AWARDING A PLAINTIFF A DEFENDANT'S PROFITS IN TRADEMARK INFRINGEMENT ACTIONS: WHY COURTS SHOULD UNIVERSALLY APPLY THE BRIGHT-LINE RULE REQUIRING WILLFUL INFRINGEMENT

William Antonides III*

* Operations Editor, Rutgers Law Record; J.D. Candidate 2021, Rutgers Law School – Newark; B.A. Economics 2018, Boston College.

INTRODUCTION:

Section 35(a) of the Lanham Act, 15 U.S.C. § 1117(a), provides for recovery of a defendant's profits in trademark infringement and unfair competition cases.[1] Under Section 35(a), the remedy provision, a court may grant to the holder of a federally registered trademark who proves infringement an award of the infringer's profits, the plaintiff's damages, and attorney's fees and costs of the action, "subject to the principles of equity."[2] The meaning of "subject to the principles of equity," which is not defined in the Lanham Act, and thus has created a schism among federal circuit courts. Particularly at issue is whether the constructive language of the "principles of equity" phrase requires a showing of willful trademark infringement for a court to award the value of the infringer's profits.[3] Six circuits require a finding of willful infringement in order to obtain an infringer's profits; the remaining six allow an award for the same damages without a finding of willful infringement.[4] The former circuits have established a bright-line rule requiring a showing of willfulness for awarding profits while the latter courts only take willfulness into account as single factor among many, creating a circuit split that remains unsettled.[5]

This note seeks to analyze the issue of whether, under Section 35(a) of the Lanham Act, willful infringement should be a prerequisite for an award of an infringer's profits for a violation of Section 43 of the Lanham Act, 15 USC § 1125. This note argues in favor of the bright-line rule requiring that a plaintiff prove willful infringement as a prerequisite for a court to grant the remedy of infringer's profits in instances of trademark infringement arguing a likelihood of confusion. In doing so, this note will consider the legislative intent behind the Act, analysis of relevant precedential case law, and the effective outcome of such a decision. For the purposes of this note, "trademark infringement" is synonymous with a likelihood of confusion action.

ANALYSIS:

I. BACKGROUND

---

[1] 15 U.S.C. § 1117(a).
[2] *Id.*
[3] Jessica L. Hannah, *Is Willful Infringement Required for Award of a Trademark Infringer's Profits?*, FINNEGAN: INCONTESTABLE BLOG (Jan. 7, 2020), https://www.finnegan.com/en/insights/blogs/incontestable/is-willful-infringement-required-for-award-of-a-trademark-infringers-profits.html ("The Second, Eighth, Ninth, Tenth, and the District of Columbia Circuits require proof of an infringer's willful infringement before making the infringer's profits available to a prevailing plaintiff. The First Circuit requires only a showing of willfulness where the parties are not direct competitors. In contrast, the Third, Fourth, Fifth, Sixth, Seventh, and Eleventh Circuits consider, but do not require, an infringer's willfulness when determining an appropriate remedy, "subject to the principles of equity." (quoting 15 U.S.C. § 1117(a)).
[4] *Id.*
[5] *See id.*

The defendant's intent is highly relevant to a court's decision whether to grant profits in a Lanham Act case. It is also critical in cases where a plaintiff claims trademark dilution.[6] Though some courts hold that profits are available in a trademark infringement case even if the defendant did not act willfully, most require some level of willful behavior for such a monetary award.[7] The statutory language does not require a showing of willfulness or intent to confuse; instead, it emphasizes that any award is "subject to the principles of equity."[8]

In 1996, Congress wrote a federal cause of action for trademark dilution into the Lanham Act.[9] In 1999, Congress linked the dilution cause of action to Section 43 of the Act, specifically noting that only a willful violation will result in the plaintiff recouping the defendant's profits.[10] This additional language, as applied to trademark dilution and not to trademark infringement, led to further discord amongst circuits.[11] Because the 1999 amendment clearly links the willfulness requirement to trademark dilution, but not explicitly to infringement as a result of the likelihood of confusion, the analysis will focus primarily on the latter.[12]

In July 2017, the Ninth Circuit revisited the issue for the first time since the 1999 congressional amendment in *Stone Creek, Inc. v. Omnia Italian Design, Inc*.[13] Despite the amended language, the court reaffirmed its prior holdings, which require a finding of willful infringement for a plaintiff to attain an infringer's profits made of its trademark usage.[14] Specifically, the court found that the "willfulness" language in the 1999 amendment applying to trademark dilution claims in no way addressed or altered its conclusion that willfulness is necessary to meet the "principles of equity" requirement for trademark infringement claims.[15] This holding conformed with the United States Court of Appeals for the Federal Circuit's ruling in *Romag Fasteners, Inc. v. Fossil, Inc.*

[6] *See* Quick Techs., Inc. v. Sage Grp. PLC, 313 F.3d 338, 349-50 (5th Cir. 2002); Banjo Buddies, Inc. v. Renosky, 399 F.3d 168, 175 (3d Cir. 2005); Synergistic Int'l, LLC v. Korman, 470 F.3d 162, 175 (4th Cir. 2006); Venture Tape Corp. v. McGills Glass Warehouse, 540 F.3d 56, 63 (1st Cir. 2008); Fendi Adele, S.R.L. v. Ashley Reed Trading, Inc., 507 F. App'x 26, 31 (2d Cir. 2013); Romag Fasteners, Inc. v. Fossil, Inc., 817 F.3d 782, 791 (Fed. Cir. 2016); Stone Creek, Inc. v. Omnia Italian Design, Inc., 875 F.3d 426, 440-41 (9th Cir. 2017).
[7] *See* cases cited *supra* note 7.
[8] 15 U.S.C. § 1117(a).
[9] *See* 15 U.S.C. § 1125.
[10] *See id.*; ANNE GILSON LALONDE, GILSON ON TRADEMARKS § 14.03 (Matthew Bender ed., 2018).
[11] *See generally Stone Creek*, 875 F.3d at 439-41.
[12] *See* GILSON LALONDE, *supra* note 11.
[13] *See Stone Creek*, 875 F.3d at 426.
[14] *Id*. at 441.
[15] *Id*.

in 2016.[16] On the contrary, other circuits maintained that willfulness is only one factor among many used to determine whether to award an infringer's profits to a prevailing plaintiff.[17] The Third Circuit went as far as to flip its position based on the 1999 amendment, no longer requiring willful infringement for an award of an infringer's profits.[18]

Under current law, the Third, Fourth and Fifth Circuits merely consider willfulness a factor in disgorgement analysis,[19] whereas in the First, Second, Ninth and Federal Circuit, willfulness is an essential element to attain disgorgement of a defendant's profits.[20]

