Copyrights and Copyrighted Materials
- Patents

Trademark and Service Marks: Examples and Purpose

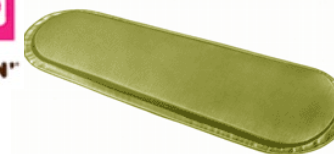
- Purpose: A trademark identifies the source of a good or service

- Types/Examples

- Trademark = Goods
- Service mark = Services
- Word / Design / Combination

- Slogan, Tagline – (Sometimes Temporary)

- Sound **NBC® Chimes/Mister Softee® Jingle**
- Color **UPS (brown), T-Mobile (magenta); Tiffany Pantone 1837 (Tiffany Blue); Boise State**
– Football Field (Blue Turf)
- Smell – Thread; other items where smell is not fundamentally functional



- PROACTIVE VS. REACTIVE
- BRANDING IS NEVER DONE
- CONNECTING BRANDING TEAM TO LEGAL TEAM

Franchisor Branding Example: HAMBURGER MARY'S BAR AND GRILLE

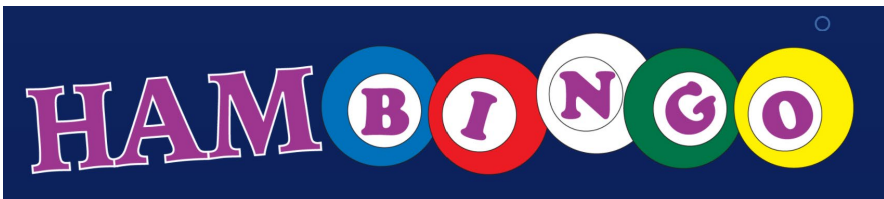


Typical Mark Usage by Franchise System

HAMBURGER MARY'S



Hamburger Mary's
— Eat, Drink, and Be... MARY! —



Maryoke...that's karaoke done Mary's-style.



Trademarks 101: Trademark Eligibility

The Spectrum of Distinctiveness

- **Generic** CAR WASH GROCERY APPLES
- **Descriptive** (and Secondary Meaning under Section 2(f) of Lanham Act)

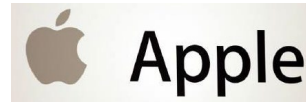


(battle front of many TM application and case law)

- **Suggestive**




- **Arbitrary**



- **Fanciful**



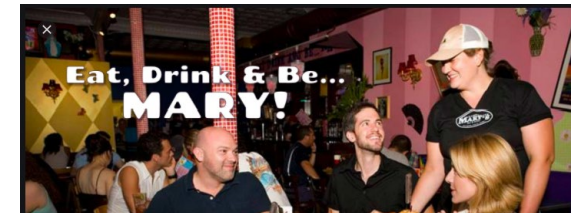
Trademark and Trade Dress vs. Trade Secrets: Comparing Common Examples

- Trademark: 
- Trade Dress: “look and feel” (not functional)
product design, restaurant interior (to certain extent)
- Trade Secrets: Coca Cola Recipe - In the Vault



Trade Dress – and Resulting Protection

- Look and Feel – Specific things (wallpaper, statuary, check arrives in a red stiletto)
- Intangible “sense” associated with the mark
- Can be acquired via Section 2(f) – similar to patent, focus on non-functionality
- Practice Tip: Can also implicate © law if artwork involved

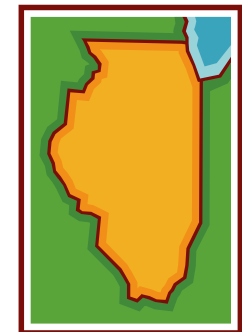
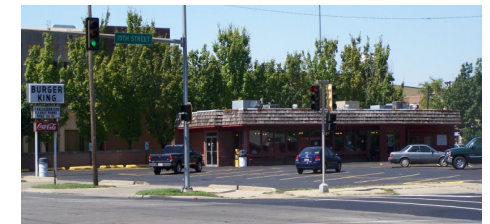
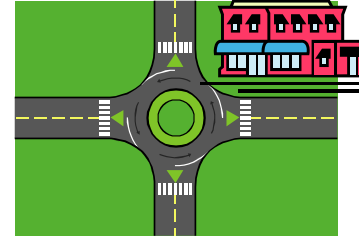


Trade Secret(s) – Confidentiality in Contract and Beyond

- What is a Trade Secret
 - Valuable (not disclosed) can last forever
- Protection
 - Enforce a company-wide plan to maintain trade secrets
- Misappropriation
 - Investigate and take prompt action
- Federal, State, International
- Best Practices
 - Pre-package spice packets, limit access, mark secret, use Non-Disclosure Agreements
 - Third-party supply can be critical to franchise system success if growing quickly – supply, logistics and uniformity (from both contractual commitment/restrictions and otherwise) is key
 - Operations Manual
 - Ensure the ability to cut franchisees off from supply of any Trade Secrets, including Proprietary Inventory, upon expiration or termination of the franchise relationship.

