

The Strongest Link: Protecting Trademarks and Copyrights

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Melissa Pheterson: Hello my name is Melissa Pheterson and I am your host for today's podcast. I am here today with Neil Slifkin and Steve Nonkes, two attorneys who litigate intellectual property matters at Harris Beach. We are here to discuss a success story for our client, John King Chains, that prevented the sale of counterfeit goods and protected the reputation of a 100 year old company. Welcome to the podcast Neil and Steve.

Neil and Steve: Thank you. Thanks.

Melissa Pheterson: Neil last time you were on the podcast you shared the details that drove a successful outcome for our client Izzo Golf, can you share the background of the John King Chains trademark dispute?

Neal Slifkin: Sure, we were retained by John King Chains a company located near Leeds, England. John King Chains had a U.S. affiliate, and that affiliate had originally been buying the product through the authorized distribution channels from England and this company, John King Chains had been making chains in England for approximately 100 years.

Steve Nonkes: These aren't just bike chains.

Neal Slifkin: No, these chains are industrial chains that are used in conveyer belts, agricultural equipment, and even rollercoasters. So, the chain that pulls the rollercoaster up the incline may very well be a John King Chains chain. So, they had a U.S. affiliate who was selling in the U.S. That affiliate decided to have manufactured chains in Asia and sell those chains under the John King Chains trademarks. This became very concerning to our client, who had a 100 year reputation to protect. So we were retained to prevent the infringement; that is the sale of counterfeit chains bearing the John King Chains trademarks. That U.S. affiliate was located at Peoria, Illinois. So we got ourselves admitted to the Federal Court in Illinois and we instituted a trademark infringement and as well as a copyright infringement action based on the use some John King Chains Marketing materials to sell the counterfeit goods.

Melissa Pheterson: So Steve, do you often see this type of infringement scenario with global companies operating in different countries, or is this situation unique?

Steve Nonkes: So this kind of situation can arise when you have different entities operating under the same name in different countries, but it can also happen here in the U.S. For instance, when you have a franchise relationship and now the franchisee wants to go off on their own, but they keep using the franchise or its trademarks. So it was a very similar thing in this case because John King Chains, the USA entity, kept using the John King name even though it stopped using the chains from the original company in England. And so our British/English client, they were very eager to protect their name and their reputation. And so, of course, the international aspect made it a little different, but this kind of thing can happen really whenever you have a trademark license or some other entity involved.

Neal Slifkin: And we have also represented in the past, foreign entities in the U.S. courts. For example, we had a Canadian Company that we represented in a lawsuit based in California, we had a Liechtenstein company we represented in the case in the Southern District of New York and we've sued Canadian companies in the U.S. courts as well so we do have a fair amount of experience with companies engaged in global commerce.

Melissa Pheterson: How would you describe the legal strategy?

Neal Slifkin: Well, we knew that this was a situation that could potentially cause damage to our client when the client is selling high quality chains and the affiliate here in the U.S. started to make chains over in Asia which were uncertain quality. And as you can imagine, when you're using a chain to move a rollercoaster, there is a fair amount of risk involved if the chain were to break. So, we knew we had to act quickly. So, we decided to come out very fast and hard against this Peoria, Illinois company and we hit them with a whole lot of discovery requests, interrogatories, document demands, deposition notices, as well as a motion for preliminary injunction. And the motion for preliminary injunction was designed to very quickly be heard in front of the court to shut down the sale as quickly as possible.

The result of doing all of that was to put a lot of pressure on the small U.S. entity and we were successfully able to bring them to the bargaining table quickly because they were being overwhelmed with the amount of work that they had to do to respond to all of our activities on various fronts.

Steve Nonkes: It didn't hurt that we were clearly right.

Neal Slifkin: That is true.

Melissa Pheterson: So given that you were clearly right, what was the outcome?

Steve Nonkes: Well, as far as I know, the U.S. entity is still in business, but not using the John King Chains name. Our client now, I believe, has another U.S. affiliate, or maybe they're selling directly to the U.S. So their products are

still available in the U.S., and you can be sure today that they are genuine John King Chains.

Neal Slifkin: And The client was very pleased with the outcome.

Melissa Pheterson: So the client's reputation was protected?

Neal Slifkin: That is right.

Melissa Pheterson: Anything else that we didn't cover that you would like to mention that factored into this success story?

Neal Slifkin: Well we had a great team. As always we have very skilled litigators working on the team and it was not just Steve and me, we had others assisting us as well and with the strong team and a good strategy we were able to be very successful and the client was pleased with the outcome.

Steve Nonkes: I think one thing that was fun about this one is that the case was in Illinois, the client was in England and they chose us in New York to go to Illinois to represent them. Neil, you and I have represented clients in probably most states in the U.S.

Neal Slifkin: Yeah, that's probably true.

Melissa Pheterson: And how did John King Chains find us and ultimately choose us to represent them?

Neal Slifkin: I had a long time contact in England, an attorney who I've known for many years and she recommended me to that client.

Melissa Pheterson: It was a good outcome which is always good for a chain pulling a rollercoaster. So I'd like to thank both of you for joining me today.

Steve and Neal: Thanks Melissa. Thank you!

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