II. THEORY AND FUNCTION OF TRADEMARK PROTECTION

A. What is a Trademark? The Basics

A trademark includes any word, name, symbol, or device or any combination, used or intended to be used, in commerce to identify and distinguish the goods of one manufacturer or seller from goods manufactured or sold by others, and to indicate the source of the goods.[21] In short, a trademark is a brand name.[22] Today, consumers are constantly surrounded by trademarks and service marks. They come in a variety of forms, but whether they are words, symbols, or a combination of elements, each mark serves to identify goods or services from a particular source.[23] Trademark identification allows rational consumers—those who assume that there is a certain consistency to products or services from the same source—to use prior experiences in making future decisions between competing products or services.[24] Trademarks benefit businesses by creating and protecting goodwill, which establishes strong reputation and creates the potential to retain customers.[25] Consumers benefit in that trademarks better enable them to recognize the companies whose products or services they prefer.[26]

B. Trademark Infringement

[16] *See Romag Fasteners*, 817 F.3d at 791.
[17] *See Banjo Buddies*, 399 F.3d at 175; *Synergistic Int'l*, 470 F.3d at 175; *Quick Techs.*, 313 F.3d at 349-50.
[18] *See Banjo Buddies*, 399 F.3d at 174-175.
[19] *See id.* at 175; *Synergistic Int'l*, 470 F.3d at 175; *Quick Techs.*, 313 F.3d at 349-50.
[20] *See Venture Tape*, 540 F.3d at 63; *Fendi Adele*, 507 F. App'x at 31; *Romag Fasteners*, 817 F.3d at 791; *Stone Creek*, 875 F.3d at 440-41.
[21] John R. Kettle III et al., *Intellectual Property Law Abstract*, 37 (2017).
[22] *Trademark Basics*, U.S. PATENT AND TRADEMARK OFFICE, https://www.uspto.gov/trademarks-getting-started/trademark-basics (last visited Oct. 2, 2020).
[23] Kettle, *supra* note 22*,* at 36.
[24] *Id*.
[25] *Id*.
[26] *Id*.

Trademark infringement is the unauthorized use of a trademark or service mark on or in connection with goods or services in a manner that is likely to cause confusion, deception, or mistake about the source of the goods or services.[27] The touchstone of trademark infringement is "the likelihood of confusion."[28] In addition, trademark infringement covers "the likelihood of harm to reputation and goodwill."[29] It follows that trademark infringement does not require that an infringer uses an identical word or phrase, nor that their mark is so similar that even a person familiar with the senior mark is deceived when looking at the infringing mark, believing that it is the product of the other.[30] Rather, it is sufficient to show that an infringer adopted a trade name or a trademark which is so alike another in design, spelling, or sound that it presents a likelihood of confusion or misrepresentation to a person with some familiarity of the real trademark.[31] Courts typically apply a multifactor test, known as the "Polaroid test", to determine whether the mark infringes a prior trademark; this test includes the similarity in spelling, form, and sound of the trademarks in question; the similarity of the products involved; the prospective consumers that each product is marketed and sold to; the similarity between product purchase conditions; and the ***good-faith of the defendant***.[32]

In recent years, Congress has provided trademark owners with additional channels to recover beyond actual infringement, and in doing so bolstered the argument that bad-faith is a prerequisite to a finding of infringement.[33] In 1995, Congress enacted

[27] *About Trademark Infringement*, U.S. PATENT AND TRADEMARK OFFICE, https://www.uspto.gov/trademarks-getting-started/trademark-basics (last visited Mar. 21, 2020).
[28] Courts rely on a multifactor test to measure the likelihood of confusion for purposes of protecting a trademark, which represents the origin or source of goods or services. The likelihood of confusion factors includes:
a) The strength of the plaintiff's mark (i.e. its distinctiveness);
b) The similarity of the marks in question (i.e. whether or not the consumer is likely to believe that is from the same source as the one under plaintiff's mark;
c) The similarity of the products in question;
d) The likelihood of the senior owner to expand its products to include the same product as the alleged infringer;
e) Evidence of actual confusion
f) ***The good faith of the defendant;*** and
g) The sophistication of the buyers.
See Polaroid Corp. v. Polarad Elec. Corp., 287 F.2d 492 (2d Cir. 1961) (defining the multifactor test now known as the "Polaroid test") (emphasis added); *see also* Kettle, *supra* note 22, at 45.
[29] *See generally Polaroid*, 287 F.2d 492.
[30] *See id*.
[31] *See id.* at 495.
[32] *See Polaroid*, 287 F.2d at 492 (emphasis added); *see also* Kettle, *supra* note 22, at 45.
[33] *See* Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, § 109 Stat. 985 (1996) (codified at 15 U.S.C. § 1125(c)); Anti-Cybersquatting Consumer Protection Act, Pub. L. No. 106-113, tit. III, 113 Stat. 1501A-545 (1999) (codified at 15 U.S.C. § 1125(d) (Supp. V 1999)) (requiring a showing of "a bad faith intent to profit from the mark" in order for a plaintiff to recover).

legislation to protect trademarks and trade dress from dilution.[34] Later, in 1999, in order to address new issues related to new technology, Congress extended the protection for trademarks and trade dress to encompass online piracy.[35] The 1999 addition, as well as amendment to the dilution section, each required a showing of a bad-faith intent, or willfulness, as a prerequisite for recovery.[36]

C. Trademark Historical Overview

The earliest traces of trademarks date back to 3500 B.C. when Egyptian artisans scraped their signatures into their products to represent to customers that the clay-pot, tools, and so on, are products of their labor, and therefore, the customers could attribute certain quality and reliability standards to specific artisans.[37] This practice was also found across the globe in early Chinese dynasties where craftsmen similarly used distinctive stamps to identify and distinguish their goods from those of their competitors.[38] People continued to make wide use of identifying marks in ancient Roman society in the seventh and sixth centuries B.C. on medicines, ointments, wine, cloth, clay pottery, metal ornaments, glass vessels, and even cheese.[39] This practice continued in the old English tradition where craftsmen from various guilds would mark their products with the guild's unique identifying symbol, thus relaying the source of the goods to the buyer.[40] By the fourteenth century, English courts allowed consumers to use the trademark to regulate a guild's production or criminally punish a producer for a defective product.[41] Likewise, guilds could also seek punishments sometimes as harsh as death against producers who falsely used their symbol in commerce.[42]

Building on the trademark system developed during medieval times, and prior to Congress enacting federal legislation, trademark protection was accomplished through English and later state common law.[43] In the United States, trademark law was protected