Back to TM: Rights Vesting Upon Use

- Use in Commerce
- Common Law Rights
 - Protects only to the extent of actual use
 - Geographical area
 - Products/Services
- State Registration Presumptive Exclusive Right to the State
 - Most states require actual use in the state
 - slightly more protection than common law rights
 - constructive notice to those in the state(s) where filed and used



Benefits of a Federal Registration

- Interstate Commerce; ® Notice
- Presumptive Exclusive Right to USA
- Constructive nationwide notice
- Evidence of ownership of the trademark (court or otherwise)
- Jurisdiction of federal courts (*bona fide* TM issue)
- Registration as a basis for registration in foreign countries (similar to U.S. basis under Sections 44(e)-(d) of Lanham Act).
- Registration filed with U.S. Customs Service to monitor and effectively prosecute or progress importing/exporting

Filing for a TM Registration [®] - Ready, Aim and then Shoot

- Search – Clearance – 3rd Party Service Standard of Care
 - Avoid Likelihood of Confusion with Pre-Existing Marks
- Application
 - Selection of Goods/Services carefully and, at times, narrowly
 - Aim for the primary service to be provided by System franchisees under the Mark (restaurant services, etc.)
 - Different application or additional class for franchising services
 - New Procedures at USPTO, Caution regarding actual use, disclosure of company information (e.g. email addresses, physical addresses)
 - Keep evidence of actual use in permanent files
 - The USPTO files are public records, be aware that virtually every application triggers spammers
- Application to Registration
 - Assignment to Examiner; Review; Office Action/Examiner's Amendment; Publication; [Opposition/Challenge]; Registration
- Billing Points and Practical Concerns

Increasing Mark Eligibility for Registration (Suggestive or Stronger)

- Composition of the Mark
 - Pushing two words together (GOODDOG) – can help make Mark more distinctive and avoid doctrine of foreign equivalent application
 - Creating “combo” mark using 2 or more words
 - Adding design element
 - Find wording that you can argue has more than 1 meaning (double entendre)
 - Relative Strength of the Mark (scope of protection)
- Try to Avoid Section 2(e) Prohibition on Mark Registrations
 - Surnames
 - Geographically Descriptive or Mis-Descriptive
 - Deceptive

Analyzing LOC and Other TM Issues

- Likelihood of Confusion
 - USPTO: DuPont 13 (other factors)
 - Primary Factors
 - Commonality of the mark(s) at issue
 - Related-ness of the “Goods and Services”
 - Not Competitive
 - Related is Enough
 - Sometimes Allow for “Zone of Expansion”
 - Relative Strength of the Mark (scope of protection)
- Different standards across the Federal Circuits (see paper)
- Dilution / Other Causes of Action
- Trademark Eligibility – Section 2(e) of Lanham Act
- Proactivity vs. Reactivity (speaking with counsel and relative costs) – in today’s world of social media and increased branding on even an individual platform, this analysis can admittedly be a “rabbithole” at times. Never can be entirely sure someone will not come out of the woodwork.

Importance of Identifying the Appropriate Goods and/or Services

“open-air bar and grille for open-minded people”

Hamburger Mary's — Eat, Drink, and Be... MARY! —

Hamburger Mary's is an open-air bar and grille for open-minded people, serving a full menu of tasty items. Big and juicy gourmet burgers, yummy apps, soups, salads and entrees, and an extensive bar menu featuring craft beers and cocktails.

Hamburger Mary's offers a flamboyant dining experience, along with nightly entertainment from our “Dining with the Divas” drag shows and charity “HamBingo Mary's” to MaryOke-Karaoke and trivia nights.

CAMP WANNAKIKI is a drag reality show airing on [YouTube](#). The premise is quite simple... take a bunch of drag performers and see who can last the week at an actual Summer Camp and claim the crown!



Trademark Licensing (and Monetization)

- Licenses are valuable sources of income – to monetize your IP
- Licensing = “use in commerce” (provided valid TM license agreement in place)
- **BEWARE** Inadvertent Franchise (or Help Client Plan for the Same)
- **BEWARE** Naked License (failure to manage quality control)
- *Licensing COMPARED to* TM Assignment
- Practical Tips
 - Know the TM Ownership and Client Interests/Representation
 - Make Sure USPTO Records (Assignment Docs or Otherwise on TEAS) Are Current
 - USPTO Records Can Also Help Counsel Learn About any Liens on the TM or Registration/Application
 - Ask your client the “tough” questions – don’t be pushed around

