



**Supreme Court Sides With Trademark Owners - Rules Willfulness
Not Required For Award Of Infringer's Profits**

April 27, 2020

On April 23, 2020, the United States Supreme Court resolved a conflict among the federal circuits in ruling that the plaintiff in a trademark infringement case need not prove the defendant acted willfully when it violated plaintiff's rights in order to receive compensation for that infringement. The case is *Romag Fasteners, Inc. v. Fossil, Inc.*, 590 U.S. ____ (Case no. 18-1233, April 23, 2020), and the Justices were unanimous in their belief that, while the defendant's state of mind is important to consider, it is not a prerequisite to awarding damages.

The case involved magnetic snap fasteners Romag sells for use with leather goods such as handbags. The parties had entered into an agreement that permitted Fossil to use Romag's trademarked fasteners - which it did for a while - but eventually Romag discovered that Fossil's Chinese supplier was using counterfeit ROMAG fasteners.

The district court, following Second Circuit precedent, refused Romag's request for disgorgement of defendant's wrongful profits. The jury there found that Fossil acted "in callous disregard" of Romag's rights but stopped short of finding Fossil had acted "willfully," as that term was defined by the district court. Controlling Second Circuit precedent required that a plaintiff seeking a profits award prove defendant's violation was willful, a rule not followed by all federal circuits.

The Supreme Court explained that the Lanham Act, as the U.S. trademark law is commonly known, allows for multiple remedies for trademark infringement, including injunctive relief, damages incurred by the plaintiff, and the defendant's ill-gotten gain. And it acknowledged that the infringer's mental state is an important consideration in compensating a successful plaintiff. But in examining the language of the statute, 15 U.S.C. §1117(a), it found no express requirement that the defendant act willfully before being penalized with damages, even though willfulness is discussed in other provisions of the Act. For example, the statute does make willfulness an express precondition to awarding profits for dilution. The justices concluded "this Court [does not] usually read into statutes words that aren't there."

This ruling, applicable immediately to all cases for trademark infringement across the United States, is potentially of great importance to our clients whose rights are infringed. No longer will some federal court require we prove the infringer's intent, a task that can be frustratingly

difficult because the evidence is often subjective and circumstantial, even where - as in this case - the defendant clearly acted "in callous disregard" of the plaintiff's rights.

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