



# Winning at Mediation: Early and Often

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# Why Mediate?

- Allows parties to address business objectives
- Allows for certainty in business planning and outcome
- Allows for implementing an exit strategy
- Avoids draconian results
- Avoids intrusive litigation and costs, e.g., discovery, depositions, disclosing trade secrets or confidential information
- Lower attorney fees and costs
- Minimizes exposure to third party claims

# Mediation Benefits: You Cannot Lose

- Assists with negotiation of settlement
- Permits for informal confidential discovery
- Should be considered promptly before OR immediately after filing a complaint
- Approx. 90% of litigations result in settlement
- Encourages creative resolution
- Forces realistic analysis of your opponent's case
- If no settlement is reached, at a minimum, you receive an impartial third party analysis of your case

# The Mediation Proceeding

- When to Mediate?
- Selecting a Mediator
- Steps Before You Mediate
- Roles and Process for the Mediation
- Complicating Factors

# When to Mediate?

- Do we need discovery?
- Early on? Or Later?
- Never say never...

# Selecting a Mediator

- Relevant legal experience and training
  - INTA Panel of Trademark Mediators
  - Former Judge; Seasoned attorney
- Experience within local jurisdiction
- Industry
- Style -- evaluator or facilitator

# Steps Before You Mediate

- Mediator Interview (confidential?)
- Which authorized representative will attend?
- Mediation Agreement
- Conferences with Mediator
- Preparatory Meeting Between Counsel and Client
- Mediation Briefs - Confidential or Shared?
- Bottom line

# Roles in Mediation

- **Clients:**
  - know settlement positions + understand rationale
  - Prepare talking points
- **Counsel**
  - Know settlement position + understand client objectives
  - Explain opponent position
  - Explain Mediator's role



# Roles in Mediation: Mediator

- Listen
- Set ground rules
- Know the business
- Know the law
- Balance/Satisfy the respective party interests/objectives
- Facilitate a settlement

# Process for Mediation

- Party's Opening Statements; or Mediator Opening? Client Statements?
- Private Mediator meetings vs. Joint
- Mediator Proposals
- Alternative Settlement Options

# Checklist of Settlement Options In Trademark Cases\*

- 1-4. adoption of a different mark.
5. Use only in conjunction with prominent house mark.
6. Grant a short or long-term license
7. Consolidate trademark ownership in one of the parties -- structure settlement as a purchase and license back, with or without royalty, depending upon the circumstances.
8. Restrict areas or manner of use
9. Provide alternative mark
10. Agree to permit use, not registration
11. Pay for the other party to change its mark, buy inventory, pay for replacement and cost of obtaining new corporate name.
12. Use disclaimer.
13. Trade foreign rights for U.S. rights.
14. Purchase mark and/or business entity
15. Use sticker with new mark or obliterate old one.
16. Consider innovative sale or exchange of needed goods or services
17. Suggest "a matter of principle," charity payment
18. Schedule short or long-term phase-out
19. Execute a large consent judgment
20. Provide floor and ceiling between conflicting offers and use arbitration
21. Agree to submit dispute to a jointly respected third party for non-binding settlement proposal
22. Structure the settlement to provide for payments in installments over time
23. Co-existence agreements are an alternative, but should only be entered into with great care.

## A Mediation Alternative...

- Software client (A) learned that a company in A's industry (X) copied A's service offering to enter into A's specific area of the industry;
- X had previously signed an agreement not to compete with A, nor use A's service offerings for any purpose
- A did not own a patent on its services offerings, nor could A prevent X from entering its specific area of the business

# The Steps to Mediation

- Attorneys for A and X arranged a face to face meeting for A and X – it did NOT go well
- Attorneys for A and X convinced their clients that settlement was a better option than litigation – less expensive; certainty; less intrusive.
- Attorneys mediated together with clients after an exchange of preliminary terms...