Assisting Franchisor in Protecting IP

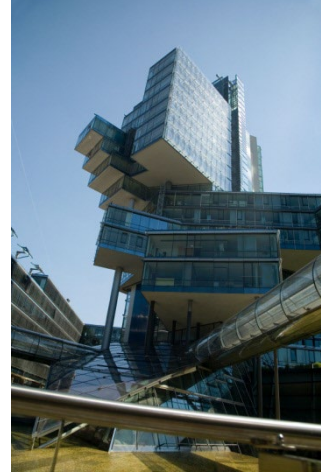
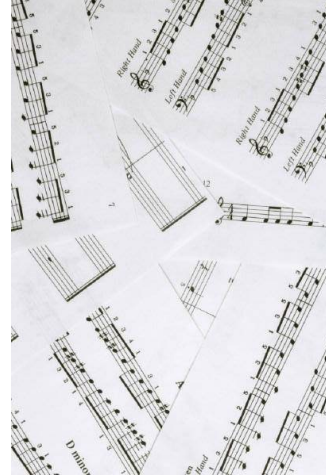
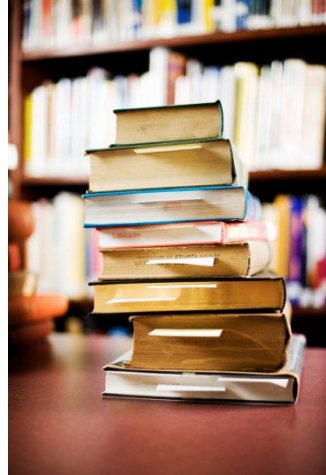
- Best Practices for Managing Trademarks
 - Consistent / Deliberate use across all platforms
 - Manage registrations / Archive older versions, don't abandon
 - Consider maintaining a modern version of brand
- Identify What You Want Your Brand To Be
- Enforcing IP rights
- Yearly Review
- Working with Transition Clients
 - Franchising/expansion moving forward vs. Existing Locations
 - How to Balance the Brand?
 - Right to Modify: Contract vs. Practicality

Copyrights Generally

- Definition:
 - An “Original Idea” fixed in a tangible medium
 - Distinguish Idea vs. Expression
 - Originality/Creativity Required
 - Functionality
- What Does “Copyright” Protect – the “Right to Copy” – and More
 - Copy, Make Derivative Works, Distribute, Perform, Display

Examples of Copyright and Purpose

- Purpose / Public Policy – Protection Vested in Federal Copyright Statute
- Examples of Derivative Works and Beyond
- Not Derivative Just Because its Similar (*i.e.* West Side Story vs. Romeo and Juliet; *c.f.* this slideshow)
- Franchisor-specific examples (Operations Manual; recipe)



Copyright Ownership and Licensing

- Who Owns Copyrighted Materials
 - Author
 - Works Made for Hire – Get Assignments
 - Employees
 - Agreements
- What Materials Should Be Registered/Otherwise Protected?
 - Written Materials, Brochures, Advertising, Mascots, Designs
 - Websites, Clear Content, Terms of Use, Proper use of Notices
- Licensing, Getting/Giving Permission
- Common © in Franchising
 - Music Licensing
 - Manuals
 - Recipes and Instructions

Copyright Registration



- Registration/Notice
 - Benefits of Registration
 - Length of protection (Life + 70/95 pub; 120 creation)
 - New works/older works (1/1/1978)
 - Economical, valuable for infringement post-registration
 - Notice – use it!
© 2021 Franchisor
 - Resources
 - www.copyright.gov
 - FAQs
 - Pamphlets

Copyright Infringement: Elements and Potential Defenses

- Copying
 - Substantial Similarity
 - Substantial Portion of Original
 - Heart of the Work
- Damages
 - Actual/Profits/License Fee
 - Statutory
- Defenses
 - Fair Use
 - Purpose/Character of Use
 - Nature of Work
 - Amount/Substantiality of Copied Portion to Whole Work
 - Effect Upon Market for Value of © Work

Patent

- What is a patent?
 - A grant from the Government for the exclusive rights in an invention
 - For a limited period of time
 - In exchange, an inventor discloses the invention to the public
- An invention must be new and useful or must constitute a “non-obvious” improvement to an existing patent
 - To be useful, an invention must have some utility – low standard
 - To be new, the invention cannot be anticipated by or obvious in view of the prior art
 - Prior art simply refers to what has come before
 - What constitutes prior art varies from country to country



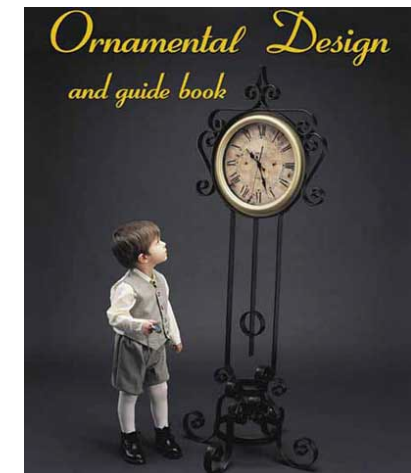
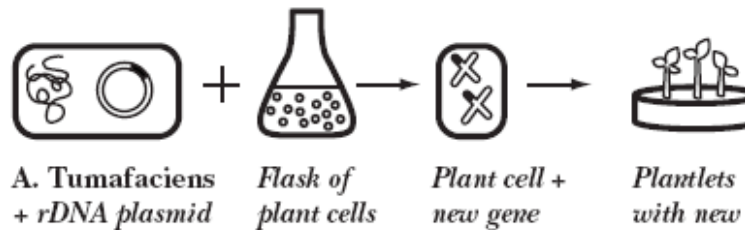
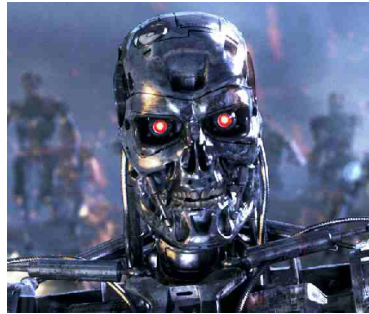
155134a www.fotosearch.com

