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Where There's a Will, There's a Way: Reconciling Theories of Willful Infringement and Disgorgement Damages in Trademark Law

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WHERE THERE’S A WILL, THERE’S A WAY: RECONCILING THEORIES OF WILLFUL INFRINGEMENT AND DISGORGEMENT DAMAGES IN TRADEMARK LAW

Rachel Anne Zisek

TABLE OF CONTENTS

I. INTRODUCTION .......................................................................................... 465
II. BACKGROUND............................................................................................ 469
   A. DEFINING TRADEMARKS AND TRADEMARK INFRINGEMENT ......................... 469
   B. THE LANHAM ACT AND DISGORGEMENT OF PROFITS .................. 470
   D. WILLFULNESS AS A REQUIREMENT FOR DISGORGEMENT ......... 473
      1. The Tenth Circuit’s Requirement of Willfulness ................................ 473
   E. WILLFULNESS AS A CONSIDERATION FOR DISGORGEMENT ...... 476
      1. The Fifth Circuit’s Factor-Based Consideration of Willfulness ........ 476
      2. The Third Circuit’s Application of the Fifth Circuit’s Test ............... 477
      3. The Fourth Circuit Removes Willfulness .................................. 478
   F. AMBIVALENCE TOWARDS WILLFULNESS........................................ 479
      1. The First Circuit Stalls ........................................................................ 479
      2. The Eighth Circuit Avoids The Question ...................................... 479
      3. The Ninth Circuit Dismisses Willfulness .................................... 480
      4. The Second Circuit as a Quintessential Example of the Circuit Split ................................................................. 480
III. ANALYSIS.................................................................................................. 481
   A. CONGRESS’S SILENCE CONCERNING WILLFULNESS INDICATES RETAINING A WILLFULNESS REQUIREMENT IS PROPER ................................................................. 483

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B. REMEDIAL THEORIES UNDERLYING DISGORGEMENT OF PROFITS SUPPORT A WILLFULNESS REQUIREMENT.................. 484
   1. Proof of Willfulness Properly Compensates Victims of Trademark Infringement.................................................. 484
   2. Proof of Willfulness Corrects Unjust Enrichment.......................... 485
   3. Proof of Willfulness Deters Future Infringement.......................... 486
C. MERELY VIEWING WILLFULNESS AS A CONSIDERATION DOES NOT ACCURATELY REPRESENT CONGRESSIONAL INTENT .................................................................................................. 487
IV. CONCLUSION ........................................................................................................................................ 489
I. INTRODUCTION

At its core, trademark law aims to prevent consumer confusion and protect business investment with a property right.1 Business entities utilize trademarks to distinguish their products from others available on the market.2 When investigating allegations of trademark infringement, courts embark on a case-by-case inquiry that considers a number of factors surrounding marketplace conditions and behavior.3 The inquiry overall seeks to reduce consumer research costs by evaluating whether or not consumers would be confused by the infringing mark.4

When Congress enacted the Lanham Act in 1946, it streamlined existing trademark legislation5 and codified certain prevailing common law consumer protections.6 Two provisions stemming from the common law provide remedies to mark owners: § 1116 for injunctive relief and § 1117 for monetary relief.7 Specifically, § 1117 provided for damages through disgorgement, which allows a mark owner to recover the percentage of its economic loss attributable to an infringer’s illegal activities.8 Historically, mark owners were only eligible to receive disgorgement damages in instances of willful infringement.9 Innocent infringement could not be subject to disgorgement.

To ensure effective consumer protection, Congress has amended the Lanham Act nearly twenty times since its inception.10 An amendment in 1999 sought to clarify the statute’s protections regarding trademark dilution, defined as the diminished distinctiveness of famous trademarks.11 Because Congress sought to criminalize only willful instances of dilution, it added additional

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2 Id. § 3:2.
4 Id.
9 Thurmon, supra note 6, at 283.
10 McCarthy, supra note 1, § 5:5.
11 Bertagna, supra note 5, at 266.
language to § 1117. However, this addition perplexed courts, making judges unsure whether or not the amendment removed the need for mark owners to prove willfulness before receiving disgorgement damages. For the past fifteen years, this uncertainty has created a frustrating circuit split that has divided judges on the interpretation of a willfulness requirement.

A June 2014 decision from the district court of Connecticut, Romag Fasteners, Inc. v. Fossil, Inc., provides a clear illustration of the confusion caused by the Lanham Act’s 1999 amendment. In that case, Romag Fasteners designed patent-protected magnetic purse fasteners. It distinguished its fasteners from others on the market by using a “Romag” trademark. In 2002, Romag entered an agreement with Fossil, Inc., another handbag manufacturer, permitting Fossil’s use of Romag fasteners in its products. Several years later, Romag Fasteners discovered Fossil counterfeited and purchased fasteners beyond the scope of their agreement. The parties reached a settlement agreement regarding the use of these counterfeited fasteners. Romag Fasteners, however, continued to find its fasteners in Fossil products in department stores in the years following their initial allegations. As a result, it filed suit in the district court of Connecticut.

Romag Fasteners raised a number of claims against Fossil, including trademark infringement. In the first phase of the trial, the jury found that Fossil infringed Romag Fasteners’ mark and determined that one percent of Fossil’s profits were attributable to its infringing actions. This percentage constituted disgorgement damages, requiring the jury to award Romag Fasteners a portion of Fossil’s profits to compensate for its economic losses.

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12 145 CONG. REC. H6363-01 (daily ed. July 26, 1999) (adding the phrase “or a willful violation under section 1125(c) of this title”).
13 Conway-Jones, supra note 3, at 863–64 (describing circuit courts’ confusion over awarding mark owners’ disgorgement damages and providing mark owners with a portion of an infringer’s profits).
15 Id. at 91.
16 Id.
17 Id. at 92.
18 Id.
19 Id.
20 Id.
21 Id.
22 Id. at 95.
23 Id. at 96.
24 Id. at 90.
25 Id. at 106.
26 Id.
The jury's disgorgement calculations returned $90,759.36 of Fossil's profits under an unjust enrichment rationale and $6,704,046.00 under a deterrence theory.27 Fossil contested this award.28 Although the jury found Fossil liable for trademark infringement, it did not find this infringement was willful.29 Fossil then questioned the jury's damage award by arguing that willfulness was a prerequisite for awarding disgorgement.30 However, Romag Fasteners countered, stating that the 1999 amendment to the Lanham Act effectively abrogated any preexisting willfulness requirement.31

In its lengthy discussion of disgorgement, the District Court of Connecticut highlighted the uncertainty surrounding willful infringement resulting from the 1999 amendment and the resulting circuit split.32 After considering the various approaches employed by the circuit courts, the Romag Fasteners, Inc. court held willfulness was a prerequisite for awarding disgorgement damages.33 This finding was based on the court's interpretation of the 1999 amendment, which did not indicate an abrogation of the willfulness requirement.34 Because the jury did not find Fossil had willfully infringed Romag Fasteners' mark, the court concluded that Romag Fasteners was not eligible to receive disgorgement damages at Fossil's expense.35

Although this case was decided within the Second Circuit, Romag Fasteners, Inc. highlights the universal need for clarity in the relationship between willful infringement and disgorgement damages across circuits. Originally, § 1117 of the Lanham Act did not contain any language pertaining to willfulness, as the statute imputed the willfulness requirement contained in the common law.36 While Congress's 1999 amendment intended to criminalize willful instance of trademark dilution,37 judges remain confused about whether the amendment had any effect on the disgorgement of profits unlawfully gained from non-famous marks.