## A Successful Resolution...

- X agreed not to enter A's service industry – in phases over 2 years
- A was permitted to monitor X's activity
- X was not permitted to market or promote its services, but allowed to maintain its current low level of client service activity
- No money exchanged
- No admission of liability; but X recognized A's rights; X had no further access to A's services

## Some Take Aways...

- Put yourself in your opponent's shoes
- Mediation/settlement should be an option for most cases – Never say “never”
- Don't be afraid to make the call to your opponent
- Be realistic – Don't oversell
- Be creative
- Try to remove the emotional factor

# Thank You, Gracias & Obrigado!



Marc Lieberstein is a partner with Kilpatrick Townsend. Marc focuses his practice on intellectual property licensing and franchising in the consumer products/services, industrial design and fashion areas, including implementation of branding objectives. Marc also counsels clients on creating effective strategies for procuring, protecting and enforcing their global intellectual property assets, including patent, copyright and trademark prosecution, trademark opposition and cancellation proceedings in the USPTO and US Copyright Office. Marc also provides intellectual property counseling and litigation services. He frequently lectures and writes on intellectual property issues for a variety of intellectual property organizations and publications, including INTA, NYSBA IP Section, Wharton Business Law Association, NYU, ABCNY Fashion Law Committee, National Law Journal, IP Strategist and The New York Law Journal, Practical Law, The Licensing Journal. Marc has served as the SubCommittee Chair for the INTA ADR Committee Neutrals and Standards SubCommittee, and currently serves on the INTA ADR Committee, North American SubCommittee and Latin American SubCommittee.

Marc Lieberstein es un socio con Kilpatrick Townsend. Marc centra su práctica en licencias y franquicias de propiedad intelectual en las áreas de productos y servicios de consumo, diseño industrial y áreas de moda, incluyendo la implementación de objetivos de desarrollo de marca. Marc también asesora a clientes en la creación de estrategias eficaces para la compra, protección y ejecución de sus activos de propiedad intelectual globales, incluyendo procedimientos de tramitación, oposición y anulación de patentes, derechos de autor y marcas comerciales en la Oficina de Patentes y Marcas Comerciales de los Estados Unidos (USPTO) y en la Oficina de Derechos de Autor de los Estados Unidos. Marc también proporciona asesoramiento sobre propiedad intelectual y servicios de litigio. Con frecuencia da conferencias y escribe sobre temas de propiedad intelectual para diversas organizaciones y publicaciones de propiedad intelectual, incluyendo la Asociación Internacional de Marcas (INTA), la Sección de Propiedad Intelectual de la Asociación de Abogados del estado de Nueva York (NYSBA), la Asociación de Derecho Mercantil de Wharton en la Universidad de Pensilvania, la Universidad de Nueva York (NYU), la Comisión de Derecho sobre Moda de la Asociación de Abogados de la ciudad de Nueva York (ABCNY), *National Law Journal*, *IP Strategist* y *The New York Law Journal*, *Practical Law*, *The Licensing Journal*. Marc ha desempeñado como el presidente del Subcomité del Comité de medios alternativos de solución de conflictos (ADR) de INTA, el Subcomité de Neutros y Normas, y actualmente desempeña en el Comité de ADR de INTA, el Subcomité de América del Norte y el Subcomité de América Latina.

Marc Lieberstein é um dos sócios do escritório Kilpatrick Townsend. A especialidade do Marc é focada em licenciamento de propriedade intelectual e franquias de produto e serviços, desenho industrial e áreas da indústria da moda, incluindo a implementação de objetivos de *branding*. Marc também ajuda clientes criando estratégias para aquisição, proteção e aplicação dos ativos da propriedade intelectual, incluindo depósito de patentes, direito autoral e marcas, oposição de marcas e processo de cancelamento com o USPTO e o Escritório Estadunidense de Direitos Autorais. Marc também fornece conselhos e serviços de litigio relacionados a propriedade intelectual. Ele frequentemente apresenta palestras e escreve sobre problemas relacionados a propriedade intelectual para diversas organizações e publicações do meio da propriedade intelectual, incluindo INTA, NYSBA Seção de Propriedade Intelectual, Wharton Business Law Association, NYU, ABCNY Fashion Law Committee, *National Law Journal*, *IP Strategist* and *The New York Law Journal*, ADR Comittee, North American SubCommittee and Latin American SubCommittee.

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