

NAVIGATING TRADEMARK TRIAL & APPEAL BOARD PRACTICE 2003

SETTLEMENT, ARBITRATION, AND OTHER PRE-TRIAL DISPOSITIONS OF
CONTESTED PROCEEDINGS

Susan Upton Douglass

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I. WHY SETTLE

Clients are best served in almost all cases by not having their business disputes resolved by judges, particularly administrative trial judges who may know little or nothing about the businesses of the parties involved, or the business world in general. With a few exceptions, most administrative trial judges at the Trademark Trial and Appeal Board (TTAB) rose through the ranks from examining attorney to interlocutory attorney to judge. These judges have a great deal of experience with the practices and procedures in the Trademark Office, including issues of inherent registrability, priority, descriptiveness, and the standards for deciding likelihood of confusion. Nonetheless, they typically lack grounding in the “real world” in which business people function. *Bongrain International (American) Corp. v. Delice de France, Inc.*, 1 U.S.P.Q.2d 1775 (Fed. Cir. 1987).

Bear in mind also that the remedies afforded by a judgment by the TTAB are extremely limited: the sole determination that the TTAB can render is entitlement to registration. The TTAB is not empowered to grant an injunction or a product recall, compel corrective advertising, or award money damages or attorneys’ fees. TBMP §502.06. It is critical to inform clients prior to embarking on a proceeding of these limitations, and to remind clients of these limitations, particularly when opportunities for settlement present themselves. Foreign clients, who are accustomed to monetary awards, may be particularly surprised or frustrated by the unavailability of financial compensation or reimbursement of legal fees.

Moreover, the remedies available during trial to compel adherence to procedures or to sanction inappropriate behavior are limited. For example, the TTAB can sanction flagrant abuse of the discovery proceedings by a party by issuing an order compelling appropriate behavior, a protective order or, in extreme cases, by dismissing the case. 37 C.F.R. §2.120(g); Rule 37(b), F.R.C.P. *See, e.g., S. Industries Inc. v. Lamb-Weston Inc.*, 45 U.S.P.Q.2d 1293, 1295 (TTAB 1997)(due to fraudulent mailing dates on documents, petitioner required to serve and file all

documents by Express Mail). Counsel can be sanctioned by having their names publicly mentioned in reported decisions. But the TTAB is not empowered to award money damages or fine recalcitrant parties or unethical counsel.

The TTAB makes findings of fact when it issues a decision. These findings, while sometimes taken into account in court proceedings, are not binding on a court due to the different standards employed in deciding cases in the TTAB versus the courts. *See, 5 McCarthy on Trademarks and Unfair Competition §32:95* and cases cited therein. For example, in a case involving the issue of likelihood of confusion, the TTAB considers only the specific goods recited in the opposing party's registration and the usual channels of trade through which such goods are sold; the TTAB will not consider differences in packaging or trade dress, or other "real world" factors. Courts, on the other hand, consider all of the marketplace realities. Thus, a victory before the TTAB will not translate into a quick win before a court, to then be parlayed into additional remedies. A complete new trial may be required.

Not only is a decision before the TTAB not binding on the courts, the decisions frequently are unpublished, and cannot be cited as precedent in cases pending before Trademark Office examiners, nor can they be cited in other cases pending before the TTAB. Even when the cases are published and citable as precedent, the Trademark Office examiners take the view that they are not bound by other cases; every case is unique to its own facts. However, the TTAB does recognize res judicata and collateral estoppel preclusive effect of its own decisions when the same parties and the same marks are involved. *5 McCarthy on Trademarks and Unfair Competition §32:104*.

Cases brought for disposition by the TTAB used to be quick and inexpensive. Back in the 1980's, we would estimate that cases could be brought to trial for \$20,000, and in complex cases for \$50,000. Now, it is not unusual for cases brought to trial to cost in the hundreds of thousands of dollars. The TTAB has attempted to address this issue by offering limited

discovery and trial procedures on an expedited schedule, but their overtures were rejected by the bar, accustomed to “uncovering every stone” and using the full range of depositions, expert witnesses and survey evidence available at full-fledged trials. *Statement of the International Trademark Association before the United States Trademark Trial and Appeal Board on Proposed Changes to the TTAB Rules, Dec. 10, 1997, presented by Susan Upton Douglass, Co-Chair, INTA USPTO Subcommittee.*

In addition to the financial drain, bringing or defending a case before the TTAB is emotionally draining, consuming the time, attention and energy of key personnel and staff. Responding even to reasonable discovery requests takes hours of valuable time to review company records, hunt through old files, and interview employees involved in the project. Hours can be spent strategizing with attorneys, reviewing briefs and motion papers, and preparing for and attending depositions.