27 Id. at 90.
28 Id.
29 Id. at 91.
30 Id. at 109.
31 Id. at 107.
32 Id. at 110.
33 Id. at 109 (“[T]his Court is persuaded by those authorities that have concluded that a finding of willfulness remains a requirement for an award of defendant's profits in this Circuit.”).
34 Id. at 111 (“[T]he legislative history gives no support to the argument that the 1999 amendments were intended to abrogate the common-law willfulness requirement.”).
35 Id.
36 Conway-Jones, supra note 3, at 869.
The perplexity experienced by circuit courts is apparent in other non-dilution infringement actions decided after Congress’s amendment. Since 1999, only one circuit court, the Tenth, has affirmatively retained a willfulness requirement in the disgorgement context.\(^{38}\) Three circuits have abrogated willfulness from its disgorgement analysis completely.\(^{39}\) More starkly, four circuits have expressly declined to address the role of willfulness, which serves as evidence of the ambiguity resulting from Congress’s actions in 1999.\(^{40}\) Specifically, courts within the Second Circuit remain deeply divided over willfulness’s proper place in awarding disgorgement damages.\(^{41}\) This ambivalence and uncertainty has plagued courts for far too long. To properly inform mark owners of disgorgement’s availability and potential infringers of potential liability, a clear stance on the requirement of willfulness for the disgorgement remedy is necessary.

This Note seeks to determine willfulness’ proper place when awarding damages disgorged from an infringer’s profits. Part II of this Note will provide the necessary context for the willfulness debate. It describes the purpose of trademark protection and various legislative actions taken to properly preserve that protection. In addition, it also details the three ways circuit courts have approached willfulness in the disgorgement context.

Part III then argues that courts should require a showing of willfulness before awarding disgorgement damages in infringement actions. More specifically, it will argue that Congress’s silence on willful infringement beyond dilution indicates a desire to retain the common law requirement of willfulness. Part III will also argue that damage-based policies of compensation, unjust enrichment, and deterrence are furthered when willfulness is required. It then concludes by showing that abrogating a willfulness requirement extends the scope of the 1999 amendment beyond its intended purpose. Finally, Part IV will reemphasize that all courts should adopt the *Romag Fasteners, Inc.* court’s persuasive reasoning by requiring willfulness before awarding an accounting of a defendant’s profits.

\(^{38}\) See Western Diversified Servs., Inc. v. Hyundai Motor America, Inc., 427 F.3d 1269 (10th Cir. 2005).

\(^{39}\) The three circuits are the Third, Fourth, and Fifth. See Quick Technologies, Inc. v. Sage Group PLC, 313 F.3d 338 (5th Cir. 2002); Banjo Buddies, Inc. v. Renosky, 399 F.3d 168 (3d Cir. 2005); Synergistic Intern., LLC v. Korman, 470 F.3d 162 (4th Cir. 2006).

\(^{40}\) These four circuits include the First, Second, Eighth, and Ninth. See Fishman Transducers, Inc. v. Paul, 684 F.3d 187 (1st Cir. 2012); Romag Fasteners, Inc. v. Fossil, Inc., 29 F. Supp. 3d 85 (D. Conn. 2014); Masters v. UHS of Delaware, Inc., 631 F.3d 464 (8th Cir. 2011); M2 Software Inc. v. Viacom Inc., 223 Fed. App’x 653 (9th Cir. 2007).

\(^{41}\) *Romag Fasteners, Inc.*, 29 F. Supp. 3d at 108.
II. BACKGROUND

The Romag Fasteners, Inc. decision indicates the continued uncertainty regarding willfulness’ role in awarding disgorgement damages. To properly assess the existing circuit split and to propose an appropriate solution, this Note provides a history of the courts’ division. This Part specifically describes the relevant background, policy, and case law pertaining to the circuit split, beginning with a brief description of trademark law’s purpose and the remedies available under § 1117. A discussion of the 1999 amendment of § 1117 and different formulations of willfulness follows. Finally, this Part concludes by describing the three ways circuit courts view willfulness’ application to disgorgement: (1) as a requirement, (2) as a mere consideration, or (3) as a nebulous question worth avoiding.

A. DEFINING TRADEMARKS AND TRADEMARK INFRINGEMENT

A trademark is a symbol or phrase identifying a good or service’s origin.42 Trademark protection’s primary purpose is to distinguish these goods and services from others available on the market.43 Trademarks also aid with advertising by attributing goods or services to a particular source44 and serve as a symbol of a business’ success.45 By identifying potentially desirable products or products satisfactory to customers in the past, trademarks can provide their owners with economic rewards.46 The heart of trademark law, however, seeks to protect consumers from confusion and deceit in the marketplace.47 If consumers are confused and unable to distinguish between similar products within the market, the uncertainty impedes healthy economic competition.48

Trademark owners can respond to possible consumer confusion created by two similar marks by establishing a claim for trademark infringement.49 The central inquiry in an infringement analysis is whether there is a likelihood of confusion between the products produced by the mark owner and the alleged infringer.50 Generally, circuit courts establish their own distinct multi-factor

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42 McCarthy, supra note 1, § 3:1.
43 Id. § 3:2.
44 Id.
45 Id.
46 Bertagna, supra note 5, at 262.
47 McCarthy, supra note 1, § 2:33.
48 Id.
49 Conway-Jones, supra note 3, at 872.
50 Id.
tests to evaluate the likelihood of confusion. Many courts use an infringement analysis evaluating numerous non-exhaustive factors. These factors can include whether: (1) the marks physically resemble each other, (2) the products identified by the marks are similar, (3) the products were targeted at similar consumers, and (4) the conditions for purchasing the respective products were comparable. Although these factors are persuasive, the unique nature of infringement claims requires a case-by-case analysis. In all, courts consider the totality of the circumstances in evaluating alleged infringement.

