

# RESPONDING TO ALCOHOL TRADEMARK CEASE AND DESIST LETTERS

by Chris Passarelli

Branding is such a prominent part of the alcohol beverage industry, and in particular the wine industry. (Some even believe that the brand is more important than what is in the bottle!) The fact is that beverage lawsuits are becoming more numerous year after year, especially with the recent explosion in craft brewing and distilling leading the charge. As many of those alcohol trademark lawsuits are preceded with a cease and desist (“demand”) letter, below is some practical guidance on what to do if you or your client are the recipient of such a demand:

**1. Don’t panic.** I have read articles and spoken to recipients of demand letters – this can undeniably be a frightening, stressful experience, causing great psychological distress, anxiety and sleepless nights. But don’t let this overwhelm you. A mere legal demand can be viewed as an invitation to negotiate, and it isn’t always as bad as it seems. Read the letter, and put it aside for a day or two (unless next day response is requested!) to allow time for reflection – certainly do not respond immediately if this is not necessary, as this can be unnecessary, not to mention ill-advised, and very risky.

**2. Read carefully.** What exactly is the demand letter asking you to do? While many cease and desist letters are just that – requests to cease use of a mark – some demands do not rise to that level. Thus, it’s important to read and re-read the letter you receive from counsel, especially the specific call to action which usually comes toward the end of the correspondence. Some brand owners send “warning shots” where there is no current infringement issue, simply to deter or diffuse a potential anticipated issue. Such demands often state things like “we will monitor your use of the mark” or employ similar verbiage, but do not necessarily require any response (although you may nevertheless wish to respond, i.e., to refute inaccuracies and the like – with the advice of counsel, of course).

**3. Know the basics.** This is where it pays to have an expert in the alcohol beverage industry, due to subtle nuances in the evolving trademark law. One issue that often arises is that all alcohol beverage products are considered related for purposes of likelihood of con-

fusion, although this is not necessarily intuitively, or even realistically, the case. This is lost on many, even industry insiders, because it is a relatively obscure area of trademark law. However, it is the current state of the law in this area, which means that, as a result, wine producers are going after distillers, breweries are going after wine producers, etc.

**4. Retain counsel.** Even if you do not intend to “go the distance” in a dispute, it is well worth the hourly rate of an expert to be informed from the outset, to minimize potentially costly mistakes. Consider retaining counsel, if only on a limited basis, even if you do not ultimately intend to put up a fight. Otherwise, you may be playing right into the hands of your opponent, providing damaging admissions, agreeing to unreasonable demands, etc. After all, we can all agree that more information is always better than less information, right?

**5. Adapt to survive.** Now that you understand and appreciate the potential heartache attendant to a trademark enforcement scenario, do your best to minimize the risk of that occurrence. Have counsel conduct a thorough clearance search for your newly developed brands, slogans, designs, etc. Register your brands as trademarks at the federal and/or state level – this can be both a sword and a shield – and will provide you with at least an extra five minutes’ sleep at night. Create a line item in your marketing or branding budget for trademark protection (and enforcement, if you are becoming successful in your branding), and most importantly, keep your trademark counsel close at the ready.

---

*Chris Passarelli is Senior Intellectual Property counsel at Dickenson, Peatman & Fogarty, where he focuses on trademark and copyright protection and enforcement in the alcohol beverage industries. Contact him at: [cp@dpf-law.com](mailto:cp@dpf-law.com).*

---

*This article is provided by Dickenson, Peatman & Fogarty for educational and informational purposes only and is not intended and should not be construed as legal advice.*