Article I, Section 8
U.S. Constitution

Types of Patentable Inventions

Any new and useful:

- Process
- Machine
- Article of manufacture
- Designs (i.e., ornamental aspects of a machine or article of manufacture)
- Composition of matter
- Plants
- Improvements (of any of the above)



What Can Not Be Patented?

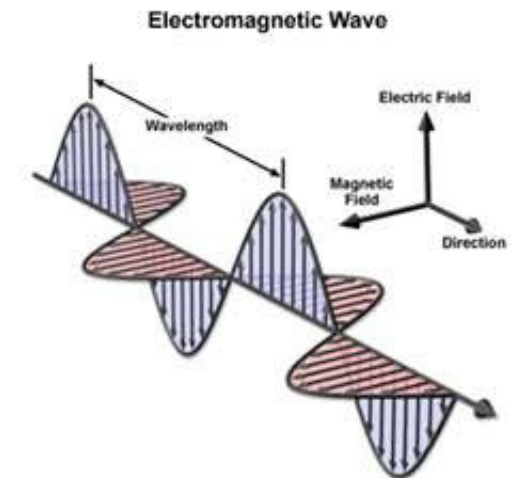
- Abstract ideas
- Laws of nature
- Natural phenomena
- Business Methods (Excel Spreadsheets, Databases)



$$F_g = G \frac{m_1 m_2}{r^2}$$

The force equation for two particles interacting through gravity

$$E = mc^2$$



Types of Patent Applications


Provisional:

- Informal; No claims required
- No declaration required
- No duty to provide prior art
- Not examined by Patent and Trademark Office
- Expires after one year
- Why?
 - Looming one year bar date
 - Impending public disclosure (e.g., trade show)
 - Inexpensive way to hold onto rights for one year
 - Maintain rights while developing invention, securing funding or testing commercial value

Types of Patents

- **Utility:**

- Formal set up (e.g., Background, Summary, Detailed Description)
- Description of the invention must enable one skilled in the art to practice the invention and provide the best mode known to the inventor
- At least one claim
- Figures, as necessary
- Examined to determine if Patentable



US007575470B2

(12) **United States Patent**
Pyrros

(10) **Patent No.:** US 7,575,470 B2
(45) **Date of Patent:** *Aug. 18, 2009

(54) **MODULAR ELECTRICAL RECEPTACLE**

(76) **Inventor:** Chrestos T. Pyrros, P.O. Box 14175, Chicago, IL (US) 60614

(*) **Notice:** Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 0 days.

This patent is subject to a terminal disclaimer.

(21) **Appl. No.:** 11/931,568

(22) **Filed:** Oct. 31, 2007

(65) **Prior Publication Data**
US 2008/0188121 A1 Aug. 7, 2008

Related U.S. Application Data

(63) Continuation of application No. 11/251,104, filed on Oct. 14, 2005, now abandoned.

(51) **Int. Cl.**
H01R 13/60 (2006.01)

(52) **U.S. Cl.** 439/535; 439/539

(58) **Field of Classification Search** 439/535, 439/215, 536, 502, 539, 214; 174/66, 53
See application file for complete search history.

(56) **References Cited**

U.S. PATENT DOCUMENTS

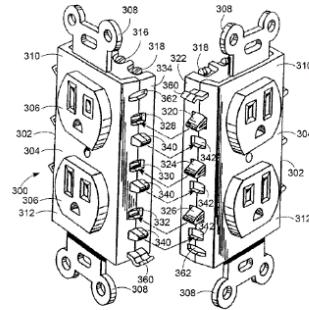
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* cited by examiner
Primary Examiner—Michael C Zarroli
(74) *Attorney, Agent, or Firm*—Ungaretti & Harris LLP

(57) **ABSTRACT**

A modular electrical receptacle configured so that more than one of the modular electrical receptacles can be connected to form a larger receptacle connected to a single source of power. The modular electrical receptacle includes a housing having a front surface with a first and a second electrical outlet. The housing further includes a first tab extending from a first end and a second end extending from a second end for securing the modular receptacle to an in-wall electrical box. The housing further includes a power link, such as a conductive extension, for connecting directly to another module and providing the other module with access to the single source of power. The power link can be three links for connecting a positive line, a neutral line and a ground line to the another module. The housing also includes a coupler for connecting the housing to a power link of another module. Again, three couplers can be provided for the positive, neutral and ground lines. The power link(s) and coupler(s) can be on opposing sides of the module. A plurality of modules can be utilized to build a receptacle having four outlets, six outlets and more.