B. THE LANHAM ACT AND DISGORGEMENT OF PROFITS

The Lanham Act was enacted in 1946 as trademark owners’ safeguard against infringing behavior. Fifteen U.S.C. 1125 of the Lanham Act codified the likelihood of confusion test to guide courts throughout an infringement analysis. The test also describes the categories of claims covered by the Act. These claims include the infringement of unregistered trademarks, false advertising, false attribution, trademark dilution, and trade dress infringement.

Before the Lanham Act’s enactment, the common law allowed trademark owners to receive monetary relief from courts of law and injunctive relief from courts of equity. Congress streamlined these distinctive infringement remedies by providing for injunctive relief in 15 U.S.C. § 1116 and monetary relief in 15 U.S.C. § 1117. Before 1999, § 1117(a) did not contain any reference to willfulness and read:

When a violation of any right of the registrant of a mark registered in the Patent and Trademark Office, a violation under section 125(a) or (d) of this title . . . [has] been established in any civil action arising under this chapter, the plaintiff shall be entitled . . . subject to the principles of equity, to recover (1)
defendant’s profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action.

The first category of monetary damages—an accounting of the infringer’s profits—is known as disgorgement and is a popular remedy for trademark owners. Disgorgement’s equitable origin forces the court to weigh the individual circumstances of each case before giving a trademark owner an award of profits. An infringer’s profits may be awarded absent any actual damages to the plaintiff, but are never a matter of right and may be denied if the court finds a different remedy more appropriate.

Disgorgement damages serve a number of remedial policies. When a mark owner and an infringer compete in the same market, disgorging a defendant’s profit serves a compensatory purpose. By awarding disgorgement damages, courts seek to provide mark owners with a rough estimate of their lost sales attributable directly to the infringer’s illegal activities. This remedy assumes the mark owner would have gained the entirety of an infringer’s profits absent the infringement. Because of this generous assumption, courts find disgorgement damages can satisfactorily provide for a mark owner’s lost sales in a competitive market.

If a mark owner and an infringer do not directly compete, disgorgement serves alternative purposes. Without a competitive relationship between the parties, the compensatory rationale is not well-served. However, disgorgement damages can deter potential infringers by eliminating the economic incentive of infringement. Additionally, disgorgement may counteract any unjust enrichment gained at the expense of a mark owner. A disgorgement award absent actual damages is usually predicated on either unjust enrichment or deterrence theories.

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62 Corgill, supra note 8, at 1910.
63 McCarthy, supra note 1, § 30:59.
64 Corgill, supra note 8, at 1926.
65 McCarthy, supra note 1, § 30:59 (describing disgorgement as a way to compensate a mark owner for sales lost to an infringer).
66 Id.
67 Id.
68 Id.
69 Id.
70 Id.
71 Corgill, supra note 8, at 1928.
72 Id. at 1932 (defining unjust enrichment as profits unjust for an infringer to retain).
73 Western Diversified Servs., Inc. v. Hyundai Motor America, Inc., 427 F.3d 1269, 1272 (10th Cir. 2005).

While § 1125 of the Lanham Act created monetary remedies for wronged mark owners, it did not comprehensively describe remedies for all forms of infringement.\(^74\) Courts found nothing in the Lanham Act relevant to the use of similar marks on non-competing products.\(^75\) In response, Congress created the Federal Dilution Act of 1995.\(^76\) Dilution occurs when a product denoted by an infringing mark affects a famous mark’s distinctiveness.\(^77\) The plain language of the Federal Dilution Act gives a mark owner access to the monetary remedies of section § 1117 if dilution was willfully committed.\(^78\) However, Congress felt further clarification was required.\(^79\)

Hence, in 1999, Congress amended § 1117.\(^80\) With the changes, the section now reads: “[W]hen a violation under section 1125(a) or (d) of this title, or a willful violation under section 1125(c) of this title [has been established] . . . the plaintiff shall be entitled . . . to recover (1) defendant’s profits.”\(^81\) The remaining language of this section remained the same.\(^82\) The purpose of this additional language was to “harmonize section 1117(a) with the recent Federal Dilution Act of 1995.”\(^83\) Some scholars speculate that the amendment sought to address online infringement and cyber-squatters.\(^84\) However, Congress was instead concerned that the remedies for trademark dilution under federal law were not properly articulated.\(^85\) In the same amendment, Congress sought to cancel a diluting mark \textit{ex ante}, with an injunction, instead of \textit{ex post}, with damages.\(^86\) By imposing an injunction before dilution occurred, Congress “allow[ed] the right to oppose or seek cancellation of a mark hopefully before harm has occurred.”\(^87\)

\(^{74}\) Bertagna, supra note 5, at 265.
\(^{75}\) Id.
\(^{77}\) Id.; see also Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 588 F.3d 97, 105 (2d Cir. 2009) (describing the Starbucks trademark as “famous” under the Lanham Act and subject to protection from dilution).
\(^{78}\) Bertagna, supra note 5, at 267.
\(^{79}\) Id. at 266.
\(^{81}\) Id.
\(^{82}\) Id.
\(^{84}\) Bertagna, supra note 5, at 297.
\(^{86}\) Id.
\(^{87}\) Id.
However, as discussed, Congress's addition of language concerning willfulness in 1999 has affected damages awards and confused judges nationwide. Specifically, it is difficult to pinpoint an exact definition of willfulness, which is evaluated based on the facts of a particular dispute. Overall, courts agree with the distinction between willfulness' function in the civil and criminal contexts. Willfulness distinguishes intentional conduct from accidental actions in the civil context; in criminal law, the defendant acts willfully if he seeks to cause injury with the awareness of his actions' unlawful nature.

Without more guidance from Congress, however, circuit courts have crafted their own unique definitions of willfulness in the trademark context. Typically, these definitions mimic the criminal law's treatment of willful conduct. Infringers must act with the intent to deceive or confuse consumers in order to be guilty of willful infringement. In other words, infringers must be aware that their actions (1) violate the law and (2) deprive mark owners of their protected trademark rights. Despite inherent variations, circuit courts approach and apply willfulness in one of three ways, as discussed below.

D. WILLFULNESS AS A REQUIREMENT FOR DISGORGEMENT

While wrestling with the definition of willfulness, courts have also struggled with applying the 1999 amendment's language to determine the monetary damages available under § 1117. Although Congress sought to clarify the remedies available to victims of dilution in the 1999 Amendment, it remained silent about how the newly added willfulness language would affect the owners of non-famous marks. Circuit courts remain divided and uncertain about willfulness' importance in the disgorgement context.