A business resolution allows a company to get on with its business. Sometimes, a profitable business relationship can be developed with the adversary, or a license agreement can be reached that allows the party asserting rights to be on record as protecting its trademark while allowing a use that does not truly impact its business to continue. Financial compensation can be negotiated, including payment of attorneys’ fees. Restrictions on future uses can also be addressed, resolving potential disputes before they arise. Areas of cooperation can be developed.

For all of these reasons, the parties are generally better off if they can resolve their differences amicably. Only in those cases where the parties are so entrenched in their positions, or there is such a high level of animosity, or the stakes are so high that the matter cannot be resolved, should a case go to trial.

II. HOW TO SETTLE A CASE

In the first instance, know what your client is trying to achieve with the TTAB proceeding. If your client is in the position of plaintiff, understand your client's motivation. For example, your client may not consider the pending mark to pose a real threat to its business; however, your client may wish to keep the Register clear of diluting marks to deter third parties who might come even closer. Or, the actual goods or services of the pending mark may not pose a threat, but the identification of goods/services is written broadly or without regard to limited trade channels or other commercial factors that would ameliorate any confusion. Sometimes, your client simply wishes to harass a competitor.

If your client is in the position of defendant, understand your client's bottom line. If your client has made a huge investment in promoting the mark and the product is already on the market, your client will not be able to walk away from the proceeding. Conversely, if the mark is an intent-to-use filing and represents one of several alternative marks that might be used for a product that is still in development, the opportunity for settlement is much stronger. If the mark is part of a global filing program, and your client senses that the plaintiff is not serious about the case, or believes that the plaintiff's alleged priority may be vulnerable to attack, your client may be less inclined to settle.

At the earliest opportunity, discuss with your client its motivations in bringing or defending the action. Unless your client is already knowledgeable about TTAB proceedings from past experience, discuss the overall process and steps in the case, and the likely issues that will arise. Don't forget to mention the range of legal fees for each step. Find out if there are any unpleasant or damaging facts that are likely to arise, such as a lengthy period of nonuse or an overly broad claim of use of the mark for goods that do not exist in the client's range of products. If your client is relying on priority of use, make sure that invoices and other documentation exist

to substantiate the date of use. Explore whether your client has publicly taken a position that is adverse to the one it will be pressing in this case.

If the possibility for settlement exists, this issue should be presented as early as possible to opposing counsel. This is not seen as a sign of weakness, but rather, as a practical business consideration. Even the largest and most affluent companies prefer in most cases to settle a case rather than go to trial; this fact is generally understood in the legal community and is not likely to reflect adversely on your client or its willingness to go all the way to trial if a favorable settlement cannot be negotiated.

The strategies for settlement vary with the circumstances. If your client has a relationship with its adversary, either because the parties are competitors are already involved in disputes in other jurisdictions, discussions can begin directly, even in advance of the mark being published for opposition. Similarly, many attorneys have personal relationships from past cases, bar or professional activities and the like; contacting your counterpart before filing legal papers is often a productive way to start settlement negotiations. In the absence of a relationship or some other motivation for cooperation, it usually is prudent to file the opposition or cancellation action as a precursor to contacting the adversary, to show your client's serious intentions and to increase your bargaining position. Conversely, a party in the position of defendant might file a simple answer to the pleading without asking for an extension of time; this places pressure on the plaintiff to think about its discovery strategy (and spending the client's money), thereby creating an incentive for the plaintiff to consider settlement.

If settlement discussions are proceeding in earnest, it is desirable to request that the case be suspended. The TTAB will grant a six-month extension upon request of both parties, on the basis of pending settlement negotiations. Prior to the end of the suspension period, the parties should notify the TTAB that the discussions are continuing; otherwise, the dates for discovery

and trial will be reset. Generally, the TTAB is willing to give unlimited time to the parties to resolve the case, sometimes years, provided that the parties advise the TTAB that they are engaged in good faith settlement negotiations. However, the TTAB may require a more detailed explanation of the status of the settlement negotiations if the case has been suspended for a lengthy period of time.

