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## BLOGS

Post-Termination Injunctions: Trademarks

# Court Enjoins Former Franchisee From Using Trademarks

A federal court in California granted a franchisor's motion to preliminarily enjoin a former franchisee from continuing to use its trademarks following the franchisee's termination for failure to pay royalties and advertising fees. *IHOP Franchising, LLC v. Hameed*, 2015 U.S. Dist. LEXIS 12021 (E.D. Cal. Feb. 2, 2015). After IHOP and its affiliates terminated the franchise agreement, Hameed continued to operate his restaurant using IHOP's trademarks. IHOP then filed suit for breach of contract, trademark infringement, and unfair competition, and moved to enforce Hameed's post-termination obligations under the franchise agreement.

The court began by holding that IHOP was likely to succeed on the merits of its trademark infringement claim because it was undisputed IHOP owned the marks in question and that Hameed had lost his right to use those marks by virtue of the termination. The court next found IHOP would likely suffer irreparable harm because Hameed's business had received very poor ratings in IHOP's internal evaluation system, and continued operation of the deficient business would damage IHOP's reputation. The balance of equities also favored an injunction because the harm that Hameed alleged he would experience—his inability to make a living when his business closed— was self-imposed. Finally, the court concluded that an injunction would serve the public interest by preventing Hameed from further misleading customers.

## Related People

### Maisa Frank

Partner  
Washington, D.C.  
202.295.2209  
[maisa.frank@lathropgpm.com](mailto:maisa.frank@lathropgpm.com)