Katten

ARTICLE

Selecting Who Sues: Picking the Proper Party for Offensive Trademark Litigation

Published by *The Katten Kattwalk*| Issue 30

Fall 2025

When a brand has identified a threat to its trademark rights — whether from a competitor or counterfeiter — the goal is almost always to resolve the dispute without the expense and distraction of a lawsuit. But when those letters have gone unanswered or are contested without success, filing a complaint in federal court alleging trademark infringement under the Lanham Act may be necessary.

Determining which entity should be identified as the plaintiff in a suit may be easy for some organizations. The task will be trickier for brands with corporate parent complexity or entities spread across different jurisdictions, or those spawned from an individual designer. A recently published Second Circuit case, *Ripple Analytics Inc. v. People Ctr., Inc.*, 153 F.4th 263, 2025 WL 2446314 (2d Cir. Aug. 26, 2025), discusses which party should sue for trademark infringement in a federal case. It also provides lessons on what to do (and avoid doing) if the initial complaint does not get it right.

The traditional maxim is that only a trademark owner may sue to enforce rights under the trademark.[1] Suing as the entity on the trademark registration is the obvious answer, but the realities of business — multiple licensees, intellectual property (IP) holding companies, mergers and acquisitions, losing track of assignments, and even simple miscommunication between attorney and client — mean that mistakes may be made.

For the plaintiff in *Ripple*, these mistakes ultimately led to the dismissal of its case. Ripple Analytics alleged that it owned a federal trademark for "RIPPLE" associated with human resources software, and it sued a party using "RIPPLING" for an allegedly similar product offering. Discovery unveiled that all of the trademark rights had actually been assigned to the entity's owner/chief executive officer (CEO) as an individual, even though that assignment was never recorded with the US Patent and Trademark Office (USPTO). The court and the substituted-in counsel for Ripple acknowledged that this mistake arose from "sloppy drafting" of the complaint.[2]

Such a defect should not be fatal. Rule 17 of the Federal Rules of Civil Procedure states, "An action must be prosecuted in the name of the real party in interest." But it goes on to explain that a "court may not dismiss an action for failure to prosecute in the name of the real party in interest until, after an objection, a reasonable time has been allowed for the real party in interest to ratify, join, or be substituted into the action."[3] Once corrected, "the action proceeds as if it had been originally commenced by the real party in interest." The advisory committee notes explain that this flexible rule is "intended to prevent forfeiture when determination of the proper party to sue is difficult or when an understandable mistake has been made."[4]

Ripple's mistake was that it never clearly followed any of the three clear options for curing this defect. Ripple did not join the owner/CEO to the suit, nor did it move to substitute the owner/CEO as the proper party. Instead, Ripple attempted to have the owner/CEO ratify the action via declaration:

> "I have been overseeing and participating in all legal proceedings in this matter from the beginning. I have read the complaint and am fully familiar with all of the allegations in the complaint. Any judgment obtained in this or any case pursuing the interests of Ripple will be for my sole benefit; therefore, I have a very strong interest in the outcome of this case … By this Declaration, I ratify all of Plaintiff's allegations in this case and each cause of action alleged. As a real party in interest, I am prepared to step in immediately as Plaintiff."

The lower court and the Second Circuit were not satisfied. "But that is not a ratification under Rule 17. The sine qua non of ratification is agreeing to be bound by the result."[5] Nothing the owner/CEO stated is "the same as agreeing to be bound by the result of that case."[6] This is not simple, which is a Second Circuit requirement. For this proposition, the appellate decision cited a long string of cases: *Fed. Treasury Enter.*, 726 F.3d at 83; *ICON Grp., Inc. v. Mahogany Run Dev. Corp.*, 829 F.2d 473, 478 (3d Cir. 1987) (noting that the ratifying party must "by acknowledgment or other ratifying instrument ... agree to be bound by any judgment resulting from the action"); *Wieburg v. GTE Sw. Inc.*, 272 F.3d 302, 307 (5th Cir. 2001) (same); *Mutuelles Unies v. Kroll & Linstrom*, 957 F.2d 707, 712 (9th Cir. 1992) (same); *Haxtun Tel. Co. v. AT&T Corp.*, 57 F. App'x 355, 359 (10th Cir. 2003) (same); 6A Wright & Miller's Federal Practice & Procedure § 1555 (3d ed. 2010) (defining ratification as "an arrangement by which the real party in interest authorizes the continuation of an action brought by another and agrees to be bound by its result, thereby eliminating any risk of multiple liability").