III. TERMS FOR SETTLEMENT

A settlement agreement can encompass any business and monetary terms between the parties. Among the terms that an agreement might include are the following:

- Dismissal of the case on a “with prejudice” or “without prejudice” basis
- Amendment of the application or registration to limit the goods or services, the channels of trade, or the form of the mark (provided that the amendment does not create a material alteration; alternatively, the parties can consent to the filing of a new application
- Abandonment of the application or cancellation of the registration, but with the continued right to use the mark in limited circumstances)
- Disposition of proceedings in other jurisdictions
- Immediate cessation of use of the mark by the defendant, or a phase-out period for use of the mark
- The plaintiff’s right to approve the adoption of a new mark, or the manner and style of use of the mark
- Assignment of rights in the mark to the plaintiff, with or without a license back to the defendant (on a royalty-bearing or royalty-free basis)
- Geographical limitations on use of the mark by either or both of the parties
- Payment of money damages
- Payment of legal fees

- Agreement by one party to police infringing uses of the mark by third parties
- Mutual consent to use and registration, and requirement for future cooperation
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An opposition or cancellation action can be withdrawn without the consent of the defendant, and without prejudice to being able to file a new proceeding against the mark at a later date, at any time prior to an answer being filed. 37 C.F.R. §2.106(c). Thus, if the parties are negotiating for settlement and an answer has not been filed, even years after the filing of the initial pleading, the plaintiff can still withdraw the pleading without prejudice. Once an answer has been filed, the case can be withdrawn “without prejudice” only upon the written consent of the defendant. 37 C.F.R. §2.106(c). If a case is withdrawn or dismissed by the plaintiff “with prejudice,” the plaintiff is then barred from filing a cancellation action against this specific form of the mark for the goods or services listed in the contested application or registration. The plaintiff is not precluded from attacking the same mark in a different format (e.g., in plain block letters rather than logo format) or if different goods or services are claimed. If the defendant defaults or agrees to dismissal with prejudice, the defendant is then precluded from filing the same mark in the same format for the same goods or services that were the subject of the proceeding. Note that the “with prejudice” dismissal is not binding if there is a material change of circumstances, for example, the defendant may refile if the plaintiff abandons its mark or has gone out of business.

Either party may “default” at various stages of the proceeding. If the defendant fails to file an answer, the TTAB will issue an order to show cause why default judgment should not be granted. If the defendant fails to respond, the case will be dismissed with prejudice. If the plaintiff fails to take testimony [check this] or fails to file a brief, the defendant can make a motion to dismiss the case, and the case will be dismissed with prejudice.

Generally, the party in the position of plaintiff will want to settle the case with a dismissal on a “with prejudice” basis. First, a “with prejudice” disposition prevents having to

address the same case at a later date. Second, it has the appearance of the plaintiff adopting a more aggressive posture, which may deter third parties from encroaching on the plaintiff's mark. Third, the plaintiff feels that it has a more favorable disposition since a "with prejudice" dismissal counts as a "win." Various factors might motivate a plaintiff to agree to a dismissal without prejudice. For example, the plaintiff might discover facts unfavorable to its case or some other basis that undermines the strength of its case, or the plaintiff might wish to pursue a business relationship with the defendant. In such cases, it is not uncommon for the parties to agree in a separate settlement agreement not recorded with the TTAB that the defendant will not refile for the same mark or, more broadly, any confusingly similar mark.

IV. PROCEDURE FOR SETTLEMENT

The TTAB does not require a settlement agreement to be filed, and the parties usually prefer that the terms of the agreement, if not confidential, not be publicly available at the TTAB, particularly if a payment of money is involved. Typically, once a settlement agreement is concluded, the parties simply file a paper dismissing the action. This document recites that the action is being dismissed, specifying whether on a "with prejudice" or "without prejudice" basis, on the basis of a settlement agreement reached between the parties. Unlike a court proceeding, the TTAB does not approve the terms of settlement, and its jurisdiction cannot be retained to enforce the terms of the settlement. Indeed, the TTAB has no authority to enforce the terms of a settlement agreement, other than to adjudicate the parties' rights to register marks in accordance with the terms of the settlement agreement.