1. The Tenth Circuit's Requirement of Willfulness. The only circuit court retaining willfulness as a prerequisite for awarding disgorgement damages is the

88 Bertagna, supra note 5, at 268.
89 Id.
90 Id. at 268–69.
91 Id.
92 Id.
93 Id. at 268.
94 Id. at 271–72.
95 Id. at 272.
96 Id.
97 Id. at 260.
99 Id. at 188.
Tenth Circuit.\textsuperscript{100} In 2005, the court in \textit{Western Diversified Servs., Inc.} justified the role of willfulness in allowing disgorgement damages absent actual damages in order to balance the principles of equity.\textsuperscript{101} The plaintiff in this case marketed automobile warranties with two registered marks: “advantage” and “advantage plus.”\textsuperscript{102} Several years later, the defendant began marketing warranties using the same language.\textsuperscript{103} When the defendant refused to stop using these phrases at the plaintiff’s request, the plaintiff filed suit for trademark infringement.\textsuperscript{104}

The Tenth Circuit ultimately reversed the lower court’s grant of summary judgment in favor of the defendant because the plaintiff raised genuine issues of material fact regarding the willfulness of the defendant’s infringement.\textsuperscript{105} In recognizing that the potential for inequality is heightened by the possibility of a mark owner receiving a windfall through an accounting of infringer’s profits, as well as the potential punitive effect on infringers, the court held that willful infringement must be established before providing a trademark owner with disgorgement damages.\textsuperscript{106} However, “[e]ven with a finding of willfulness, a court may still exercise its discretion to reduce or even eliminate a profit award” in the need of equity.\textsuperscript{107} Therefore, the court enumerated a two-step process for an award of profits: “(1) a finding of willfulness or bad faith; and (2) a weighing of the equities.”\textsuperscript{108}

The Tenth Circuit further justified this two-step process based on various remedial theories, stating that an award of profits in the absence of actual damages is usually based on either an unjust enrichment or deterrence rationale.\textsuperscript{109} If infringement is not willful, courts should merely award remedies to compensate a mark owner’s reputational loss.\textsuperscript{110} However, when someone willfully infringes another’s trademark rights, court should instead focus on an infringer’s conduct and “unauthorized use” under an unjust an enrichment theory.\textsuperscript{111} In the court’s view, the unjust enrichment rationale conceptualizes trademark infringement as interference with an owner’s “protected property...
WHERE THERE’S A WILL, THERE’S A WAY

rights. Willful infringers act with the intent to cause injury and knowledge of their actions’ unlawfulness, obtaining profits by encroaching on a mark owner’s rights. Therefore, under an unjust enrichment rational, disgorgement returns profits unjustly retained by infringers to their proper owner.

A deterrence rationale is similarly applicable to instances of willful infringement. This rationale, in contrast to a compensatory purpose, informs the public of an action’s wrongful nature in order to prevent future infringement. “Without the dire threat of an accounting for the purpose of deterrence,” individuals will be encouraged to infringe on trademarks without certain punishment. The promise of disgorgement can dissuade future infringement with the promise of punishment. However, these damages must be cautiously awarded, as the Lanham Act prohibits punitive trademark damages.

Disgorgement damages properly strike the balance between deterring and punishing infringers. They remove economic incentives of infringement while “[leaving] the infringer no worse off than if the infringer had not infringed in the first place.” Because deterrence theory seeks to make an example of unlawful conduct with the aim of preventing future potential infringers from choosing to infringe, it is not particularly applicable to non-willful infringement. Like an unjust enrichment rationale of recovery, deterrence theory depends on the infringer’s wrongful action, not the injury suffered by the mark owner.

In the court’s view, the unjust enrichment rationale conceptualizes trademark ownership as a property right. Trademark infringement interferes

112 Western Diversified Servs., Inc., 427 F.3d at 1272.
113 Bertagna, supra note 5, at 272.
114 Corgill, supra note 8, at 1931.
115 Id.
116 Id. at 1929.
117 Id. at 1926.
118 Id.
120 Id. (detailing the appeal of infringement by large corporate infringers in the absence of disgorgement damages as a deterrent).
121 Corgill, supra note 8, at 1926.
122 Id.
123 Id.
124 Id. at 1929.
125 Western Diversified Servs., Inc. v. Hyundai Motor America, Inc., 427 F.3d 1269, 1273 (10th Cir. 2005).
126 Id.
with these “protected property rights.”\textsuperscript{127} Altogether, after considering rationales of unjust enrichment and deterrence and properly scrutinizing a disgorgement award on equitable grounds, the Tenth Circuit views willfulness as a necessary requirement.\textsuperscript{128}

E. WILLFULNESS AS A CONSIDERATION FOR DISGORGEMENT

1. The Fifth Circuit’s Factor-Based Consideration of Willfulness. In light of the 1999 Lanham Act amendment, several circuits instead abrogated the willfulness requirement from their disgorgement analyses. The Fifth Circuit, for example, defined willful infringement as a mere equitable consideration for disgorgement instead of an ironclad prerequisite.\textsuperscript{129} In \textit{Quick Technologies v. Sage Group PLC}, the plaintiff expanded its business into the database industry,\textsuperscript{130} using the mark “SAGE INFORMATION SYSTEM” to market its new business.\textsuperscript{131} Simultaneously, the defendant created a national brand using the mark “Sage.”\textsuperscript{132} The parties attempted to negotiate use of the “SAGE INFORMATION SYSTEM” mark.\textsuperscript{133} After these negotiations broke down, the defendant filed an application to register its “Sage” mark with the Patent and Trademark Office.\textsuperscript{134} The plaintiff subsequently alleged trademark infringement.\textsuperscript{135}

In considering a disgorgement damage award, the Fifth Circuit recognized its long-standing dedication to “[achieving] equity between or among the parties.”\textsuperscript{136} The court expressed concerns about providing mark owners with a windfall of an infringer’s profits if an injunction would provide an adequate remedy.\textsuperscript{137} While the court acknowledged the Tenth Circuit’s adoption of a willfulness requirement,\textsuperscript{138} it refused to impose one itself.\textsuperscript{139} Instead, it employed a factor-based approach.\textsuperscript{140} Before awarding an accounting of a defendant’s profits, the Fifth Circuit considers the following: “(1) whether the

\begin{thebibliography}{140}
\bibitem{127} Id.
\bibitem{128} Id.
\bibitem{129} Quick Technologies, Inc. v. Sage Group PLC, 313 F.3d 338, 349 (5th Cir. 2002).
\bibitem{130} Id. at 342.
\bibitem{131} Id.
\bibitem{132} Id.
\bibitem{133} Id.
\bibitem{134} Id.
\bibitem{135} Id.
\bibitem{136} Id. at 347 (internal quotation marks omitted).
\bibitem{137} Id. at 350.
\bibitem{138} Id.
\bibitem{139} Id. at 349.
\bibitem{140} Id.
\end{thebibliography}
defendant had the intent to confuse or deceive, (2) whether sales have been diverted, (3) the adequacy of other remedies, (4) any unreasonable delay by the plaintiff in asserting his rights, (5) the public interest in making the misconduct unprofitable, and (6) whether it is a case of palming off.”

