

Sunbeam Products – Offering a Ray of Light for Trademark Licensees When Licensors File for Bankruptcy

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On July 9, 2012, the United States Court of Appeals for the Seventh Circuit issued a significant decision holding that a trademark licensee could continue to use a licensed trademark notwithstanding a bankruptcy trustee's rejection of the trademark license under Section 365(a) of Chapter 11 of the U.S. Bankruptcy Code (*Sunbeam Products, Inc. v. Chicago American Manufacturing, LLC*, Docket Number 11-3920 (7th Cir. Jul. 9, 2012)). The decision, authored by Chief Judge Easterbrook, runs counter to the longstanding and widely-held view that a trademark licensee is at significant risk of losing its license in the event of a licensor's bankruptcy.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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