

SCOTUS Unanimously Holds Willfulness Is Not Required To Recover Trademark Profits

The Supreme Court has held a plaintiff can recover a defendant's profits without having to prove willful trademark infringement.

Romag Fasteners, Inc. v. Fossil, Inc. involves allegations of trademark infringement over handbag fasteners. While a jury agreed that Fossil infringed Romag's trademark, it rejected the accusation that the infringement was willful. As a result, and relying on controlling Second Circuit precedent, the district court refused to award Romag the profits Fossil had earned from its trademark violation. Because other circuits disagree that a plaintiff seeking a profits award must prove a willful violation, the Supreme Court took the case.

Writing for the unanimous Court, Justice Gorsuch quickly found the text of the Lanham Act "spells trouble" for Fossil and the circuit precedent on which it relies, as the statute does not explicitly make a showing of willfulness a precondition to a profits award. The Court also noted that because the Lanham Act speaks often and expressly about mental states elsewhere—such as with treble damages, attorneys' fees, and the destruction of infringing items—the Court should not read words into the provision for recovering profits. The justices also rejected Fossil's numerous policy arguments, reasoning that policy is the function of policymakers, not the Supreme Court.

Vacating the court of appeals' judgment, the Supreme Court was careful to mention that willfulness is still an important factor to consider when weighing a damages award; however, it is not an inflexible precondition to recovery.