2. The Third Circuit’s Application of the Fifth Circuit’s Test. The Third Circuit subsequently applied Quick Technologies’ factor analysis while considering the congressional intent behind the 1999 amendment of § 1117 in Banjo Buddies, Inc. The plaintiff in this case sold a popular fishing lure set called the Banjo Minnow. The defendant was a member of the Board of Directors during the Banjo Minnow’s success in the market. During his time in office, the defendant suggested a new lure set called the Bionic Minnow to his fellow board members. Several members expressed reservations about the idea, so the defendant began marketing the Bionic Minnow through his own company. The plaintiff then sued under § 1125 of the Lanham Act.

After employing the Fifth Circuit’s factor analysis, the Third Circuit allowed the plaintiff’s recovery of the defendant’s profits. Although the court considered willfulness, it did not require a finding of such. While Third Circuit decisions previously required a trademark owner to prove an infringer’s willfulness before receiving disgorgement damages, the Banjo Buddies court found the 1999 amendment to the Lanham Act superseded this requirement. Notably, the court found the amendment’s plain language only applied to trademark dilution, not infringement of non-famous marks. The court also presumed Congress was aware that most courts had adopted a willfulness requirement in their disgorgement analyses. Therefore, the Third Circuit determined that Congress’s explicit limitation of willfulness to trademark

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141 Id.
142 Banjo Buddies, Inc. v. Renosky, 399 F.3d 168, 175 (3d Cir. 2005).
143 Id. at 171.
144 Id.
145 Id.
146 Id. at 171–72.
147 Id. at 172.
148 Id. at 177.
149 Id. at 180.
150 Id. at 171.
151 Id. at 174.
152 Id.
153 Id. (citing Scheidemann v. INS, 83 F.3d 1517, 1525 (3d Cir. 1996) (“[W]e must presume that Congress is aware of existing judicial interpretations of statutes.”(alteration in original))).
dilution was a deliberate effort to abrogate the requirement in other parts of § 1117.154

3. The Fourth Circuit Removes Willfulness. The Fourth Circuit similarly viewed willfulness as a mere factor in awarding disgorgement damages in the 2006 case of Synergistic Intern., LLC v. Korman.155 The plaintiff repaired and installed glass doors in this case,156 advertising with the trademark “GLASS DOCTOR®.”157 The defendant owned her own windshield repair business called “THE WINDSHIELD DOCTOR,”158 but, unaware of the plaintiff’s trademark, advertised her company in the local yellow pages as “GLASS DOCTOR.”159 Although the defendant eventually stopped using the “GLASS DOCTOR” language, she believed “THE WINDSHIELD DOCTOR” was protected under trademark law and continued using the language to advertise her business.160 Subsequently, the plaintiff filed suit for unfair competition and trademark infringement under the Lanham Act.161

The Fourth Circuit ultimately agreed with the Fifth and Third Circuits.162 According to the court, if an infringer did not act willfully, disgorgement damages should not be imposed.163 However, willfulness did not serve as an ironclad requirement for disgorgement.164 Interestingly, the court also noted that a willfulness requirement would have been more persuasive before the 1999 amendment.165 Because the amendment’s language was added in the disjunctive, however, the Fourth Circuit found that willfulness was merely a “highly pertinent factor.”166

154 Id. (citing Russello v. United States, 464 U.S. 16, 23 (1983) (“Where Congress indicates particular language in one section of a statute but omits it in another section of the same Act, it is generally presumed that Congress acts intentionally and purposefully in the disparate inclusion or exclusion.”)).
155 470 F.3d 162 (4th Cir. 2006).
156 Id. at 166.
157 Id.
158 Id. at 167.
159 Id.
160 Id. at 168.
161 Id.
162 Id. at 175.
163 Id.
164 Id.
165 Id. at 175 n.13.
166 Id.
F. AMBIVALENCE TOWARDS WILLFULNESS

1. The First Circuit Stalls. Although the previously discussed circuit courts have taken a clear stance on willfulness, other courts continue to struggle with the Lanham Act’s 1999 amendment. These latter courts choose not to directly address whether willfulness is required in a disgorgement analysis but have nonetheless recognized the existing circuit split and generally assume a requirement of willfulness.

The First Circuit applied such an assumption in Fishman Transducers, Inc. In that case, the plaintiff manufactured amplification equipment used in guitars. The defendant, a vendor of consumer goods, sold guitars and accidentally misidentified the instruments’ amplification equipment as belonging to the plaintiff’s. In response, the plaintiff brought a number of claims, including trademark infringement. In reaching its holding, the court distinguished the role of willfulness in “ordinary infringement” actions from willful ones. In the context of ordinary infringement, willfulness typically helps courts choose the best remedy for a particular case. While willfulness is not a requirement for awarding every category of damages, stare decisis in the First Circuit dictated that the court should typically require willfulness as a prerequisite for disgorgement damages. The First Circuit did not extend its analysis beyond recognizing the actions of these other courts.

2. The Eighth Circuit Avoids The Question. The Eighth Circuit merely recognized the prevailing circuit split without adding its own commentary. In Masters v. UHS of Delaware, Inc., the plaintiff alleged that the defendant infringed on its trademark identifying her deceased husband’s medical treatment programs. The court briefly addressed the circuit split in its opinion’s final footnote. After acknowledging courts’ divisions on the questions, the Eighth Circuit chose not to decide the question. However, it recognized it would

168 Id.
170 Id. at 189.
171 Id.
172 Id.
173 Id. at 191.
174 Id.
175 Id.
176 Masters v. UHS of Delaware, Inc., 631 F.3d 464 (8th Cir. 2011).
177 Id. at 468.
178 Id. at 472 n.2.
179 Id.
likely require willfulness before awarding disgorgement damages, based on the analyses of other courts.\textsuperscript{180}

3. The Ninth Circuit Dismisses Willfulness. The Ninth Circuit was similarly dismissive of the willfulness question. In \textit{M2 Software v. Viacom Inc.}, the plaintiff sued the defendant for trademark infringement and dilution.\textsuperscript{181} On appeal, the plaintiff argued that the Lanham Act’s 1999 amendment clearly eliminated any requirement of willfullness.\textsuperscript{182} However, the Ninth Circuit characterized this assertion as a “shaky assumption” before quickly dismissing it.\textsuperscript{183}