---

[34] *See* 15 U.S.C. § 1125(c).
[35] *See* 15 U.S.C. § 1125(d).
[36] *See id.*; *see also* 15 U.S.C. § 1125(c).
[37] *See* GILSON LALONDE, *supra* note 11, at § 1.06[1] ("Through his mark, a scratchy form of commercial signature, the potter could be identified with the quality of his craftsmanship by all who saw his work.")
[38] *See* Geoffrey T. Willard, *An Examination of China's Emerging Intellectual Property Regime: Historical Underpinnings, the Current System and Prospects for the Future*, 6 IND. INT'L & COMP. L. REV. 411, 413 (1996) (stating that "the first known trademarks surfaced in China nearly 3000 years ago, during the reign of the Zhou Dynasty").
[39] *See* Gerald Ruston, *On the Origin of Trademarks*, 45 TRADEMARK REP. 127, 132-33 (1955).
[40] *See* PAUL GOLDSTEIN, COPYRIGHT, PATENT, TRADEMARK AND RELATED STATE DOCTRINES 200-24 (3d ed. 1990) (describing how trade guilds fastened a distinctive mark to their goods so that the townspeople would know that the goods came from a specific workshop).
[41] *See* Edward S. Rogers, *Some Historical Matter Concerning Trade-Marks*, 9 MICH. L. REV. 29, 33-35 (1910).
[42] *See id.* at 33.
[43] *See* James M. Koelemay, Jr., *Monetary Relief for Trademark Infringement Under the Lanham Act*, 72 TRADEMARK REP. 458, 460 (1982) ("many of the rules governing monetary relief in trademark actions are

under the common law of unfair competition, with rights accruing to the first to use the mark.[44] The area of protection under the common law is generally limited to the type of product, type of service, geographic area of use, and reasonable expansion thereof.[45] This established a "senior versus junior" concept, often summarized as "the first to use gets the territory."[46] In 1946 Congress passed a series of federal statutes, 15 U.S.C.A. §§ 1051 – 1129, as the Trademark Act. This Act, commonly known as the Lanham Act, both integrated and built upon the common law foundation.[47]

D. Modern Objectives

While the primary functions of other intellectual property laws, such as patents and copyrights, focus on producer protections and encouraging creation and innovation, trademark rights have a unique dual-purpose.[48] Trademarks serve to protect the interests of both producers and consumers, creating a more convoluted list of policies behind trademark protection.[49]

1. Protecting Producer Interests

Modern trademark protection plays an important role in safeguarding the interests of producers, and increasingly so, as trademarks continue to grow in importance as intangible assets for businesses.[50] In the same manner that it served the producers of the past, the source-designation function of trademarks is crucial for contemporary producers and ultimately forms the touchstone of traditional trademark theory.[51] The producer's ability to link its products through its trademarked brand mitigates instances of consumer confusion over the source of the products.[52] A lack of consumer confusion not only benefits consumers but also favors producers because a lack of confusion yields lower rates of customer diversion to another producer whose mark misrepresents the source of

---

found nowhere within the four corners of Section 35 [of the Lanham Act], but derive instead from the common law…").

44 *See* Kettle, *supra* note 22, at 37.

45 *Id*.

46 *Id*.

47 *Id*.

48 *See* PETER S. MENELL ET AL., INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE: 2017 866-67 (2017).

49 *See id*.

50 *See* Sean Stonefield, *The 10 Most Valuable Trademarks*, FORBES (June 15, 2011), https://www.forbes.com/sites/seanstonefield/2011/06/15/the-10-most-valuable-trademarks/#3c0fd52236b8 (noting the importance of trademarks as intangible business assets in modern society).

51 *See* GILSON LALONDE, *supra* note 11, at § 1.06[1].

52 *See* Kettle, *supra* note 22, at 36.

the product or service.[53] Customer diversion—that is, consumers purchasing goods that they believe are from one producer but are actually from an infringer—means the former producer lost a probable sale.[54] For example, if a consumer sets out to purchase a Big Mac® ("Big Mac") from McDonald's™ ("McDonald's"), but instead purchases a Big Mick from McDowell's, believing it is actually a Big Mac, McDonald's has lost that consumer's purchase.[55]

In addition to trade diversion, consumer confusion also threatens a trademark holder's product or mark reputation.[56] If a customer is confused about the source of a good and ends up purchasing the infringer's product, the consumer will misattribute any defects or dissatisfaction with the infringing product to the senior producer.[57] For instance, if a person purchases a Big Mick cheeseburger, believing that it is a Big Mac or somehow affiliated with McDonald's, and the cheeseburger lacks the standard and uniform quality of the ingredients expected, that consumer's dissatisfaction would be misattributed to McDonald's. [58] As a result, McDonald's invariably suffers damage to its reputation as a reliable producer of an undeviating cheeseburger product.[59] Producers, therefore, use trademark protection to retain control over the reputation and goodwill of their mark, protecting it against parties seeking to appropriate this same reputational mark for their own advantage.[60] Trademark policing mechanisms coupled with injunctive and pecuniary remedies dissuade bad-faith trademark infringement and dilution, which protects a producer's investment in the mark.[61]

On the other hand, when consumers properly identify a producer's mark and associate the mark with higher quality goods or services, producers rightfully receive economic benefits.[62] Because trademark rights protect a producer's brand reputation,

---

[53] *See* Robert C. Denicola, *Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols*, 1982 WIS. L. REV. 158, 160 (1982) ("The law of trademarks . . . has its roots in the common law action of deceit. The gravamen of the complaint was that the defendant had fraudulently marketed goods by utilizing an imitation of the plaintiff's trademark. Injury to the aggrieved trademark owner was direct: diversion of trade through a misrepresentation of the source of defendant's merchandise.").
[54] *See id.*
[55] *See id.*; *see also* COMING TO AMERICA (Paramount Pictures 1988).
[56] *See* Denicola, *supra* note 54, at 163 ("But there is an additional threat inherent in such circumstances: if the consumer remains mistaken about the origin of the products purchased from the infringer, any subsequent dissatisfaction will be at the expense of the senior user's reputation and good will.").
[57] *See id.*
[58] *See id.*
[59] *See id.*
[60] *See id.*
[61] *See* MENELL ET AL., *supra* note 48, at 867-68. (This investment includes the monetary and time investment in: the creation and advertising of a mark, the advertising of the product associated with the mark, and the implementation of other product-related investments, such as high-quality materials, equipment, and quality assurance).
[62] *See* William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 270 (1987).

customers are more likely to repeat-purchase, refer the product to other customers, and to pay a premium price for goods they identify as higher quality, which causes a higher sales volume and higher revenues.[63] For example, if consumers believe that Nike produces higher quality products than their competitors, they will generally pay higher prices for Nike products.[64]

Conversely, free-riding can limit or eliminate the economic incentive to invest in and develop a mark.[65] An infringer leeches off the goodwill of a strong trademark because some consumers will erroneously assume that the infringer's goods are also of high quality, eventually eroding the incentive of investing in the mark.[66] Therefore, adequate trademark protections are necessary to protect the reputation of existing marks and the incentive to continue to invest in current marks, as well as future opportunities to create a new mark.[67]

2. Protecting Consumer Interests

Today, trademarks play a prevalent role in everyday life by identifying a product's source. They also play an important role in protecting the consumer's interests.[68] As mentioned, trademarks allow consumers to distinguish one manufacturer's goods from those of another, preventing a likelihood of consumer confusion.[69] For example, consumers know when they are purchasing a McDonald's burger versus a Burger King burger. This function also prevents consumers from being deceived by, for example, purchasing a competitor's inferior or defective product thinking it is from a different producer.[70] Consumers have a right to purchase desired goods from a specific source without deception or misrepresentation, even if they lack standing to sue under the Lanham Act.[71] This foundation finds its roots in the traditional tort-based policy that courts have an overriding duty to protect the public, which, here,

