

Your Trademarks Just Got a Big Boost

No Willfulness Requirement for Lost Profits Award

If you are a business owner and have federally-registered your trademark (an important step that the [Chambliss Intellectual Property section](#) regularly advises our clients to take), then the value of your trademark(s) just received a big boost. The Supreme Court of the United States (the Court) recently settled a long-standing split between the appellate courts over whether a plaintiff must prove willfulness before an award of the infringer's profits to the trademark owner would be available as a remedy for trademark infringement. In its recent decision in *Romag v. Fossil*, the Court dramatically increased the monetary relief available for trademark infringement in ruling that an award of the infringer's profits to plaintiffs is available even if the infringement was not willful. Prior to the Court's decision, many lower courts required proof of a defendant's willfulness before it would authorize an award of profits, which made that particular remedy exceedingly rare.

Following the trial in *Romag v. Fossil*, the jury awarded the trademark owner \$6.7 million in profits to deter infringement, even though it found that only 1% of the infringer's profits were attributable to the infringement. According to the jury, the defendant infringed "in callous disregard," but it did not do so willfully. The appellate court reversed the award of profits because the jury did not find willful infringement. As noted above, the high Court disagreed with the appellate court.

On a side note, the Court's decision in the *Romag v. Fossil* trademark infringement case is consistent with its 2016 decision in a patent infringement case in which the Court similarly ruled that willfulness is not a prerequisite to awarding enhanced damages against an infringer. To see our discussion of the 2016 patent infringement decision, [click here](#).

What Does This Mean for Trademark Owners and Potential Infringers?

So while this decision provides trademark owners with a potentially new revenue source from infringers, it is also critical to recognize that the cost of infringing a third party's trademark rights just potentially became more expensive. **It is more important now than ever to conduct a comprehensive clearance search before you begin using any proposed new marks in commerce.**

If you would like to discuss enforcing your trademark rights against a potential infringer, or if you would like to discuss avoiding infringement of a third-party trademark owner's rights, please contact Paul Weidlich or any member of our [Intellectual Property team](#).

Visit our COVID-19 Insight Center for our latest legislative and legal updates, articles, and resources.

The material in this publication was created as of the date set forth above and is based on laws, court decisions, administrative rulings, and congressional materials that existed at that time, and should not be construed as legal advice or legal opinions on specific facts. In some

cases, the underlying legal information is changing quickly in light of the COVID-19 pandemic. The information in this publication is not intended to create, and the transmission and receipt of it does not constitute, a lawyer-client relationship. Please contact your legal counsel for advice regarding specific situations.