4. The Second Circuit as a Quintessential Example of the Circuit Split. Before the 1999 Lanham Act amendment, the Second Circuit viewed willful infringement as a requirement for disgorgement damages.\textsuperscript{184} A prime example of this strict application took place in \textit{George Basch Co. v. Blue Coral Inc.} and involved a plaintiff who manufactured metal polish while using the “NEVER-DULL” mark.\textsuperscript{185} The defendant, who sold polishing products, misappropriated this mark, prompting the plaintiff to sue for trademark infringement.\textsuperscript{186} Like the Tenth Circuit in \textit{Western Diversified Servs., Inc.}, the court was apprehensive about a mark owner receiving a windfall from an award of a defendant’s profits.\textsuperscript{187} To prevent this unnecessary windfall and to avoid potentially unjust treatment of innocent infringers, the Second Circuit plainly asserted, “a plaintiff must prove that an infringer acted with willful deception before the infringer’s profits are recoverable by way of an accounting.”\textsuperscript{188}

The Lanham Act’s 1999 amendment troubled the Second Circuit, which refused to directly address the role of willfulness in subsequent decisions as, for example,\textsuperscript{189} in \textit{Fendi Adele, S.R.L.}, where the plaintiff sued another purse manufacturer for selling purses containing its trademark.\textsuperscript{190} Like the Eighth and Ninth Circuits, the second circuit applied a presumption of willfulness’ requirement to properly assess the defendant’s actions.\textsuperscript{191}

\textsuperscript{180} Id.
\textsuperscript{181} M2 Software Inc. v. Viacom, Inc., 223 Fed. App’x 653 (9th Cir. 2007).
\textsuperscript{182} Id. at 655.
\textsuperscript{183} Id. at 656.
\textsuperscript{184} George Basch Co. v. Blue Coral, Inc., 986 F.2d 1532 (2d Cir. 1992).
\textsuperscript{185} Id. at 1534.
\textsuperscript{186} Id.
\textsuperscript{187} Id.
\textsuperscript{188} Id.
\textsuperscript{190} Id.
\textsuperscript{191} Id.
The Second Circuit’s refusal to define willful infringement’s place in disgorgement since the 1999 amendment has deeply divided its lower courts. While some lower courts find that the plain language of the 1999 amendment eliminated any previous willfulness requirement, the majority of courts within the Second Circuit embraced willfulness as a prerequisite for disgorgement damages, as in Romag Fasteners, Inc. Employing similar reasoning as other circuits across the country, some courts emphasize the willfulness requirement’s applicability to instances of trademark dilution instead of the infringement of non-famous marks. Other courts examined the amendment’s language and found a literal reading of the text only affected trademark dilution remedies.

The Second Circuit exemplifies the confusion inherent in the Lanham Act’s 1999 amendment. The circuit steadfastly required a showing of willfulness before the amendment. Once the amendment changed the language of § 1117, the court explicitly refused to answer a question it could once easily answer. Because the Second Circuit did not outline the weight to give willfulness, the lower courts within the Second Circuit remain split on the issue, demonstrating the need to define. The role of willfulness when awarding disgorgement damages.

III. Analysis

With disgorgement’s increasing popularity as a remedy for trademark infringement, courts need a resolution to the long-standing circuit split described above. Providing an answer to this question will ensure mark owners and infringers alike are properly affected by disgorgement damages. In the fifteen years since the 1999 Lanham Act amendment, circuit courts approached the role of willfulness in disgorgement in three ways: (1) as a requirement, (2) as

193 Chanel, Inc. v. Veronique Idea Corp., 795 F. Supp. 2d 252, 269 (E.D.N.Y. 2011) (noting that “[t]he Court remains persuaded that a showing of willfulness is no longer a prerequisite for an award of damages under § 1125(a)").
199 Romag Fasteners, Inc., 29 F. Supp. 3d at 108.
a mere consideration, or (3) as a nebulous issue worth avoiding. This Note suggests that adopting the first of these approaches would correctly resolve this long-standing circuit split for three reasons.

First, requiring proof of willfulness is consistent with the legislative intent of the 1999 amendment.\footnote{145 Cong. Rec. H6363-01 (daily ed. July 26, 1999).} Congress only intended to clarify ambiguities within the newly created area of federal trademark dilution.\footnote{Id. ("This legislation is a necessary follow-up to the Federal Trademark Dilution Act of 1995 . . . the bill before us today is necessary to clear up certain issues in the interpretation of the dilution act which the Federal courts have grappled with since its enactment.").} In fact, Congress’s silence on disgorgement damages indicates its desire to retain the existing remedial scheme for other forms of trademark misappropriation.\footnote{Romag Fasteners, Inc., 29 F. Supp. 3d at 110–11.}

Second, an explicit requirement of willfulness would also further the remedial theories underlying disgorgement damages. These rationales include compensation, unjust enrichment, and deterrence.\footnote{Corgill, supra note 8, at 1915.} A key motivation behind awarding disgorgement damages is a desire to compensate victims of infringement.\footnote{Conway-Jones, supra note 3, at 879–80.} Although complete compensation is nearly impossible, providing relief for mark owners is especially justified in instances of willful infringement.\footnote{Id. at 880.} Requiring a showing of willfulness corrects unjust enrichment by restoring faith in the market economy, providing remedies to parties affected by infringement, and setting an appropriate standard for conducting business.\footnote{Id. at 882.} Moreover, a deterrence rationale requires a showing of willfulness infringement to adequately stop future wrongful conduct.\footnote{Corgill, supra note 8, at 1929.}

Third, the legislative history behind the Lanham Act endorses the interpretation of willfulness as a requirement. Advocates of the second approach—merely considering willfulness—read the amendment’s language differently. They believe the addition of the word “willful” into the statute applied to violations of both trademark dilution and the infringement of non-famous marks.\footnote{Bertagna, supra note 5, at 291.} Proponents of willfulness’ abrogation, on the other hand, state that Congress intended to punish cybersquatters and clarify the federal dilution scheme.\footnote{Id.} However, the statute’s legislative history tells a different story.

\footnote{153 Supp. 3d at 110–11.}
In light of these justifications, Congress should amend § 1117 further to clarify that the 1999 changes to the statute only apply to dilution offenses, thereby explicitly defining willfulness as a requirement for disgorgement damages. In lieu of congressional intervention, the Supreme Court should alternatively step in and articulate willfulness’ proper place in the disgorgement analysis. After years of confusion and division, this question deserves a proper answer. Where there is a will, there is a way.

