

## FIGHT TRADEMARK BULLYING

*Increasingly, efforts of trademark owners to protect their trademarks are nothing more than trademark bullying. Victims of these tactical assaults need to activate the weapons available to defend themselves, particularly when the trademark owners are not engaged in legitimate brand protection.*

The United States Patent and Trademark Office<sup>i</sup> (USPTO) defines “trademark bullying” as a trademark holder using litigation tactics in an attempt to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark holder. This problem has become so pervasive that the Department of Commerce was recently ordered to study this problem and report its findings to Congress.<sup>ii</sup>

One of our firm’s earliest experiences in intellectual property law was to protect a client from an outlandish claim of trademark infringement.<sup>iii</sup> Our client was engaged by Entrepreneur Media Inc. (EMI), publisher of Entrepreneur™ Magazine, who since that time has been identified by many as a trademark bully.

The dispute arose when our client developed a computer game with the name “Entrepreneur.” The computer game was about trying to succeed as an entrepreneur. EMI publishes a magazine featuring written articles about entrepreneurs. EMI had even published an article identifying our client as an entrepreneur and mentioning the game in question. Shortly thereafter, EMI issued the customary cease and desist letter threatening our client with extinction for having the gall to use this common word for its game.

Fortunately for our client, it had obtained an insurance policy from Farm Bureau General Insurance Company of Michigan, which gallantly stepped up to the plate. We were hired to protect Farm Bureau’s insured from this outrageous claim. There was no justification for this claim, because the typical consumer was unlikely to confuse our client’s computer game with EMI’s written magazine articles about entrepreneurs. Plus, the mark in question was rather “weak” and not as distinctive as other marks. None of this swayed EMI, which plowed ahead anyway. To make a long story short, our team effectively staved off the effort to destroy our client, and our client, Stardock Systems, Inc., continued its rise to prominence in the software industry that it enjoys to this day.

Unfortunately, EMI and many companies of its ilk continue to ply their trade as trademark bullies. Little did we know that our case was an early precursor to this dreadful business model. Trademark bullies seize upon a common word or phrase, obtain a trademark for one particular use of that word, and then scour the internet and public records to bully all entrepreneurs (there’s that word again!) who dare to use the same or similar word or phrase for some other unrelated purpose which cannot seriously be considered trademark infringement.

How do they get away with this? Well, litigation can be expensive, and the trademark bullies can put their targets to considerable expense and effort before the victims can seize the opportunity to take a serious pass at getting the case dismissed. Frequently, there is a severe

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imbalance in resources between the trademark bully and the party at the business end of the bullying. The target lacks the resources to mount an effective defense and even worse, their usage of the subject trademark is frequently not worth the expense of defending that mark.

There can be a fine line between legitimate efforts to protect a trademark and overzealous efforts to cash in on spurious claims to trademark protection. A trademark owner is entitled to protect its trademark, and is legally compelled to take proper actions to do so. This legal obligation, however, does not empower a trademark owner to assault every usage of its chosen word or phrase (subject to a few notable exceptions, such as famous trademarks). The EMI case summarized above is a good example of trademark bullying which is not justified by the right to protect one's trademark.

If you feel you are being victimized by trademark bullying, contact us for a free consultation. The earlier you engage us, the better we can help protect and defend you. You need not stand alone against the forces which are just trying to cash in unjustifiably on their trademarks.

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<sup>i</sup> The USPTO is the agency which handles applications for federal trademarks, among other functions.

<sup>ii</sup> This report can be found at <http://www.uspto.gov/trademarks/notices/TrademarkLitigationStudy.pdf> .

<sup>iii</sup> This is our opinion. In this article we state some of the reasons as to why EMI's claim was unjustified, which we believe amply support this assertion.