

Romag v. Fossil: is “willfulness” the “principle of equity” or the “big kahuna,” or is this all “much ado about nothing”?

February 3, 2020 – The TMCA

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The Supreme Court oral argument in the trademark case *Romag v. Fossil* provided an entertaining view of what some may consider a dry topic: legislative intent for damages awards in a trademark infringement case. Not to be lulled into a monotone and perfunctory argument, the parties engaged in spirited debate that quoted sources from Shakespeare to Oliver Wendell Holmes and four times elicited laughter from the audience.

But the question remains: must a trademark plaintiff prove the defendant acted with willfulness in order to recover the infringer's profits?

The parties argued two opposite approaches:

- Romag argued that willfulness is *not* required, reasoning that if Congress had intended to impose a willfulness requirement, it would have used the word “willful,” as it did in other parts of the statute, instead of saying that profits are allowed when consistent with “principles of equity.” This argument appeared to resonate with Justices Ginsburg and Gorsuch, who questioned “whether principles of equity might be an unusual way of saying willfulness” if Congress had intended to impose a willfulness requirement.
- Fossil argued that courts have consistently required willfulness and that “principles of equity,” in this context, should be interpreted to require willfulness. According to Fossil, the statutory text should be read in light of what Fossil described as a consistent body of caselaw requiring willfulness. (On the other hand, Romag’s lawyer argued “the law was a mess and it wasn’t that clear.”) According to Fossil, “even though equity is generally flexible, you’ve got to go through the gate” by showing willfulness. Justice Kagan was skeptical of this argument, commenting that “the courts do seem to be thinking of willfulness as a factor, a significant factor, but not a gateway requirement.”

Justice Breyer wondered whether this was “much ado about nothing,” because courts have the discretion to adjust damages awards and could increase or reduce an award regardless of which gateway rule is applied.

Fossil's fall-back argument – which may carry the day – is that willfulness is the “big kahuna”: “if we were to lose this case on remand, you should make very clear that willfulness is a key factor, the big kahuna or something like that....” The justices may take him up on that offer: Justice Kagan mused that there may be an “intermediate position” between the two parties’ arguments, “which is that willfulness might not be...an absolute necessity but it certainly should be entitled to very significant weight.”

So there you have it. Willfulness just might be the “big kahuna” when deciding whether to award infringer’s profits to a trademark plaintiff. We’ll have that answer sometime between now and next June.