10 Claims, 10 Drawing Sheets



Types of Patents

- Design:
 - Figures only
- Plant:
 - Description, Figures, Latin name of genus and species of plant claimed

United States Patent [19]
Orton, Jr.

[11] **Patent Number:** Plant 7,207
[45] **Date of Patent:** Mar. 27, 1990

[54] **DOGWOOD TREE—'STELLAR PINK'**
[75] Inventor: Elwin R. Orton, Jr., Somerville, N.J.
[73] Assignee: Rutgers University, New Brunswick, N.J.
[21] Appl. No.: 262,685
[22] Filed: Oct. 26, 1988
[51] Int. Cl.⁴ A01H 5/00
[52] U.S. Cl. Plt./51
[58] Field of Search Plt./51

[57] **ABSTRACT**
An interspecific hybrid of *Cornus kousa* and *Cornus florida*, which is a large bracted, vigorous, highly floriferous, flowering tree, most nearly like its parent *C. kousa*, which plant is upright rather than low and spreading as in *C. florida*, the instant plant being more fully branched and spreading as compared with *C. kousa*, with a period of floral display that is intermediate to *C. kousa* and *C. florida*, exhibiting attractive pink bracts unlike those of any other hybrid of *C. kousa* × *C. florida*.

Primary Examiner—James R. Feyrer
Attorney, Agent, or Firm—Frank B. Robb

2 Drawing Sheets

1

BACKGROUND OF THE INVENTION

This invention relates to dogwood trees and particularly to the selection of a superior F₁ hybrid, after the interspecific hybridization of an unnamed plant of *Cornus kousa* (K2) × a plant of *Cornus florida* 'Sweetwater' (D20).

The selection was part of a long continuing program of development of new plants of dogwood, and as far as is I am aware there has been no hybrid from the combination of *C. kousa* and *C. florida* known in the plant art.

Plants of this hybrid are vigorous and upright in habit, and floriferous. The broad, rounded, overlapping bracts are light pink and provide a floral display from about May 18 to June 2. In field trials where the plant was developed, the plants have been free of infestation by the dogwood borer and have not exhibited "dogwood decline".

The plant is susceptible of being grown wherever plants of *C. kousa* and *C. florida* are grown although they have not been tested in any widespread areas by me or under my direction.

In this program of hybridization which I have carried on for a number of years, there have been developed a substantial number of what I feel are commercially desirable dogwood trees, particularly because they exhibit their attractive bracts at times when the other known dogwoods such as *C. kousa* and *C. florida* are not so exhibiting.

In this program I have developed a number of white dogwoods as well as this particular dogwood which I have determined should be denominated as 'Rutgan', and is distinguished from the others which were developed and which are not presently patented by the fact that it is a pink-bracted dogwood.

The hybrid of my invention, has been asexually reproduced by stem cuttings so as to determine that it does in fact come true in successive generations and the pink coloration is of desirable attractiveness for commercial display in my opinion.

In the following detailed description which includes some comments in respect to various aspects of the plant, there is provided in addition, a drawing which discloses the tree in color and the colors are referred to the Royal Horticulture Colour Chart for individual

2

notations and comments made are accurate to describe the plant.

FIG. 1 discloses a tree of my new cultivar in full bloom.

FIG. 2 discloses four floral bracts with central subtended flower heads, typical of my new cultivar.

The coloration is shown in the drawing made from a photograph which thus reproduces the same as near as is possible to the colors of the actual plant with the notations referred thereto.

Parentage:

Seedling.—F₁ interspecific hybrid.

Seed parent.—Unnamed seedling of *Cornus kousa* Hance.

Pollen parent.—*Cornus florida* L. cv. 'Sweetwater'.

Propagation:

Method of asexual propagation.—Holds its distinguishing characteristics through asexual propagation by such means as grafting, budding, or rooting of softwood or semi-hardwood stem cuttings.

Classification.—Botanic name: F₁ interspecific hybrid of *C. kousa* × *C. florida* Commercial name: *Cornus* × 'Rutgan'.

The tree disclosed in FIG. 1 of the drawing is about 17 years old, is 6.39 meters and has a spread of 5.1 meters.

Tree: Vigorous — upright and spreading, or full — dense somewhat vase-shaped when young, but broad and full as an older plant — hardy — very productive, i.e., very floriferous (but highly sterile).

Trunk: Medium — smooth when young, but becoming somewhat shaggy with age.

Branches: Medium — smooth.

Lenticels: Numerous — medium.

Leaves: Abundant.

Length.—10.3–14.0 cm (average=12.3).

Width.—4.8–6.6 cm (average=5.4) at widest point.

Medium size. Dark green — Upper surface: RHS Chart 137A. Lower surface: RHS Chart 138B.

Leaf shape.—Elliptic, with acuminate tip and cuneate base.

Margin.—Crenate.

