

The Supreme Court Update - February 26, 2025

by Ian Blodger, Jessica M. Leano, and Brock Huebner

The Supreme Court of the United States issued two decisions today:

Dewberry Group, Inc. v. Dewberry Engineers, Inc., No. 23-900: The Court held that in awarding the “defendant’s profits” to the prevailing plaintiff in a trademark infringement suit under the Lanham Act, a court can award only profits ascribable to the “defendant” itself. Dewberry Engineers successfully sued Dewberry Group, a commercial real estate company, for trademark infringement. The district court’s profits award considered the “economic reality” that Dewberry Group’s income goes on the books of its affiliates, and Dewberry Group has operated at a loss for decades, surviving only through cash infusions from its and its affiliates’ common owner. The district court treated Dewberry Group and its affiliates “as a single corporate entity” for purposes of calculating the “defendant’s profits” and totaled the affiliates’ real-estate profits from the years Dewberry Group infringed, producing an award of nearly \$43 million. A divided Fourth Circuit Court of Appeals panel affirmed the award. In a unanimous opinion written by Justice Kagan, the Court vacated the decision, holding that an award of the “defendant’s profits” under the Lanham Act, 15 U.S.C. § 1117(a), cannot include an order for the defendant to disgorge the distinct profits of legally separate non-party corporate affiliates. The term “defendant” bears its usual legal meaning: “the party against whom relief or recovery is sought.” Here, Dewberry Engineers named Dewberry Group in the complaint as the entity liable for trademark infringement and chose not to add Dewberry Group’s affiliates as defendants. Thus, Dewberry Group was the sole defendant and only its own profits were recoverable. Justice Sotomayor filed a concurrence, joining in the opinion and suggesting that principles of corporate separateness do not force courts to close their eyes to practical realities in calculating a “defendant’s profits.”

View the Court's [decision](#).

Waetzig v. Halliburton Energy Services, Inc., No. 23-971: This case addresses whether a suit that is voluntarily dismissed under Federal Rule of Civil Procedure 41(a) may be reopened under Rule 60(b), which permits relief from a “final judgment, order, or

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proceeding” in the event of a mistake, among other bases for relief. Petitioner Gary Waetzig brought a claim against Respondent Halliburton Energy Services, Inc. (“Halliburton”), in the U.S. District Court for the District of Colorado. Halliburton moved to enforce an arbitration provision, and Waetzig agreed to submit his claims for arbitration. Rather than seeking to stay the federal lawsuit pending the outcome of the arbitration, Waetzig voluntarily dismissed his suit without prejudice under Rule 41(a). After losing in arbitration, Waetzig moved to reopen his federal lawsuit under Rule 60(b), arguing that he made a mistake in dismissing the case, rather than seeking a stay. The district court granted Waetzig’s motion to reopen the case, but the Tenth Circuit reversed, concluding that a voluntary dismissal without prejudice under Rule 41(a) was not a “final proceeding.” In a unanimous decision authored by Justice Alito, the Supreme Court reversed, holding that a case voluntarily dismissed without prejudice under Rule 41(a) counts as a “final proceeding” under Rule 60(b). The Court reasoned that the term “proceeding” is defined broadly to encompass all steps in an action’s progression, which would include a voluntary dismissal.

View the Court's [decision](#).