If the terms of the settlement require an amendment to the form of the mark, this document is submitted to the TTAB in advance of, or along with, the stipulation for settlement. The TTAB will forward the file to the Examining Attorney for review and entry. Any limitation on the goods or services will be approved, provided that the amendment is couched in acceptable

language (per the PTO Acceptable Manual of Identification of Goods and Services), as will trade channel limitations. Alterations to the mark will be accepted if they do not create a material alteration. For example, one can usually add or delete a hyphen or a generic term. A house mark that is already registered for essentially the same goods or services can be added to the mark. TMEP Sec. 807.14(a). Stylized lettering can be amended, generally, if the overall commercial impression remains the same. However, if the addition of any term or design would require a new search, it will be rejected. TMEP Sec. 807.14(a). Typically, the parties suspend the TTAB proceeding when an amendment is requested, to make sure that the proffered amendment will be accepted. If a stipulation of dismissal is being submitted with the amendment, the dismissal may be made conditional upon the acceptance of the amendment.

If the settlement requires abandonment of an application, this request for abandonment would be submitted with the stipulation of dismissal of the action (specifying whether the parties intend the abandonment to be with prejudice or without). If the settlement requires the voluntary cancellation of a registration, two things must be submitted with the request: the original certificate of registration (or a signed statement to the effect that the original certificate cannot be located, along with the submission of a certified copy showing status and title), and the signature of the owner of the registration, requesting cancellation (an attorney's signature will not suffice).

V. ALTERNATIVE DISPUTE RESOLUTION

Usually, the parties can resolve the dispute themselves, often with the help of their attorneys. However, some disputes are so acrimonious that the parties and their counsel simply cannot break through the hostilities and resolve the matter. Sometimes, one side or both have distorted views of the strength of their cases, or their attorneys are not sufficiently versed in the

law to advise them that their case has flaws. In other instances, the stakes are so high, or there is a substantial financial investment, such that an unbiased, disinterested third party must be called in to resolve the dispute.

While the TTAB is prepared to resolve disputes within its purview, at least as to the issue of registration, the TTAB may not be the best forum to resolve the dispute, particularly because of its limited powers. However, the case may not be adjudicable in court, for example, if the dispute concerns a pending intent-to-use application for which use has not yet been made, or as to which the priority date of the plaintiff cannot be secured because the registration has not yet issued. In those cases, the parties should consider alternative dispute resolution (ADR).

ADR can take several forms. Mediation uses a neutral third party acceptable to both parties, who can evaluate the merits of the claims and direct settlement negotiations. Mediation is non-binding and may be terminated at any stage. Typically, both parties submit a mediation statement to the mediator, outlining the facts and legal claims. The mediator meets with the parties and counsel separately, and then brings the parties together with suggestions for resolution. If the parties have confidence in the mediator, this can be a cost-effective and fairly expeditious means of resolving a dispute. Even if the process is not successful, the parties gain insight into their adversary's position and the relative merits of their positions. It is almost always helpful for the principals of the parties to hear the mediator's views on the strengths and weaknesses of the parties' claims. Also, a disinterested mediator can often devise creative suggestions for settlement.

The next level up from mediation is arbitration, which can be binding or non-binding; arbitration can be binding only upon the written agreement of both parties. Arbitration can be conducted by a single arbitrator acceptable to both parties, or by a panel of three arbitrators. Arbitration is typically more expensive than mediation, but less expensive than taking the matter to trial. The course of arbitration is more like a trial, with the presentation of evidence and briefs;

however, the proceeding is less formalistic than a trial. Also, the arbitrator has more flexibility with remedies than does the TTAB. In the case of binding arbitration, the decision is non-appealable and may be challenged only in the case of clear disregard of the law or procedure, arbitrator misconduct, or deciding a case against the clear and compelling weight of the evidence. For this reason, binding arbitration is rarely agreed to by the parties; non-binding arbitration is far more common.

The International Trademark Association and the American Bar Association maintain lists of interested neutrals for handling mediation and arbitration.

