

How to keep a former partner from using your trademarks

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The Record

Q. I am a small manufacturer and recently terminated my relationship with my distributor, who, without my consent, continues to advertise and sell my company's products, for which I hold the registered trademarks, under his own name. Do I have any recourse?

The first question is what the contract with your former distributor says. Even if you do not have a contract that addresses post-termination sales, you still may have legal recourse against your former distributor under certain circumstances.

Your former distributor's sale of your registered products may be trademark infringement if you can demonstrate that such sales are likely to cause confusion among the consuming public. For example, if your former distributor is using advertising methods that are likely to confuse the public into thinking that your products are actually your former distributor's products, or vice versa, then you may have a claim for trademark infringement. Other examples of possible infringement (and likely public confusion over your trademarks) would be if your former distributor is selling your goods in an inferior condition or using your trademarks in ways that suggest the distributor's continued affiliation with your company.

Additionally, you may have legal recourse if your former distributor's use is diluting your famous mark. A dilution claim takes two forms: tarnishment or blurring. You may have a claim for dilution based on tarnishment, if your former distributor is

advertising your company's famous products as new, but they are actually inferior to your new products. You may have a claim for dilution based on blurring if your former distributor is identifying your company's products with dissimilar products, and this identification is diluting the quality of the mark.

To determine whether a concerning use by another person or company of your registered trademarks is actionable, you should consult counsel. Your counsel may recommend sending the infringer a cease and desist letter and/or seeking immediate court intervention to stop the infringing use of your marks. The strategic considerations that help to determine your best avenue for relief should be reviewed with your attorney.

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