

Supreme Court Rules Showing Willfulness Not Required for Award of Profits

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The Supreme Court resolved a circuit split regarding whether a party whose trademark has been infringed must show that the infringement was willful in order to recover profits from the infringer. In *Romag Fasteners, Inc. v. Fossil, Inc.*, the Court held that willfulness does **not** need to be shown in order for a party to recover profits stemming from trademark infringement.

Relying on the text of the Lanham Trademark Act (the Act), the Supreme Court noted that the Act specifically excludes mention of willfulness with respect to a plaintiff's entitlement to damages for trademark infringement. Of further importance, according to the Supreme Court, is that willfulness is explicitly required for cases of trademark dilution. This means that the writers of the Act did not intend to impose a willfulness requirement to be eligible to recover profits in cases of outright trademark infringement.

Fossil argued that the specific reference to "principles of equity" included a willfulness requirement. The Supreme Court disagreed, saying that the phrase "principles of equity" does not bring a particular mental state to mind and, more importantly, would require the Court to read language into the Act. Instead, the Court said, "principles of equity" refers to the broader considerations of things like who the parties are, what the defenses are, and which remedies are available. The Lanham Act includes specific mental states, including willfulness, in some places—indeed, a showing of willfulness can entitle a plaintiff to substantially more damages and render additional remedies available. But, the Supreme Court ruled, the mere availability of damages in the form of profits is not dependent on whether willfulness is shown.

Going forward, trademark infringement lawsuits will likely still see plaintiffs attempting to prove willfulness, as doing so does have benefits. However, if willfulness cannot be shown, plaintiffs will **still be entitled** to recover profits from the sale of counterfeit goods.