

Randall Colson in The Wall Street Journal: Supreme Court Sides With Trademark Users in Bankruptcy Disputes

May 20, 2019 Randall Colson

PRACTICES Intellectual Property, Trademark and Advertising

Haynes Boone Partner [Randall Colson](#) talked with *The Wall Street Journal* about the U.S. Supreme Court's ruling that supports trademark users who have entrepreneurial interest in licensing deals.

Here is an excerpt:

In a ruling Monday, an 8-1 majority of U.S. Supreme Court justices determined that when a trademark owner files for bankruptcy, they don't have the power to take back rights given to a trademark user in the canceled agreement.

Companies that file for bankruptcy protection can ask federal judges to terminate unprofitable contracts—including licensing deals—early. Federal law is unclear about what happens next, triggering disagreements between bankruptcy judges across the country.

Some judges have said cutting contracts gives trademark users the power to pursue damages and continue normal operations for a period of time. Other judges said that terminating allows for damages but also takes away the trademark user's rights, including the ability to sell leftover inventory.

"That had been the big question for years and years and years," said Randall Colson of the Haynes Boone law firm in Dallas. He predicted the ruling won't be enough to trigger a rush of entrepreneurial interest in licensing deals but, rather, will give certainty to business owners already involved in those transactions.

To read the full article, click [here](#). (Subscription required)