SAMPLE SETTLEMENT AGREEMENT
ASSIGNMENT AND LICENSE BACK

AGREEMENT

THIS AGREEMENT (“Agreement”) is entered into as of _____, between Company A, [address] (“Assignor”) and Company B, [address](Assignee”).

WHEREAS, Assignee claims to have been actively engaged in the worldwide use of the mark TRADEMARK (the “Assignee Marks”) in connection with its live appearances, apparel and with the marketing and distribution of records in the rock genre since June 15, 2002, and continues to so use such marks.

WHEREAS, Assignor claims to have been actively engaged in the use throughout Pennsylvania and New Jersey of the mark TRADEMARKS (the “Assignor Marks”) in connection with musical performances since 1979, and in the marketing and distribution of records since 1995 in the harmonic vocal genre, and continues to so use such marks.

WHEREAS, the parties, wishing to avoid any confusion or likelihood of confusion in the minds of the public as to the origin of goods and services sold under the TRADEMARK and TRADEMARKS marks and trade names, desire, without admitting the validity or invalidity of any claims, to resolve any and all claims, disputes, controversies, causes of action, damages, rights, liabilities and obligations whatsoever between them, including, without limitation, those claims relating to Assignee’s adoption and use of the Assignee Marks and Assignor’s adoption and use of the Assignor Marks; and

WHEREAS, to resolve any such claims, Assignee desires to acquire all right, title and interest in and to the Assignor Marks from Assignor, and Assignor desires to transfer and assign all right, title and interest in and to the Assignor Marks to Assignee, with a license back to Assignor for the continued right to use the Assignor’s Marks;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Contemporaneously with the execution of this Agreement, and in full payment for all rights and undertakings herein, Assignee shall pay to Assignor the sum of \$_____.

2. In consideration of the payment by Assignee of the amount described in paragraph 1 hereof, contemporaneously with the execution of this Agreement, Assignor shall transfer and assign to Assignee all right, title and interest in and to the Assignor Marks, together with the goodwill of the business represented by the Assignor Marks, throughout the world by executing and delivering to Assignee the Assignment attached hereto as Exhibit A. Assignor agrees to execute such additional documents and take such additional actions as may be reasonably requested by Assignee, or its successors and assigns, from time to time, at Assignee's expense for any related out-of-pocket expenses, to effectuate the intent of this Agreement, including, without limitation, providing such assistance as may be reasonably required in connection with the prosecution of the applications for registration of the Assignor Marks filed by Assignor in the United States Patent & Trademark Office.

3. As additional consideration for the execution hereof by Assignor, and subject to the terms and conditions hereof, Assignee hereby grants to Assignor, and Assignor accepts from Assignee, a royalty-free, non-exclusive license, nontransferable except in accordance with the provisions herein, right to use the Assignor Marks in the United States (the "Territory") for and in connection with musical sound recordings in the harmonic vocal genre and live musical performances in the harmonic vocal genre (the "Assignor Goods and Services").

a. In the course of producing, distributing and performing the Assignor's Goods and Services under the Assignor Marks, Assignor shall maintain and adhere to standards of quality and technical specifications so as to ensure that the quality of the Assignor Goods and Services produced, packaged and/or distributed under the Assignor Marks are consistent with the quality of the products and services heretofore sold under such marks. To ensure that such standards and specifications are maintained, Assignee and its authorized agents and representatives shall have the right, on prior written notice to Assignor, to inspect reasonable samples of Assignor's Goods and Services and of the materials used to advertise same. Assignor shall, from time to time, upon the reasonable request of Assignee, furnish to Assignee, and without cost to Assignee, reasonable quantities of samples of the Assignor Goods and Services for inspection by Assignee.

b. Assignor acknowledges Assignee's exclusive right, title and interest in and to the Assignee Marks and, on and after the date hereof, the Assignor Marks and acknowledges that nothing herein shall be construed to accord to Assignor any rights in any of the Assignor Marks or the Assignee Marks, except as expressly otherwise provided in this Agreement. Assignor will not at any time challenge Assignee's right, title or interest in the Assignor Marks or the Assignee Marks, or the validity thereof or any registration thereof or application for registration thereof, or do or cause to be done or omit to do anything which would contest or in any way impair or tend to impair the rights of

