

## Face to face with...

### Houston Business Journal

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John Egbert is the managing partner of Houston-based Egbert Law Offices PLLC, which specializes in intellectual property matters.

Egbert has been involved for more than 25 years in the field of trademark law and, in particular, in the protection of trademark rights. He was lead attorney in the well-publicized trademark case of Starbucks vs. Star Bock Beer, in which the coffee chain brought a lawsuit against a Galveston-based company that operated a microbrewery with a name similar to Starbucks.

Egbert was interviewed by Casey Wooten.

*Q: Why do corporations take such an aggressive stance against potential trademark violations, even if the targets may seem obscure to the average person?*

A: The rights in a trademark largely depend on aggressive enforcement of those rights. The extent of protection is effectively limited by those marks that are used concurrently with the registered trademark. Also, apathy or delay by an owner in enforcing a registered mark is considered a proper defense to a charge of infringement. For example, if the owner fails to object to a rather obscure use of a mark, the obscure user can still use the mark even if this use eventually becomes successful and widespread. For example, Apple Records took no early action against the use of the trademark "Apple Computers." As a result, the trademark "Apple" by Apple Computers became better known than the registered trademark "Apple" of Apple Records.

*Q: Do the big corporations usually win?*

A: As with most litigation, the ability of one party to devote a greater amount of resources to the dispute usually leads to success for that party. Most parties that are accused of infringement are start-up businesses. As a startup, the accused infringer rarely has the financial resources to devote to the trademark defense. Generally, the start-up business has less invested in the mark. As such, it is easier and cheaper to simply change the trademark rather than enter into a projected and expensive legal battle. A legal battle in the early days of a start-up company can be fatal to its success.

*Q: How has the nature of trademark infringement changed since the advent of the Internet?*

A: The Internet has created a monumental crisis for trademark owners and would-be infringers. For the trademark owner, it is very difficult to enforce rights against companies that promote and sell products over the Internet. We all have received spam e-mail regarding "genuine Rolex watches." The infringing sales can come from countless directions, such as foreign companies, unlocatable individuals or generally lawless operators. As soon as an effort is made to stop any infringement, the Web site reappears elsewhere, the selling company changes its name, or the orders of the court are simply ignored. Fundamentally, the Internet developed and proliferated before any mechanisms were established to protect the rights of trademark owners. Now that the genie is out of the bottle, it is difficult to retroactively correct for the problems caused by the Internet.

*Q: How do patent disputes differ from trademark disputes?*

A: There is a substantial difference between trademark disputes and patent disputes. Virtually all trademark disputes are resolved very quickly and with minimal expense. If the infringer does not stop after receiving a cease-and-desist letter, then the trademark owner will seek a restraining order or a preliminary injunction. Usually, a preliminary injunction — which stops the use of the infringing mark — will resolve the dispute. This occurs at a very early stage in the litigation process. Also, most would-be infringers or start-up companies are less married to the trademark. In many cases, it is a rather simple matter to change the trademark rather than to spend money and effort in order to litigate. In contrast, patent disputes can continue for years. Preliminary injunctions are rarely granted in patent cases. Since a patent is generally directed to the core of the patent owner's and the infringer's business, the parties will tend to litigate endlessly in order to protect the core of the business. As such, the costs of litigation are high and the duration of the litigation can be protracted.



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