Patents

- Public Policy
 - Share inventions with the world
- Protection: US versus International
 - Differs – need to check jurisdictions before disclosing
- Assignment and Licensing
 - Need to check jurisdictions before granting rights
- Infringement
 - Hire a patent attorney to consult on the viability of a claim
- Costs Can be Prohibitive – and Work with Counsel Closely Throughout

Counseling Franchisor Clientele in Connection with Intellectual Property

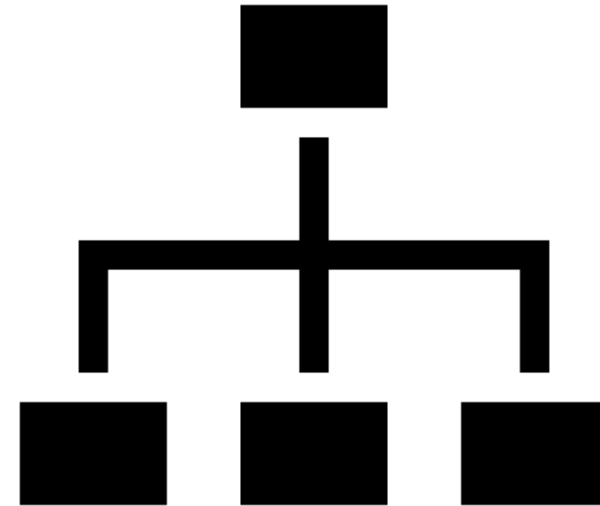
- Franchising and Intellectual Property
 - Ownership of IP in a Franchise System
 - Protecting IP Prior to Franchising
 - Addressing IP in the Franchise Agreement
 - The Franchise Disclosure Document
- Proactive vs. Reactive Representation
- Asking the Right (and Sometimes Tough) Questions

Ownership of IP in a Franchise System

- Know How
- Copyrighted Materials
- Operations Manual
 - Trade Dress
 - Trade Secrets
 - Patents

IP Ownership and Necessary Licensing in Connection with Franchise System

- Parent/Affiliate or Other IP Holding Company
 - Potential Benefits (Tax Benefits or Otherwise)
 - Make sure the Control of the TM Owner is Well Known and Not Adverse to the Interests of the Franchisor
 - Operating Documents are Key Here
- IP License Agreement to Franchisor
 - Be careful not to siphon license fees or other \$\$ from the Franchisor entity (at least early on)
 - Ensure appropriate licensing disclosure in Item 13 and, if applicable, Item 14 of the FDD



IP Impact

- Federal Trademark Registration - ®
 - Allows nationwide expansion
- Impact of Business Opportunity Laws (in connection with pre-sale filing requirements)
 - CT, GA, LA, ME, NC, SC
 - CT, FL, KY, NE, TX, UT
- Which marks will be registered
- Federal Copyright Registration - ©
 - Key content that will be provided to franchisees
 - Register subsequent versions
 - Websites, software, manuals
 - Leveraging Software and Other Technology
- Copyright notices
 - © 2021 Jane Doe

Clarifying IP Rights in a Franchise Agreement

- Clearly define the IP
 - Discussing each of the following in the Franchise Agreement and, to the extent applicable, any development agreement: Marks, Copyrighted Materials, System, Modifications
- Ownership
 - Licensor to Franchisor to Franchisee
 - Goodwill
 - Franchisee innovations – belong to Franchisor and/or have an irrevocable license to use
 - Franchisee acknowledgements regarding use and non-challenging of the Marks
- Scope of License and Enumerating Reserved Rights
 - Designated Territory and Right to Use IP Therein
 - Reserved Rights
 - Alternative Channels of Distribution
 - Non-Traditional Venues and/or Locations (as defined)
- Post-Term Obligations

IP Protection By Any Other Name... Can Also Be Protective.

- In-Term and Post-Term Restrictive Covenants
- Confidentiality
- Separate Agreements to Bind Related Parties
 - NDAs and Non-competes
 - Scope – Who and What
 - Training Participation Agreements
 - Personal Guaranty
- If the Franchise or other agreements are not properly constructed (and enforced), it can have a chilling effect or prevent potential acquisitions (of both existing franchised units or the franchise system)

IP-Related Disclosures in a Franchise Disclosure Document (FDD)

- Item 1 – Describe the Franchised Business, including System
- Item 13 - Trademarks
 - Primary Marks
 - Unregistered Marks
 - Other Known Users of Similar Marks
 - IP License Agreement (Owner)
- Item 14 – Patents, Copyrights and Proprietary Information
- Legal Proceedings – Items 3 (all) and 13/14 (Marks/Patents specifically)
- Obligation to Indemnify the Franchisee and Vice-Versa (Franchisee indemnification in connection with any mis-use of the *then-current* Marks)

IP Monitoring and Enforcement

Franchisor Enforcement of Intellectual Property Rights

- Potential Infringers
- Examples of Infringement
- Enforcement Options
- Protection of Domain Names
- Risks of Failure to Enforce
- Best Practices