---

[63] *See id.* ("Once the reputation is created, the firm will obtain greater profits because repeat purchases and word-of-mouth references will generate higher sales and because consumers will be willing to pay higher prices for lower search costs and greater assurance of consistent quality.").
[64] *See id*.
[65] *See id*.
[66] *See id.* ("If the law does not prevent it, free riding will eventually destroy the information capital embodied in a trademark, and the prospect of free riding may therefore eliminate the incentive to develop a valuable trademark in the first place.").
[67] *See id.*
[68] *See* GILSON LALONDE, *supra* note 11, §§ 1.03[1], [6].
[69] *See* Kettle, *supra* note 22, at 37.
[70] *See* Frank I. Schechter, *The Rational Basis of Trademark Protection*, 60 TRADEMARK REP. 334, 338 (1970).
[71] *See* GILSON LALONDE, *supra* note 11, §§ 1.03[6][a].

is a duty to enjoin the use of infringing marks in order to protect the public from confusion and deceit.[72]

Moreover, trademarks assure that the customer receives a consistent quality or other specific feature associated with a brand or mark.[73] Thus, a customer can simply enter a store and generally know the attributes of the product from the product's trademark before they even pick up or try out the item.[74] In this fashion, trademarks are economically efficient for consumers, allowing them to benefit from the concise facts of a product that they can identify upon seeing a trademark or brand symbol.[75] Additionally, it accelerates the rate of transactions.[76] As an illustration, imagine a consumer knows he or she would like to purchase Bud Light's most recent fruit-flavored, carbonated, alcoholic-beverage. It is much more efficient for the consumer to simply ask for a "Bud Light Seltzer."[77]

The grounds for trademark protection have developed over thousands of years and countless societies.[78] From Egyptian artisans and Chinese merchants, to modern-day international corporate enterprises, trademarks have evolved to protect the interests of both the consumer and the producer.[79] These functional protections reduce consumer confusion and deception, incentivize investment, and promote economic efficiency.[80] In the United States, the Lanham Act encompasses all of these trademark protections and makes each protection available to trademark holders.[81] However, courts cannot fully agree on the interpretation of certain aspects of the Lanham Act's remedies provision, which serves to deter infringing conduct.[82]

III. THE LANHAM ACT AND AMENDMENTS

A. Statutory Overview

The Lanham Act was passed in 1946 and governs federal trademark law in the United States.[83] Section 35 of the Lanham Act governs the award of monetary relief in

---

[72] *See* Schechter, *supra* note 71, at 338.
[73] *See In re* XMH Corp., 647 F.3d 690, 695-96 (7th Cir. 2011).
[74] *See id.*
[75] *See* Landes & Posner, *supra* note 63 at 268-69.
[76] *See id*.
[77] *See id*. (illustrating a similar analogy to a consumer asking in a retail store for "decaffeinated coffee made by General Foods" compared to simply asking for "Sanka", which is shorter to say, requires the consumer to remember less, and requires the waiter or clerk to remember and read less).
[78] *See* GILSON LALONDE, *supra* note 11, at § 1.06[1].
[79] *See id*.
[80] *See id*.
[81] *See generally id*. at § 1.04[2] (describing the Lanham Act and the function of each section).
[82] *See* cases cited *supra* note 7.
[83] *See* GILSON LALONDE, *supra* note 11, at § 1.04.

suits for the infringement of federally registered marks.[84] Since the Trademark Law Revision Act of 1988 ("TLRA"), Section 35 expressly applies to suits under Section 43(a) when no registered mark is involved, confirming prior holdings that the absence of such an express statutory provision was a legislative oversight.[85] Plaintiffs may also properly employ Section 35 to structure relief in civil contempt cases involving violations of injunctions against trademark infringement.[86]

Trademark infringement may occur in two ways: (1) when there is a likelihood of confusion, if the consumer is unable to accurately identify the source of goods or services in the marketplace; or (2) when there is a likelihood of dilution, if the use of the infringing mark erodes the senior mark holder's good will.[87] By its very definition, "likelihood of confusion" seeks to protect the interests of consumers more so than those of producers, whereas "likelihood of dilution" tends to favor the interests of producers.[88] As previously noted, the 1999 amendment explicitly covers likelihood of dilution, and thus only the likelihood of confusion is at issue presently.[89]

The circuit split involving the awarding of the defendant's profits in an infringement action focus on the wording in the remedies provision of the Act, Section 35 codified as 15 U.S.C. § 1117.[90] Chiefly, the courts' disparate interpretations of the phrase, "subject to the principles of equity" set up the foundation for the ongoing disagreement.[91]

IV. CIRCUIT SPLITS

The vagueness of the "subject to the principles of equity" wording in the pre-amended Lanham Act sparked the preliminary division among the federal courts of appeals on the willfulness requirement.[92] The courts could not come to a consensus as to whether "the principles of equity" required a showing of willful infringement when awarding a defendant's profits, likely due to confusion-based infringement actions.[93] While the momentum initially shifted in favor of eliminating or qualifying the bright-line

---

[84] 15 U.S.C. § 1117.
[85] *See id.*
[86] *See id.*
[87] Kettle, *supra* note 22, at 45.
[88] *Id.*
[89] *See* GILSON LALONDE, *supra* note 11, at § 14.03.
[90] *See id.*
[91] *See Stone Creek*, 875 F.3d at 440-41.
[92] See *id.* at 439-40.
[93] *Id*.

rule after the 1999 amendment, the most recent cases support maintaining the rule, leaving the split issue still unanswered.[94]

A. Pre-1999 Amendment Circuit Split

During the pre-1999 era, the federal courts of appeal developed two opposing interpretations: one that mandated a showing of willfulness to award profits and one that viewed willfulness as merely one factor in the overall determination of whether an award of profits is appropriate.[95] Until Congress passed the 1999 amendment and compelled intra-circuit review, circuits relied solely upon previous precedent within the circuit and remained soundly rooted within their interpretations, with few limited exceptions.[96]

1. Circuits without the willfulness requirement

The first approach in the original willfulness requirement circuit split, followed only by the Fifth and Seventh Circuits,[97] determined the lower burden that a showing of willfulness represented but one of many factors to consider in weighing whether a court can order the plaintiff an award of the defendant's profits in a trademark infringement action.[98] Although their reasonings differed, the overarching justification of both circuits fundamentally reflected an attempt to "balance equities" rather than to use a bright-line rule.[99]

In *Otis Clapp & Sons, Inc. v. Filmore Vitamin Co.,* a case concerning the award of attorneys' fees for a copyright infringement violation, the Seventh Circuit stated the trial court's role in Lanham Act cases was "to make violations … unprofitable to the infringing party."[100] Four years later, the court attempted to expand this line of reasoning to the disgorgement of profits in *Roulo v. Russ Berrie & Co.*[101] The court in *Roulo* hastily brushed over the subject and implied that this statement merely highlighted the lack of an express requirement that the parties willfully infringe to justify an award of profits.[102] The court further opined that rationales such as unjust enrichment, deterrence, or compensation might be adequate to sustain such an award.[103] Despite arguing that the intent to infringe is not required, the court ultimately hinged its ruling on evidence of the