Assignee in the Assignor Marks or the Assignee Marks. Assignor will not, either during or subsequent to the term of this Agreement, use any trademark, service mark, trade name, insignia, logo or designation of origin (other than the Assignor Marks) that is confusingly similar to or a colorable imitation of any of the Assignor Marks or the Assignee Marks.

c. Assignor shall: (1) use its best efforts, as to any new materials that it creates, to cause the appropriate designation "TM," "SM," or the registration symbol "®," as appropriate, to be displayed adjacent to the Assignor Marks in connection with the first or most prominent use or display thereof and to indicate such additional information as Assignee shall reasonably specify from time to time; and (2) comply with all laws pertaining to trademarks in force. In addition, Assignor shall comply with all laws governing production, distribution, licensing, and marketing of the Assignor Goods and Services.

d. Assignor shall provide Assignee with prompt written notice of any apparent infringement of the Assignor Marks anywhere in the Territory, any petition to cancel any registration of any of the Assignor Marks anywhere in the Territory, or any attempted use of or any application to register any mark confusingly similar to, or a colorable imitation of, any of the Assignor Marks anywhere in the Territory of which it becomes aware. Assignee shall have the first right and primary responsibility to: (a) institute and prosecute any actions for such infringement of the Assignor Marks within the Territory; (b) defend any petition to cancel any registration of any of the Assignor Marks in the Territory; and (c) oppose any attempted use of or any application to register any mark confusingly similar to, or a colorable imitation of, any of the Assignor Marks within the Territory. Any damages and costs recovered through such proceedings shall belong exclusively to Assignee, and Assignee shall be solely responsible for all costs and expenses (including attorney's fees) of prosecuting such actions. Assignor shall provide Assignee with reasonably requested assistance in connection with such proceedings, and Assignee shall reimburse Assignor's reasonable out-of-pocket costs of providing such assistance, provided such costs are approved by Assignee in advance. Assignee shall obtain Assignor's written approval before entering into any compromise, settlement or stipulation in any resulting proceeding if same would materially affect the rights granted to Assignor hereunder, which approval shall not be unreasonably withheld. Assignee shall not be required to prosecute any action for infringement of the Assignor Marks within the Territory, defend any petition to cancel any registration of any of the Assignor Marks in the Territory, or oppose any attempted use of or any application to register any mark confusingly similar to, or a colorable imitation of, any of the Assignor Marks within the Territory if, in the well reasoned opinion of Assignee's counsel, such action is not advisable.

e. In the event Assignee does not institute and prosecute any action for infringement of the Assignor Marks within the Territory, defend any petition to cancel any registration of any of the Assignor Marks in the Territory, or oppose any attempted use of or any application to register any mark confusingly similar to, or a colorable imitation of, any of the Assignor Marks within the Territory (or notify Assignor of its intention to do so) within a reasonable period of time after notice thereof, Assignor shall have the right (but not the obligation) to do so either in its own name or in the name of Assignee by written notice to Assignee. Any damages or costs recovered through such proceeding shall be retained by Assignor.

f. The term of the license granted to Assignor under this paragraph 3 shall be perpetual. Notwithstanding the foregoing, the license granted to Assignor under this paragraph 3 shall terminate if Assignor shall cease to use the Assignor Marks in connection with the Assignor Goods and Services for a period of three years or more with intent not to resume use of the Assignor Marks; or if Assignor shall fail to perform in accordance with any of the other material terms and conditions contained herein and fails to cure or materially correct same within sixty (60) days after written notice thereof by Assignee.

4. Assignor represents and warrants that: (i) to the best of its knowledge (without investigation), the Assignor Marks do not violate or infringe the rights of any third party in the Territory, (ii) there are no existing claims against Assignor of which Assignor is aware that either of the Assignor Marks infringes the rights of any third party and Assignor has no reason to believe any such claims exist; (iii) the Assignor Marks are free from any and all liens, levies and encumbrances resulting from Assignor's acts or omissions; (iv) Assignor has not previously assigned or licensed to any third party any of the rights transferred and assigned to Assignee pursuant to this Agreement.