Even after the court determined that this problem would lead to dismissal of its case, Ripple attempted to skirt around this issue by offering to file an amended pleading stating that it was a licensee of the actual trademark owner.[7] This was also unsuccessful at keeping the suit alive. Although licensees *may* have the ability to sue under the Lanham Act on behalf of the actual owner, that depends on a number of options: whether the licensee is exclusive; nonexclusive, but the US distributor for a foreign mark; and what the actual terms of the agreement state.[8] In *Ripple*, there was no actual license agreement — Ripple stated that it was a "user" and "implied licensee" of the mark. Additionally, the assignment expressly assigned to the owner/CEO all rights to "institute and prosecute" any suit for rights associated with the mark.[9] Again, the decision cited a wealth of authority across circuits explaining that the rights granted in agreement between the plaintiff and the mark owner governs whether the plaintiff has standing to sue.[10] Accordingly, Ripple's motion to amend was denied.

Brands need not be overly worried about a similar result. The lower court noted that "[r]arely in civil litigation is a case dismissed" based on Rule 17.[11] This case provides an effective road map for avoiding similar problems. If miscommunication or sloppy drafting leads to the wrong party as plaintiff, there are "generous remedial procedures" to avoid such a result: joinder, ratification, assignment, substitution and even invoking certain license arrangements.[12]

Finally, note that these procedures only concern *offensive* actions. If positioned as a defendant in a trademark suit, Rule 17(a)'s requirements regarding the "real party in interest" do not govern.

---

1 *Fed. Treasury Enter. Sojuzplodoimport v. Spirits Int'l N.V.*, 623 F.3d 61, 70 (2d Cir. 2010) (quoting *Island Software & Computer Serv., Inc. v. Microsoft Corp.*, 413 F.3d 257, 259–60 (2d Cir. 2005)) ("[O]wnership of the relevant trademark is one of the 'necessary elements . . . of trademark infringement under the Lanham Act.'")

2 *Ripple Analytics Inc. v. People Ctr., Inc.*, No. 20-cv-894, 2024 WL 552801, at *3 (E.D.N.Y. Jan. 5, 2024), *report and recommendation adopted* (Feb. 5, 2024).

3 Fed. R. Civ. P. 17(a)(3).

4 *Id.* advisory committee's note to 1966 amendment.

5 *Ripple,* 153 F.4th at 269.

6 *Id.* at 270.

7 *Ripple,* 2024 WL 552801, at *4.

8 *See* 5 McCarthy on Trademarks and Unfair Competition § 32:12 (5th ed.)

9 *Ripple,* 153 F.4th at 271–72.

10 *See* 6 McCarthy on Trademarks and Unfair Competition § 32:12 (5th ed. 2021) ("[I]f the license agreement prohibits the licensee from having the right to sue, then it has no right to sue under § 43(a)."); see also *Fin. Inv. Co. (Bermuda) Ltd. v. Geberit AG*, 165 F.3d 526, 532 (7th Cir. 1998) ("Even assuming they met the statutory requirement of being a person who believes that he or she is likely to be damaged by a likelihood of confusion, the express terms of the license prohibited any of them from bringing suit in their own capacity." (quotation marks omitted)); *Kroma Makeup EU, LLC v. Boldface Licensing + Branding, Inc.*,

920 F.3d 704, 708 (11th Cir. 2019) (holding that a licensee did not have standing to sue under § 43(a) because of "the rights granted to the licensee in the licensing agreement" (quotation marks omitted

11 *Ripple Analytics Inc. v. People Ctr., Inc.*, No. 20-cv-894, 2023 WL 4763256, at *1 (E.D.N.Y. July 26, 2023), *aff'd*, 153 F.4th 263 (2d Cir. 2025).

12 *Id.*

CONTACTS

For more information, contact your Katten attorney or any of the following attorneys.

Matthew Hartzler
+1.312.902.5489
matthew.hartzler@katten.com