[94] *See Quick Techs.*, 313 F.3d at 349-50; *Banjo Buddies*, 399 F.3d at175; *Synergistic Int'l*, 470 F.3d at 175; *Romag Fasteners*, 817 F.3d at 791; *Stone Creek*, 875 F.3d at 440-41.
[95] See *Stone Creek,* 875 F.3d at 440.
[96] *See* cases cited *supra* note 95.
[97] *See Stone Creek*, 875 F.3d at 440-41.
[98] *See id*.
[99] *See* Danielle Conway-Jones, *Remedying Trademark Infringement: The Role of Bad Faith in Awarding an Accounting of Defendant's Profits*, 42 SANTA CLARA L. REV. 863, 889–90 (2002).
[100] Otis Clapp & Son, Inc. v. Filmore Vitamin Co., 754 F.2d 738, 744 (7th Cir. 1985).
[101] *See* Roulo v. Russ Berrie & Co., 886 F.2d 931, 941 (7th Cir. 1989).
[102] *Id*.
[103] *Id*.

defendant's "intentional imitation" of plaintiff's product.[104] The court chose to examine defendant's "intentional imitation" under the lenses of unjust enrichment and deterrence rationales — despite the evidence supporting a willfulness approach — to accomplish the self-made objective of making infringement unprofitable by carving out additional recognized channels to award profits under general equitable principles.[105]

Similarly, the Fifth Circuit weakly rejected the bright-line rule established in a majority of the circuits.[106] In 1998, in *Pebble Beach Co. v. Tour 18 I Ltd.*, the court laid out a multi-factor test, expressly recognizing that the Fifth Circuit does not require the presence of any one factor in order to award profits.[107] Although the court discussed the need for flexibility on a case-by-case basis as exemplified by the uniqueness of this case involving duplicated golf courses, the court's ultimate decision again is contingent upon a consideration of, "whether the defendant had the intent to confuse or deceive."[108] The court affirmed the trial court's ruling, which disfavored any award of profit, noting that a case of willful infringement is normally an appropriate case for an award of profits and injunctive relief is appropriate where no such finding is made.[109]

In summary, while both the Fifth and Seventh Circuits tried to carve out additional basis for awarding a plaintiff with defendant's profits in a trademark infringement action, each of the circuits relied heavily on the defendant's willful imitation of plaintiff's trademarked material.[110] Although their analyses separated from the historical bad-faith intention requirement, an element of intentional action still remained.[111]

The Fifth and Seventh Circuits adherence to a flexible, equity-based balancing approach to willfulness in infringement actions starkly contrasted the strict bright-line rule followed by the remaining circuits.

2. Circuits with the willfulness requirement

The second school-of-thought in the pre-1999 Lanham Act circuit split required a showing of willfulness to award a defendant's profits to the plaintiff in a trademark

[104] *Id*.
[105] *Id*.
[106] *See* Pebble Beach Co. v. Tour 18 I Ltd., 155 F.3d 526, 554-55 (5th Cir. 1998).
[107] *Id*. at 554.
[108] *Id.* at 554-55.
[109] *Id.* at 555.
[110] *See Pebble Beach*, 155 F.3d at 554-55; *Roulo*, 886 F.2d at 941.
[111] *See generally Pebble Beach,*155 F.3d 526; *Roulo*, 886 F.2d 931.

infringement action.[112] These circuits embraced a bright-line rule rather than judicially constructing a multi-factor approach.[113] This sect came to include the Second, Third, Ninth, and District of Columbia Circuits.[114]

Groundwork for the Second Circuit's zealous advocacy for the willfulness requirement in trademark infringement actions traces back as far as 1965.[115] In the pre-amendment era the Second Circuit actually went as far as to require willful infringement to award any damages under Section 35(a).[116] More recently, prior to the 1999 amendment, the Second Circuit doubled down on its approach and declined to apply a multi-factor test for fear of a "draconian" result.[117] As noted in its decision in *George Basch Co. v. Blue Coral Inc.*, traditional damages are awarded as the calculable loss to the plaintiff without reference to the utility gained by the defendant.[118] If courts allow themselves to grant both awards, they may overcompensate plaintiffs for their loss, and in turn create a windfall judgment for the plaintiff at the expense of the defendant.[119]

On these grounds, the Second Circuit denied George Basch an award of Blue Coral's profits gained in using a metal polish can which infringed on Basch's trade dress.[120] In doing so, the court argued the evidence showed only that Blue Coral intended to compete in the market, and did not intend to violate Basch's rights or deceive consumers.[121] In this instance, the Second Circuit's interpretation requires the plaintiff to bear the burden to demonstrate entitlement to monetary relief, in order to balance the principles of equity.[122]

The Third Circuit weighed in on the divisive issue just prior to the enactment of the 1999 amendment, deciding that a bright-line test was the key to deciphering the principles of equity dilemma.[123] In *SecuraComm Consulting Inc. v. Securacom Inc.*, the Third Circuit scrutinized the district court's award of 10% of profits to the plaintiff, SecuraComm Consulting, which the district court had justified with a deterrence theory

[112] *Stone Creek*, 875 F.3d at 442.
[113] *Id*.
[114] *See* cases cited *supra* note 20.
[115] *See* Monsanto Chem. Co. v. Perfect Fit Prods. Mfg., 349 F.2d 389, 390-93 (2d Cir. 1965) (holding for an award of profits based on the defendant's willful infringement).
[116] *See* Chanel, Inc. v. Veronique Idea Corp., 795 F. Supp. 2d 262, 268-269 (S.D.N.Y 2011) (discussing movement by district courts within the Second Circuit to allow damages without willful infringement after the 1999 amendment but keeping the requirement for award of defendant's profits).
[117] George Basch Co. v. Blue Coral Inc., 968 F.2d 1532, 1540 (2d Cir. 1992).
[118] *Id*.
[119] *Id*.
[120] *Id*. at 1541.
[121] *Id*.
[122] *See* Conway-Jones, *supra* note 100, at 912.
[123] SecuraComm Consulting Inc. v. Securacom Inc., 166 F.3d 182, 190 (3d Cir. 1999) (holding that a plaintiff must prove that an infringer acted willfully before the infringer's profits are recoverable.).

that was not compensatory in nature.[124] Because the Court found no evidence showing the defendant knew it was copying the plaintiff's mark, the Third Circuit reversed the district court's award of profits, determining that the defendant did not willfully infringe.[125] The court established the principle that a failure to conduct a trademark search for similar marks is not a sufficient basis to determine that infringement is willful, absent exigent factors determining a party was on notice that a search is necessary, such as evidence of knowledge of another using a similar name.[126]

The final apostle of the bright-line rule is the District of Columbia Circuit, which adopted the rulings and reasoning of the Second Circuit on the willfulness issue, almost identically, in its *ALPO Petfoods, Inc. v. Ralston Purina Co.* decision.[127]