A. CONGRESS’S SILENCE CONCERNING WILLFULNESS INDICATES RETAINING A WILLFULNESS REQUIREMENT IS PROPER

When the legislature enacts a statute, it is done with a particular “aim in mind.” To fully understand Congress’s approach to the 1999 amendment to § 1117 of the Lanham Act, examining the legislative approach to the Lanham Act as a whole provides valuable insight into the proper role of willfulness in the disgorgement context. Such an examination shows that Congress’s silence on willful infringement in the 1999 amendment does not abrogate the necessity of its showing. Instead, the silence shows a desire to maintain the status quo—a prevailing requirement of willful infringement before disgorgement damages can be awarded to mark owners.

The Constitution does not expressly provide Congress the authority to regulate trademarks. However, the legislature has dedicated itself to protecting trademark owners since the nineteenth century. It first attempted to codify protections available under the common law in 1881. In subsequent years, the regulatory landscape of trademark law was increasingly scattered. It was unclear whether the power of trademark regulation belonged to the states or the federal government, which led to a scattered collection of laws that existed on both levels. Congress streamlined this “disorderly patchwork of legislation” in the Trademark Act of 1905.

Over twenty bills proposed amendments to the existing Trademark Act of 1905 before the Lanham Act was passed in 1946. The damages portion of these bills reflected the common law perspective on disgorgement, which only punished non-innocent infringement. While the drafters did not comment

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210 Id. at 290.
211 McCarthy, supra note 1, § 5:3.
212 Conway-Jones, supra note 3, at 869.
213 Bertagna, supra note 5, at 262.
214 Id.
215 McCarthy, supra note 1, § 5:3.
216 Thurman, supra note 6, at 299.
217 Id. at 301.
on their views of disgorgement in the legislative record, Congress presumably wanted to transfer the willfulness requirement into the Lanham Act, as the goal of the Lanham Act was to encapsulate certain aspects of the common law. Based on the common law governing trademarks and case law preceding the Lanham Act, “one could say with some certainty that a plaintiff in a trademark case had to prove deceptive intent to obtain a defendant’s profits.”

Congress has amended the Lanham Act twenty times since its passage in 1946. The 1999 amendment sought to clarify confusion surrounding dilution. However, it was silent as to the amendment’s effect on infringement actions involving non-famous marks. When the Lanham Act was amended in 1999, Congress was consciously silent regarding changes beyond the dilution context. This silence closely resembles Congress’s silence during the Lanham Act’s formation. Congress did not address willfulness in the statute directly to retain its prevailing under the common law. Therefore, by remaining silent, Congress presumably intended to only clarify the portions of § 1117 that pertained to dilution. This silence indicates that willfulness was not abrogated by the 1999 amendment and courts should require a finding of willfulness before awarding disgorgement damages.

B. REMEDIAL THEORIES UNDERLYING DISGORGEMENT OF PROFITS SUPPORT A WILLFULNESS REQUIREMENT

By amending the language of the Lanham Act nearly twenty times during its history, Congress intended to protect mark owners to the fullest extent possible. In the disgorgement context specifically, Congress wanted to further various remedial policies, including compensation, unjust enrichment and deterrence.

1. Proof of Willfulness Properly Compensates Victims of Trademark Infringement. Unfortunately, mark owners cannot be fully compensated through

218 Id. at 300.
219 Id. at 283.
220 McCarthy, supra note 1, § 5:5.
221 See supra notes 80–87 and accompanying text.
223 Thurman, supra note 6, at 300.
224 Romag Fasteners, Inc., 29 F. Supp. 3d at 109–20 (noting that “[t]he legislative history of the 1999 amendments supports the view that they addressed only recovery in dilution actions, as the history is silent as to any other intended consequence of the amendments”).
225 Thurman, supra note 6, at 300.
226 McCarthy, supra note 1, § 5:5.
227 Conway-Jones, supra note 3, at 888.
disgorgement damages because it would be impossible for mark owners to calculate the exact quantity of commercial harm suffered by an infringing competitor.228 Nonetheless, principles of compensation are persuasive when considering a willfulness requirement in the disgorgement context.

Theoretically, disgorgement damages can serve as compensatory by reimbursing trademark owners for profits lost from an infringer’s actions.229 However, this theory is only convincing when the mark owner and infringer directly compete in the same market230—when these parties are competitors, “[t]he defendants’ profit . . . are a rough measure of the plaintiff’s damages. Indeed, they are probably the best measure of damages available.”231 A compensatory rationale loses its footing, however, when the parties are not in economic competition,232 and there is no diversion of sales.233

Although the compensatory rationale admittedly suffers from shortcomings in the disgorgement context, attempts to repay mark owners for their losses also seek to offset the mark owner’s loss of goodwill or business reputation from infringement.234 This policy would be especially relevant when someone infringes willfully. In that instance, an entity would deliberately seek to divert sales away from a competitor through infringement, making such a self-interested move with the knowledge that such conduct is wrongful. An award of disgorgement damages would therefore make a mark owner whole in light of a willful infringer’s actions. As a result, requiring willfulness before awarding disgorgement damages would serve an underlying compensatory purpose, even if full compensation is not theoretically possible.

2. Proof of Willfulness Corrects Unjust Enrichment. Another rationale served by a willfulness requirement is unjust enrichment, which seeks to return unmerited gains from an infringer to the mark owner’s rightful possession.235 It views trademark infringement as a violation of property rights rightfully belonging to a mark owner.236 This rationale is distinct from compensation, as the gains of unjust enrichment could exceed the mark owners’ economic loss.237 In fact, an unjust enrichment rationale focuses its evaluation on an infringer’s wrongful

228 Id.
229 Mccarthy, supra note 1, § 30:59.
230 Id.
231 Id. (quoting Polo Fashions, Inc. v. Craftex, Inc., 816 F.2d 145, 149 (4th Cir. 1987)) (alterations in original).
232 Corgill, supra note 8, at 1921.
233 Id. at 1922.
234 Id. at 1917–18.
235 See supra notes 109–15 and accompanying text.
236 Corgill, supra note 8, at 1931.
237 Id.
conduct instead of a mark owner’s injury. Under an unjust enrichment theory, disgorging infringers’ profits seeks to undo gains they did not lawfully obtain.

At its core, the unjust enrichment rationale serves three purposes. First, “increase confidence in a democratic market economy”; second, it provides a remedy for parties directly and indirectly impacted by infringing activities; third, it establishes a proper standard for proper conduct in a competitive business environment. In addition, unjust enrichment retains some of the principles previously available within courts of equity. This theory depends on the “character of the gains of the infringer and evaluates whether an infringer’s profits could be lawfully obtained.”

Disgorging profits unjustly retained by an infringer logically applies to instances of willful infringement. An intentional, deliberate violation of a mark owner’s property is illegal. Awarding an infringer’s profits deliberately gained and wrongfully retained should therefore be returned to mark owners negatively affected by infringement, which maintains the faith of consumers and produces in the existing market economy.