Potential Infringers

- Franchisee that received termination or non-renewal notice
 - Franchisee may keep operating franchise
 - Franchisee may take signs down, but run a competing business (or run one that still uses franchisor's marks and/or trade dress)
 - Franchisee may not properly de-identify the premises
 - Best practice: Communicate de-identification guidelines early in process and promptly enforce
- Franchisee may be using marks in an unauthorized manner or selling products or services in unauthorized channels such as:
 - Online
 - Mobile carts or outside the territory
 - Fairs, concerts and other venues

Potential Infringers (Continued)

- Third Party Infringers
 - May have taken over prior franchisee's location that has not been properly de-identified or simply set up shop using trademarks/trade dress
 - Unauthorized sale of franchisor's product along with unauthorized use of marks or trade dress – brick & mortar, online, temporary locations
 - Any other number of infringing uses of franchisor's intellectual property (E.g., T-shirts, cups, packaged goods, etc.)
 - Whenever a third party, the first question(s) should always revolve around whether the average purchaser likelihood of confusion

Trademark Infringement



TM Infringement: Before and After Dispute and Settlement



Examples of Trade Dress Infringement (Sites of Former Franchised Business)



Trademark Infringement - Columbia



Further Example of Infringement (Non-Signage)



International TM Infringement

The New York Times

FRONT BURNER

Babka Makes These Treats Better

Inspired by the doughnut hole, Mekelburg's Menschkins are made with babka, for a tastier experience.



“...the Mekelburg's form their treats with cinnamon babka, a delicious variation that stays fresher longer than the average doughnut hole.”

NOW AVAILABLE FOR ORDER ONLINE!

Mekelburg's
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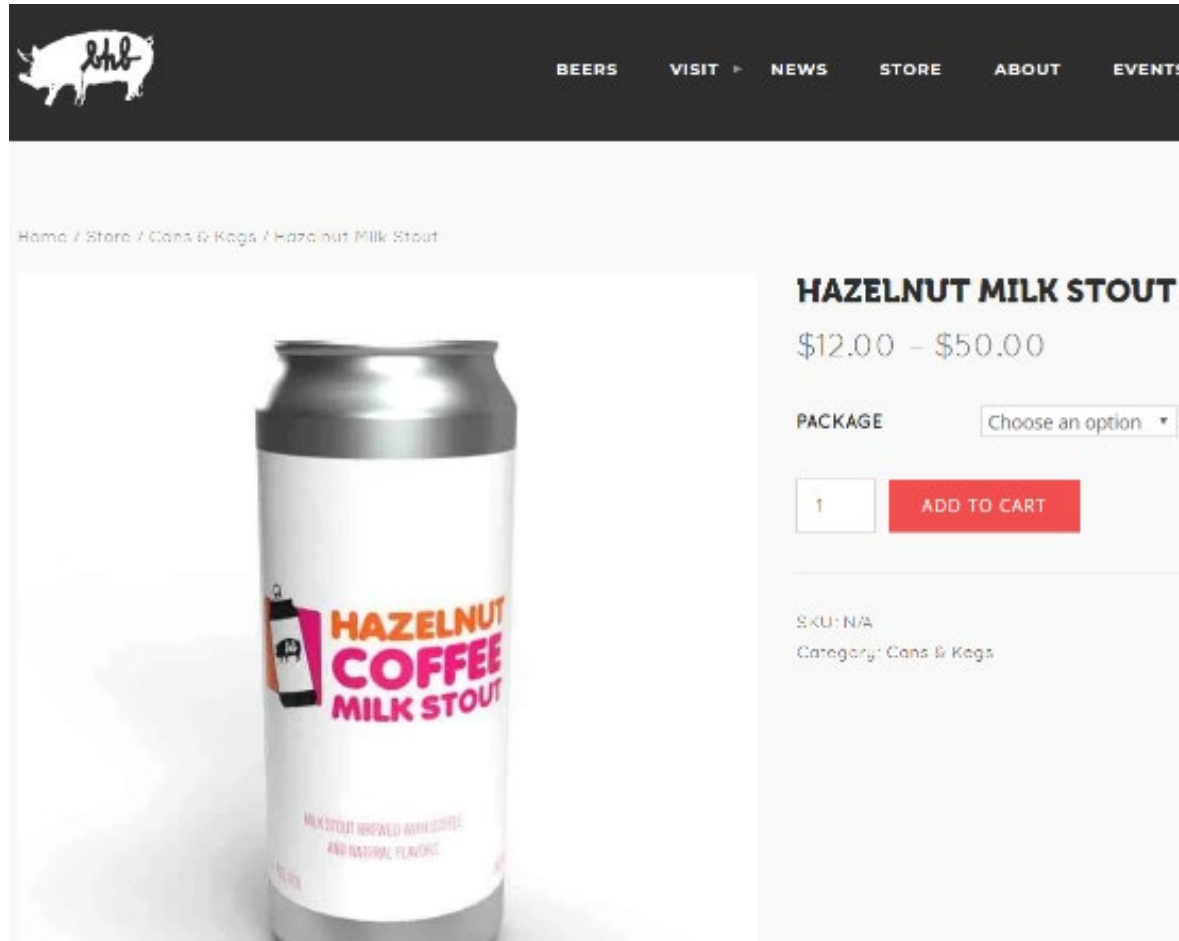
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TM Infringement: Product Trade Dress (Menu Items or Other “Approved Products”)