The Ninth Circuit was the only circuit that altered in its viewpoint prior to the 1999 amendment.[128] Initially in its 1979 *Faberge, Inc. v. Saxony Products, Inc*. the court opted to follow the Fifth and Seventh Circuits' approach of balancing a number of factors, but in 1993 "the court's opinion changed in *Lindy Pen Co. v. Bic Pen Corp*., and it has remained in favor of the bright-line rule ever since."[129] Strangely enough, both opinions cited to *Maier Brewing Co. v. Fleischmann Distilling Corp.*, 390 F.2d 117, 121 (9th Cir. 1968), but came to opposite outcomes.[130]

In *Lindy Pen Co.*, both the Lindy Pen Company and Bic Pen Corporation used the word "auditor's" on the containers of their respective pen products, but Lindy held superior rights to the mark.[131] The district court refused to award Lindy Pen Company an award of Bic's profits on pens using the mark, despite finding that there was a likelihood of confusion amongst consumers.[132] The Ninth Circuit affirmed the lower court's holding, stating that profits must be granted in light of equitable considerations,

[124] *Id*. at 189-90; SecuraComm Consulting Inc. v. Securacom Inc., 984 F. Supp. 286, 303 (D.N.J. 1997) ("By awarding the profits of a bad-faith infringer to the rightful owner of a mark promote the secondary effect of deterring public fraud regarding the source and quality of consumer goods and services." (quoting *Birthright v. Birthright, Inc.* 827 F. Supp. 1114, 29 U.S.P.Q.2d 1081 (D.N.J.1993))).
[125] *SecuraComm*, 166 F.3d at 190-91.
[126] *Id*. at 188-89.
[127] ALPO Petfoods, Inc. v. Ralston Purina Co., 913 F.2d 958 (D.C. Cir. 1990) (holding that an award based on a defendant's profits requires proof that the defendant acted willfully or in bad faith).
[128] *See* Conway-Jones, *supra* note 100, at 894-99.
[129] Timothy D. Kroninger, *Awarding Profits in Trademark Infringement Actions: Reconciling the Circuit Split on the Willfulness Requirement With Underlying Trademark Rationales*, 2018 MICH. ST. L. REV. 793, 816 (2018). *See* Faberge, Inc. v. Saxony Products, Inc., 605 F.2d 426, 429 (9th Cir. 1979); Lindy Pen Co. v. Bic Pen Corp., 982 F.2d 1400, 1405-06 (9th Cir. 1993).
[130] *See* Conway-Jones, *supra* note 100, at 894-98; *Faberge*, 605 F. 2d at 428*; Lindy Pen*, 982 F. 2d at 1404; *Maier Brewing Co. v. Fleischmann Distilling Corp.*, 390 F.2d 117, 121 (9th Cir. 1968).
[131] *See Lindy Pen*, 982 F.2d at 1403-04.
[132] *Id.* at 1403-04, 1411.

and equity dictates that a plaintiff must show a defendant's actions were accompanied by intent, which in these particular circumstances, Lindy Pen Company could not show.[133]

To reiterate, prior to the 1999 Amendment, the majority of circuits were in favor of a bright-line rule, which interpreted equitable considerations to require a finding of willful infringement.[134]

B. Post-1999 Amendment Circuit Split

The 1999 amendment to the Lanham Act reopened and deepened the circuit split over whether awarding a defendant's profits requires a showing of willful infringement.[135] Congress passed the amendment to correct a drafting error, where the initial section failed to link the new trademark dilution cause of action to the Act’s remedies provision.[136] Thus, the amendment connected the trademark dilution cause of action to the recovery §15 U.S.C. § 1117(a) of the Lanham Act.[137] The amendment clarifies that Congress intended to allow plaintiffs to recover damages upon prevailing in a trademark dilution claim and added statutory language to necessitate a finding of willfulness in order to receive such remedies.[138] This modification deepened the confusion amongst and between the circuits, as the circuits disagreed not only over the interpretation of the “principles of equity” phrasing, but also its relation to the word “willful” in additional to whether the willfulness requirement is applicable to non-dilution actions under the plain-language of the statute.[139]

In 2002, the Fifth Circuit was the first circuit to adjudicate on the impact of the 1999 amendment with the trademark infringement case *Quick Technologies, Inc. v. Sage Group PLC*.[140] Here, although the Fifth Circuit acknowledged the fact that Congress enacted the 1999 amendment, it did not in any way analyze the amendment itself beyond merely mentioning the amended statute’s “plain language.”[141] In *Quick Technologies,* the Fifth Circuit held that the district court’s jury instruction that an award of the

---

[133] *Id*. at 1405-06.
[134] *See* cases cited *supra* note 21.
[135] *Stone Creek*, 875 F.3d at 439, 441-42.
[136] *See id*. at 440. (“But Congress failed to make the requisite cross-reference in § 1117(a) to harmonize that section with the amendment and soon discovered the missing link between the two statutory provisions. That statutory mismatch spurred the 1999 amendment.”).
[137] *See id*. at 440-41.
[138] *See id*. (Congress' revision specifically added the availability for remedies when establishing a “*willful* violation” under the dilution provision. § 1117(a) (emphasis added)).
[139] *See id*. at 441; *see also* David Welkowitz, *Willfulness*, 79 ALB. L. REV. 509, 514 (2016) ("Moreover, the addition of 'willful violation of section 1125(c)' caused interpretive issues with the rest of the section…after the language was added, courts disagreed on the proper interpretation of the rest of the section.”).
[140] *See Quick Techs.*, 313 F.3d at 349-50 (5th Cir. 2002).
[141] *See id*. at 348. (“It is important to note, however, that prior to the amendment of § 1117(a) on August 5, 1999, there were no references to the term ‘willful’ in § 1117(a), thus the decisions of our sister circuits are of limited utility to the decision we are faced with today.”).

defendant's profits was only proper if the infringement was willful constituted error.[142] Although the Court did not overturn its long-standing precedent and chose not to adopt a bright-line rule requiring willfulness, it wholly acknowledged that willful infringement remains one of the most essential factors it considers in an overall analysis.[143]

The Third Circuit was the next court to address the 1999 amendment's impact on the willfulness requirement in 2005.[144] Unlike the Fifth Circuit in *Quick Technologies*, the Third Circuit in *Banjo Buddies, Inc. v. Renosky* analyzed the 1999 amendment and then switched sides on the willfulness issue, holding that its previous position was no longer consistent with the statute.[145] The Third Circuit's reasoning assumes that when Congress added willfulness language to trademark dilution actions (§ 43(c)), but did not add the same to § 43(a), it therefore intended to supersede previous circuit court decisions holding willfulness as a prerequisite.[146] Despite the fact that there were no previous decisions using a factor-based approach, the Third Circuit in *Banjo Buddies* endorsed and applied the Fifth Circuit's *Quick Technologies* multi-factor test for determining whether profits should be awarded.[147]

Prior to the 1999 amendment, the Fourth Circuit had not arbitrated the role of willfulness in awarding profits in an infringement action.[148] However, in 2006's *Synergistic International, LLC v. Korman*, the Fourth Circuit joined the Third and Fifth Circuits, holding that willfulness is an important — but not dispositive — factor in the overall analysis.[149] In coming to its decision, the Fourth Circuit did not address the "principles of equity", but rather focused exclusively on Congress' addition to the Lanham Act § 43(c).[150] Like the Third Circuit, the Court concluded that the "willful violation" language included in the trademark dilution cause of action in the amended Lanham Act suggested that Congress did not intend the willfulness requirement for an