5. In the event Assignee abandons use of the Assignor Marks or Assignee Marks by discontinuing use of such marks with intent not to resume such use, Assignee shall assign back to Assignor, upon request and without further consideration, the Assignor Marks. In the event that the Assignee or any successor band ceases to exist, Assignee hereby appoints Company A president (or any of the other individuals listed above as Assignor) as its attorney-in-fact, coupled with an interest, for the sole purpose of executing an assignment of the Assignor Marks back to Assignor in the event of abandonment of the Assignor Marks as defined above.

6. In consideration of the undertakings of Assignee set forth in this Agreement, Assignor, on behalf of themselves and their predecessors, successors and assigns, and any and all legal entities owned or controlled by them, do hereby fully, unconditionally, irrevocably and forever release

and discharge Assignee, and their predecessors, successors and assigns, of and from any and all claims, demands, agreements, contracts, covenants, representations, warranties, promises, undertakings, actions, suits, causes of action, obligations, debts, costs, expenses, damages, losses and liabilities, of whatsoever kind or nature, in law or equity, whether known or unknown, which Assignor ever had, now have, or may hereafter have arising out of or relating to any events preceding the date of this Agreement, including, without limitation, Assignee's use and adoption of the Assignee Marks.

7. In consideration of the undertakings of Assignor set forth in this Agreement, Assignee, on behalf of themselves and their predecessors, successors and assigns, and any and all legal entities owned or controlled by them, do hereby fully, unconditionally, irrevocably and forever release and discharge Assignor, and their predecessors, successors and assigns, of and from any and all claims, demands, agreements, contracts, covenants, representations, warranties, promises, undertakings, actions, suits, causes of action, obligations, debts, costs, expenses, damages, losses and liabilities, of whatsoever kind or nature, in law or equity, whether known or unknown, which Assignee ever had, now have, or may hereafter have arising out of or relating to any events preceding the date of this Agreement, including, without limitation, Assignor's use and adoption of the Assignor Marks.

8. Assignor hereby agrees to, and does hereby, indemnify, save and hold Assignee harmless from any and all damages, liabilities, costs, losses and expenses (including legal costs and reasonable out-of-pocket attorneys' fees) arising out of or connected with any claim, demand or action by a third party which is inconsistent with any of the warranties, representations or covenants made by Assignor in this Agreement that is reduced to a final judgment or settled with Assignor's prior consent, which consent shall not be unreasonably withheld, delayed or conditioned. Assignee will notify Assignor of any such claim, demand or action promptly after it has been formally advised thereof.

9. Assignee hereby agrees to, and does hereby, indemnify, save and hold Assignor harmless from any and all damages, liabilities, costs, losses and expenses (including legal costs and reasonable out-of-pocket attorneys' fees) arising out of or connected with any claim, demand or action by a third party which is inconsistent with any of the warranties, representations or covenants made by Assignee in this Agreement that is reduced to a final judgment or settled with Assignee's prior consent, which consent shall not be unreasonably withheld, delayed or conditioned. Assignor will notify Assignee of any such claim, demand or action promptly after it has been formally advised thereof.

10. This Agreement shall be governed by the laws of the State of New York, without regard to New York's choice of law provisions.

11. This Agreement shall be binding upon, and shall inure to the benefit of, the parties' respective successors and assigns. This Agreement shall be deemed to have been drafted jointly by the parties, notwithstanding that one party or the other may have performed the actual drafting hereof.

12. Except where otherwise provided, all notices to be given hereunder will be in writing and addressed to the other party at the address set forth on page one hereof or at such other address as such party shall designate in writing from time to time by notice. All notices shall be served by personal delivery (provided that a written receipt shall be obtained indicating that such delivery was made), certified mail (return receipt requested) or by nationally recognized overnight courier service (such as Federal Express), all charges prepaid.

13. This Agreement constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof, and this Agreement supersedes and supplants all prior and contemporaneous agreements, understandings and discussions between the parties, whether written or oral, with respect to such subject matter. Any amendment or modification to this Agreement must be in writing and signed by both parties. No conditions precedent to the effectiveness of this Agreement exist. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same Agreement. A facsimile of an original signature on this Agreement shall be deemed an original signature.

COMPANY A

By: _____
Name: _____
Title: _____
Date: _____

COMPANY B

By: _____
Name: _____
Title: _____
Date: _____