Enforcement Method(s) – Cease & Desist

Cease & Desist Letter Considerations

- Approach may vary depending on who is doing the infringing
- Try other avenues first such as a phone call or email to educate and gain compliance
- Watch tone of the letter, especially if to an individual or small business
- Social Media Awareness – what you type will and can be used against you in a context where you are the “bigger” party – which is often the case in franchising
- **What is your client’s “endgame” including short and long term goals?**
 - **Eating up Franchisor Bandwidth – majority of cases are typically resolved amicably (with Small % actually going to and being resolved via trial in franchising)**

Preparing a C&D Demand Letter

- Key Components of Letter
 - Sets forth franchisor's ownership of trademark/IP at issue
 - Identifies infringing party's conduct that constitutes improper infringement or misappropriation; and
 - demands cessation of such conduct by a date certain (with evidence of compliance).
- Purpose of Letter
 - Puts infringer on notice, demands end to infringing use, documents efforts to protect the IP and resolve issue without involving the Court
 - Discusses what will happen if the third party DOES NOT comply with the curative demand(s), including detailing potential for treble damages and requirement that the alleged infringer preserve all related documentation

If dealing with third-parties with recent use (or single operations use) that is later than a client's registered mark's DOFU, then a matter can often be resolved once a properly drafted cease and desist letter has been received – even if that doesn't happen right away. Gameplan ahead and monitor. Make sure to deal with any post-signing matters.

Seeking Injunctive Relief (if and as appropriate)

- With infringement, unauthorized competition or misappropriation of trade secrets, stopping the conduct is often the franchisor's most important objective (especially when damages may be hard to prove)
- Thus, the relief sought in the legal action often includes injunctive relief which requires the infringer to cease the infringing conduct
- If injunctive relief is desired, a franchisor must act promptly or its chances of proving irreparable harm will be hindered
- Can be used in place of (or simultaneously with) a cease & desist letter, but most often legal action is taken only if the cease and desist letter fails to net desired result
- Preliminary Injunction and Finding of Irreparable Harm to Franchisor/Client if Not Handled Immediately

Domain Names and Other URLs – Infringement.com?

- Domain names are critical to all businesses' online presence and thus require protection from misuse
- Adopting domain names that correspond to trademarks put trademark owner in stronger position to address infringement
- Franchisors should register core marks, key slogans, obvious misspellings, etc. and must actively monitor for infringing domain name uses, particularly if a site is misusing a trademark owner's IP to collect PII or launch malware
- Uniform Domain-Name Dispute Resolution Policy (UDRP) is most common and expedient way to address domain name infringement
 - Administrative proceeding under auspices of ICANN
 - Sole remedy is transfer of domain name to the complainant

Potential Pitfalls Associated with Non-Enforcement and Non-Monitoring

- Franchisors must police their brands and maintain quality control to ensure continued protection of trademarks, trade secrets, and other proprietary information, otherwise:
 - Risk damage to a franchisor's reputation, goodwill, brand and system as a whole; and
 - Can cause loss of rights in (i) marks by abandonment or (ii) trade secrets by disclosure [WORSE CASE SCENARIO]
 - Allows future infringers to argue waiver or lack of irreparable harm
- Ensure all maintenance documents filed with USPTO or otherwise and that there is actual "use in commerce"
- Remember – Applications and Registrations is Not Where TM or Other IP Protection Ends... it is only the beginning.
 - Cancellation Proceedings Can Be Filed Post-Registration
 - Opposition Proceedings (again with TMs) Can Be Filed After the USPTO has Approved and Published an Applied-For Mark for Opposition

Practice Considerations when Working with IP in a Franchise System

- Know who your client is and their interests in the TM and/or corresponding license
 - Listen to you client first.
 - Gameplan after.
- Conduct as much due diligence prior to use and/or filing to protect a Mark or given IP
- Be realistic when working with your clients, which may include bad news.
- With that said, steer clear of marketing/advertising advice – stay in lane and work with marketing team, and feel free to give “examples” of the kinds of modifiers or other changes to IP.
- **Educate your franchisees on what is permissible**
 - Have clear policies (social media, websites, no use of marks in company name of domain name, etc.)
 - Set forth in the Manual(s) or otherwise in writing, and made available to Franchisee network online
 - Marketing Collateral and/or Sample Mark files permissible for use
- **Require approval of any franchisee advertising**
- Consider who the infringer is before acting
- Actively monitor for unauthorized uses (e.g., trademark gazette or third-party watch service such as CORSEARCH®)
- Leverage Internet service providers takedown procedures
- **Act swiftly when infringement is found**
- **Act UNIFORMLY to the extent possible**

Any chance there is time left? If so, let's get at least 1 question on IP in the franchise context.