[142] *See id*. at 350.
[143] *See id*. at 349. ("It is obvious from our cases that willful infringement is an important factor which must be considered when determining whether an accounting of profits is appropriate . . . we decline to adopt a bright-line rule in which a showing of willful infringement is a prerequisite to an accounting of profits.").
[144] *See Banjo Buddies*, 399 F.3d at 174-75.
[145] *See id*. at 175.
[146] *See id.* at 174.
[147] *See id.* at 175. ("Relying on the *Quick Technologies* factor-based approach … we further conclude that the District Court did not abuse its discretion . . . ."). For the *Quick Technologies* factor-based approach, derived directly from *Pebble Beach*, see *Quick Techs.*, 313 F.3d at 348-50.
[148] *See* Conway-Jones, *supra* note 100, at 903.
[149] *See Synergistic Int'l*, 470 F.3d at 175 ("We agree … that although willfulness is a proper and important factor in an assessment of whether to make a damages award, it is not an essential predicate thereto. . . . In other words, a lack of willfulness or bad faith should weigh against an award of damages being made, but does not necessarily preclude such an award.").
[150] *See id*. at 175 n.13.

award of a defendant's profits to extend to a plaintiff's action for trademark infringement.[151] Reflecting the decisions of the Third and Fifth Circuits, the Fourth Circuit adopted the same factor-based approach put forth in *Quick Technologies*.[152]

Since 1999, other courts have acknowledged the presence of the amendment but have not overturned precedent regarding the willfulness requirement in favor of a new factor-based test.[153] For example, after the amendment, the First Circuit specifically declined to address the willfulness requirement in two separate cases decided in 2002 and 2008.[154] Thus, the First Circuit precedent shows favor for the bright-line rule.[155] Similarly, the Second Circuit, a steadfast advocate of the bright-line rule prior to the 1999 amendment, declined the opportunity to alter its position on the issue in 2013 and instead reaffirmed its bright-line rule.[156] And in fact, the Federal Circuit, applying Second Circuit law, later ratified the Second Circuit's approach.[157]

Despite the other circuit's early responses to the amendment, the two most recent cases on the willfulness split come from the Federal Circuit in 2016 and the Ninth Circuit in 2017; in both cases, the courts held according to the bright-line rule requiring willfulness to award profits.[158] In *Romag Fasteners, Inc. v. Fossil, Inc.*, the Federal Circuit, applying Second Circuit law, found that Second Circuit precedent predating 1999 requiring a plaintiff to show willfulness under the "principles of equity" was still good law, notwithstanding the 1999 amendment.[159] The Court specifically considered all the circumstances surrounding Congress' adoption of the amendment in reaching its conclusion.[160] Ultimately, the Court determined that Congress' intent in passing the 1999 amendment was specifically limited to correcting only an error in the dilution cause of action, and further, the legislative history gave no indication that Congress had any intention to make a change to the law of trademark infringement for likelihood of confusion-based claims.[161] More precisely, the Court noted that had Congress intended

[151] *See id*.
[152] *See id*. at 175.
[153] *See, e.g.*, *Fendi Adele*, 507 F. App'x at 31; *Venture Tape*, 540 F.3d at 63.
[154] *See Venture Tape Corp.*, 540 F.3d at 63; *see also* Tamko Roofing Prods. Inc., v. Ideal Roofing Co., Ltd., 282 F.3d 23, 36 (1st Cir. 2002).
[155] Aktiebolaget Electrolux v. Armatron Int'l, Inc., 999 F.2d 1, 5 (1st Cir. 1993) ("We have found 'a clear distinction between the showing required to establish a right to injunctive relief and that required to establish a right to damages.'") (quoting *Camel Hair and Cashmere Inst. of Am., Inc. v. Associated Dry Goods Corp.*, 799 F.2d 6, 12 (1st Cir. 1986)).
[156] *See Fendi Adele*, 507 F. App'x at 30-31 ("Once liability is established, Fendi's entitlement to Ashley Reed's profits depends upon whether the infringement was willful.")
[157] *See Romag Fasteners*, 817 F.3d at 791.
[158] *See Stone Creek*, 875 F.3d at 441; *Romag Fasteners*, 817 F.3d at 791.
[159] *See Romag Fasteners*, 817 F.3d at 789-91 ("[W]e see nothing in the 1999 amendment that allows us to depart from Second Circuit precedent requiring willfulness for the recovery of profits in infringement cases.").
[160] *See id*.
[161] *See id*. at 789-90 ("[T]he legislative history indicates only that Congress sought to correct the mistaken omissions . . .. In short, there is no indication that Congress in 1999 intended to make a change in the law

to resolve circuit conflict they would have acknowledged such in their discussions surrounding the amendment.[162]

The Ninth Circuit in *Stone Creek* conducted an analysis similar to the Federal Circuit in *Romag Fasteners*.[163] The Court in *Stone Creek* built upon the Federal Circuit's analysis and, realizing the importance of the case, took an even more detailed approach in addressing the significant circuit split issue.[164] The Court proceeded, detailing the history of the circuit split over the willfulness requirement and then delved deeply into the context of the 1999 amendment, including Congress' decision-making process.[165] The Ninth Circuit's analysis led it to the same conclusion as the Federal Circuit, finding that the 1999 amendment was illustrative, that Congress only intended to correct a drafting error and distinctly did not alter, or even mention, the original "subject to the principles of equity" language.[166] Consequently, the Ninth Circuit maintained its bright-line rule.[167]

The Ninth and Federal Circuits' recent decisions changed the tide of the debate in favor of the bright-line rule. However, despite the fresh decisions advocating that the 1999 Amendment does not change the substantive provisions in the Lanham Act, the relationship of the underlying principle of equity to willful infringement is still a subject of disagreement between the circuits.[168] Currently, six circuits advocate for a factor-based approach in which willfulness is not required for awarding a defendant's profits, and six circuits support the bright-line approach where willfulness is absolutely required for awarding a defendant's profits.[169] Of the circuits that have revisited the issue after the 1999 amendment, only the Fourth Circuit determined that the amendment required it

of trademark infringement as opposed to dilution. The history does not even acknowledge the pre-1999 split in the courts of appeals on the willfulness requirement for a recovery of infringer's profits, much less indicate a desire to change it. Given the alleged significance of the purported change, one would have expected to see an acknowledgement or discussion from Congress of the courts of appeals cases in the relevant area if Congress had intended to resolve the circuit conflict.").

[162] *See id*.

[163] *See Stone Creek*, 875 F.3d at 441-42.

[164] *See id*. at 439-42 (noting that the history of the circuit split, and the evolution of the remedies provision is imperative to properly understanding the impact of the 1999 amendment).

[165] *See id*. at 441.

[166] *See id.* at 441-42.

[167] *See id.* ("Congress created a new predicate – namely, a willful violation of § 1025(c) – that permits monetary recovery. But it did not touch the other language in § 1117(a), which has consistently provided for an award of defendant's profits under the 'principles of equity.' Our holding in *Lindy Pen* – that a plaintiff can secure the defendant's profits only after establishing willfulness – is based entirely on an interpretation of that unaltered language.").

[168] *See id*. at 442.

[169] Hannah, *supra* note 4.

to discard the bright-line rule.[170] In contrast, the First, Second, Federal, and Ninth Circuits affirmed maintaining the willfulness requirement.[171] Given the integral role that trademarks play in modern society, it is imperative to analyze and resolve the circuit split in favor of the approach that best limits and deters infringement, while simultaneously respecting congressional intent without providing a windfall for plaintiffs.[172]

V. ADOPTING THE BRIGHT-LINE WILLFULNESS REQUIREMENT

Since the implementation of the provision in question, circuit courts have uniformly recognized that a defendant's wrongful intent can justify an award of profits to deter future infringement, but a conflict developed over just how egregious the infringement has to be.[173] Given the history and nature of this present divide, the task to create a uniform doctrine falls upon the Supreme Court in its role as a supplemental law maker.[174] When the Court may rely on the plain meaning of the statute or reach an interpretation with the aid of a statute's legislative history, it need not engage in interest balancing policy.[175] Here, the plain meaning of the text as well as the explicit addition of willfulness requirements in the two most recent provisions of the Lanham Act support an adoption of a bright-line rule requiring willful infringement.[176]

While trademark protection serves to safeguard the interests of both consumers and producers, trademark infringement under the theory of a likelihood of confusion primarily protects the interests of consumers.[177] By its very definition, likelihood of confusion concerns the possibility that consumers will confuse the source of origins of products they seek.[178] Although Congress did not grant consumers a direct cause of action on the basis of trademark infringement, their interests are fulfilled through the trademark holder's action.[179] Thus, a plaintiff trademark holder is not slighted when a court grants injunctive relief in a situation where there is a likelihood of confusion action but the presence of a defendant's willful infringement is absent.[180] In such a case, both consumer and producer interests are satisfied and the courts are mindful not to create a

---

[170] *See Synergistic Int'l*, 470 F.3d at 175.
[171] *See Venture Tape*, 540 F.3d at 63; *Fendi Adele*, 507 F. App'x at 31; *Romag Fasteners*, 817 F.3d at 791; *Stone Creek,* 875 F.3d at 440-41.
[172] *See Otis Clapp*, 754 F.2d at 744.
[173] William G. Barber, *Recovery Of Profits Under the Lanham Act: Are The District Courts Doing Their Job?*, 82 Trademark Rep. 141 (1992).
[174] Beth M. Henshcen*, Judicial Use Of Legislative History And Intent In Statutory Interpretation*, 10 Legis. Stud. Q. 353 (Aug. 1985).
[175] *Id*. at 355.
[176] *See* 15 U.S.C. § 1125(c)); 15 U.S.C. § 1125(d)(1)(A) (requiring a showing of "a bad faith intent to profit from the mark" in order for a plaintiff to recover); *see also Stone Creek*, 875 F.3d at 441-42; *Romag Fasteners*, 817 F.3d at 790-91.
[177] Kettle, *supra* note 22, at 45.
[178] *Id*.
[179] *See* GILSON LALONDE, *supra* note 11, §§ 1.03[6][a].
[180] *George Basch*, 968 F.2d at 1540.

windfall recovery for plaintiffs.[181] On the other hand, cases of willful infringement, where the defendant's intentionally attempt to confuse customers, demonstrate an attack on the trademark holder's goodwill and product quality in the eyes of consumer; therefore, plaintiffs are slighted if a court grants only injunctive relief.[182] Moreover, Congress explicitly imputed the willfulness language into the trademark dilution, which primarily serves to protect producers' interests.[183] It follows logically that if Congress intends trademark holders to show a defendant's willfulness to disgorge profits in an action created to primarily benefit themselves, it intends at least the same standard to receive a reward in which their interests are not chiefly at stake.

More important than the history and rationales surrounding the statute is the plain language and congressional intent of the provision.[184] Here the language iterates that a court may grant a plaintiff a defendant's profits "subject to the principles of equity."[185] While the language is notably ambiguous, prior courts used this same language combined with interpretations of congressional intent to interpret a requirement of willful infringement.[186] After the 1999 amendment the Federal Circuit saw no reason to alter their interpretation of the language when the language itself remained the same.[187] Furthermore, Congress' decision to expand the willfulness language into its most recent Lanham Act provisions is evidence of its intent to expand the requirement, not to eliminate it from other sections or resolve the circuit dispute.[188] This reasoning is embodied in the most recent cases on the issue.[189]

CONCLUSION:

---

[181] *See id*.
[182] *See* Denicola, *supra* note 53, at 163.
[183] *See* 15 U.S.C. § 1125(c); Kettle, *supra* note 22, at 45.
[184] *See* Henshcen, *supra* note 175, at 355.
[185] 15 U.S.C. § 1117(a).
[186] *See Lindy Pen*, 982 F.2d at 1405-06; *George Basch*, 968 F.2d at 1540; *ALPO Petfood*s, 913 F.2d 958.
[187] *See Romag Fasteners*, 817 F.3d at 790-91 ("[W]e see nothing in the 1999 amendment that allows us to depart from Second Circuit precedent requiring willfulness for the recovery of profits in infringement cases.").
[188] *See id*. at 789-90 ("[T]he legislative history indicates only that Congress sought to correct the mistaken omissions . . . . In short, there is no indication that Congress in 1999 intended to make a change in the law of trademark infringement as opposed to dilution. The history does not even acknowledge the pre-1999 split in the courts of appeals on the willfulness requirement for a recovery of infringer's profits, much less indicate a desire to change it. Given the alleged significance of the purported change, one would have expected to see an acknowledgement or discussion from Congress of the courts of appeals cases in the relevant area if Congress had intended to resolve the circuit conflict."); 15 U.S.C. § 1125(c); 15 U.S.C. § 1125(d)(1)(A)(i) (requiring a showing of "a bad faith intent to profit from the mark" in order for a plaintiff to recover).
[189] *See Stone Creek*, 875 F.3d at 441; *Romag Fasteners*, 817 F.3d at 791.

Trademarks are prevalent and integral parts of modern society, creating a responsibility for the courts to adequately protect the interests of both consumers and producers involved with their use in commerce. Two different methods of infringement recovery present an undue burden on national and international companies seeking trademark protection. An analysis of the Lanham Acts text, as well as underlying trademark law principles, supports a finding that willfulness is a prerequisite for awarding a defendant's profits in a trademark infringement proceeding. The bright-line rule best serves to effectuate the rationales behind trademark protection without providing a windfall for plaintiffs. Due to the foregoing reasons, courts should universally apply the bright-line rule in place for trademark dilution, requiring willful infringement in order to disgorge a defendant's profits, to trademark infringement actions as the First, Second, Ninth and Federal Circuits already have.