Finally, to safeguard against windfalls to the plaintiff, principles of equity serve as a check on disgorgement when willfulness is required, as the damages are awarded on a case-by-case basis. Overall, these reasons demonstrate why an unjust enrichment rationale supports such a requirement of willfulness before awarding an infringer’s profits.

3. Proof of Willfulness Deters Future Infringement. A final remedial policy furthered by requiring a showing of willfulness is deterrence of future incidents of infringement. According to this rationale, disgorgement damages serve as a stick to prevent future infringers from being enticed by the carrot of unethical and unlawful business practices. Like the unjust enrichment rationale, the deterrence theory fixates on an infringer’s wrongful conduct instead of a mark owner’s injury. Deterrence is an attractive aim because it can prevent future willful violations of a trademark through disregarding a competitor’s rights, belittling a competitor’s mark, and blatantly utilizing a mark despite knowledge

238 Id.
239 Thurman, supra note 6, at 313.
240 Conway-Jones, supra note 3, at 882.
241 Id.
242 Id. at 932 (describing the equitable nature of unjust enrichment remedy).
243 Id.
244 Id. at 882.
245 See supra notes 122–25 and accompanying text.
246 Correll, supra note 8, at 1926.
of its previous use.\textsuperscript{247} This theory indicates to the general public that this deliberate conduct is wrongful and could be subject to punitive exemplary damages, subject to equitable limitations.\textsuperscript{248} However, a deterrence rationale must walk a fine line to adhere to congressional intent.\textsuperscript{249} The language of the Lanham Act prohibits awarding punitive damages solely to punish, so disgorgement must serve to deter future infringement without excessively punishing infringing parties.\textsuperscript{250}

The deterrence rationale is particularly persuasive when applied to willful infringement. When infringers “demonstrate[] a callous disregard for the rights of a competitor and for the mandates of the federal courts,” they should be dissuaded from acting so disrespectfully in the future.\textsuperscript{251} Willful infringement can be analogized to wrongful conduct in violation of tort law.\textsuperscript{252} It is presumed that monetary damages would not deter wrongful conduct committed innocently without any knowledge of wrongfulness.\textsuperscript{253} As a result, the deterrence rationale demands application to examples of knowing, willful infringement. It prevents infringers from intentionally subverting the trademark protection system by misrepresenting information or skirting questions.\textsuperscript{254} Disgorgement damage awards deter and discourage parties hoping to undermine business competitors through dishonorable means.

C. MERELY VIEWING WILLFULNESS AS A CONSIDERATION DOES NOT ACCURATELY REPRESENT CONGRESSIONAL INTENT

Finally, some courts and commentators maintain that the 1999 amendment of § 1117 abrogates a willfulness requirement when awarding a disgorgement damage award.\textsuperscript{255} However, these approaches expand the scope of the 1999

\begin{thebibliography}{99}
\bibitem{247} Otake, \textit{supra} note 119, at 232–33.
\bibitem{248} Corgill, \textit{supra} note 8, at 1926.
\bibitem{249} Conway-Jones, \textit{supra} note 3, at 883.
\bibitem{250} Id.
\bibitem{251} Otake, \textit{supra} note 119, at 241 (quoting W.E. Bassett Co. v. Revlon, Inc., 435 F.2d 656 (2d Cir 1970)).
\bibitem{252} Corgill, \textit{supra} note 8, at 1929.
\bibitem{253} Id.
\bibitem{254} Otake, \textit{supra} note 119, at 245.
\bibitem{255} See Quick Technologies, Inc. v. Sage Group PLC, 313 F.3d 338, 349 (5th Cir. 2002) (“In light of the plain language of § 1117(a), however, we decline to adopt a bright-line rule in which a showing of willful infringement in a prerequisite to an accounting of profits.”); Synergistic Intern., LLC v. Korman, 470 F.3d 162 n.13 (4th Cir. 2006) (“We agree that willfulness is not an essential prerequisite for a damages award, but that it remains a highly pertinent factor.”); Banjo Buddies, Inc. v. Renosky, 399 F.3d 168, 171 (3d Cir. 2005) (“We hold that willfulness . . . has been superseded by a 1999 amendment to the Lanham Act.”).
\end{thebibliography}
amendment beyond its original purpose.\textsuperscript{256} When the amendment was enacted, Congress only contemplated trademark dilution.\textsuperscript{257} It wanted to limit disgorgement’s availability to instances of willful trademark dilution only.\textsuperscript{258} Courts like the Third, Fourth, and Fifth Circuits that abrogated a willfulness requirement “leverage[ ] this statutory change beyond its intended scope to adjust the equities in ordinary infringement cases in order to make it easier for a trademark owner to recover profits.”\textsuperscript{259}

Therefore, although many authorities assert that Congress’s silence concerning non-dilutive infringement requires an abrogation of the willfulness requirement,\textsuperscript{260} such silence is consistent with maintaining the status quo in trademark matters.\textsuperscript{261} These proponents of abrogation have unnecessarily removed a requirement that a majority of courts have upheld for decades. This view is misguided and unnecessarily complicates legislative intent. Contrary to these assertions, Congress intended to retain willfulness as a requirement and courts should thus follow that approach.

Proponents of abrogation posit that the 1999 amendment served as a response to cybersquatters and related trademark dilution offenses instead of non-dilutive infringement.\textsuperscript{262} While the legislative history mentions technology, it does not specifically reference cybersquatting or any relevant case law.\textsuperscript{263} The limited nature of the 1999 amendment merely sought to clarify trademark dilution matters while keeping the existing disgorgement infrastructure intact. As a consequence, maintaining the prevailing willfulness requirement across the country is most consistent with congressional intent.

As recently portrayed in \textit{Romag Fasteners, Inc.}, this interpretation issue has generated long-lasting uncertainty for trademark owners and courts. Either Congress or the Supreme Court must resolve any remaining uncertainty. Without requiring willfulness in a disgorgement analysis, courts leave consumers subject to confusing similarly designated products and mark owners subject to damage towards which may not adequately compensate their losses. Infringers also will be deterred from unjust gained profits. The circuit split

\textsuperscript{256} \textit{McCarthy}, supra note 1, § 30:62.
\textsuperscript{257} 145 CONG. REC. H6363-01 (daily ed. July 26, 1999) (“This legislation is a necessary follow-up to the Federal Trademark Dilution Act of 1995.”).
\textsuperscript{258} \textit{Id}.
\textsuperscript{259} \textit{McCarthy}, supra note 1, § 30:62.
\textsuperscript{260} Bertagna, supra note 5, at 286–87.
\textsuperscript{261} See supra notes 221–24 and accompanying text.
\textsuperscript{262} Bertagna, supra note 5, at 291.
\textsuperscript{263} 145 CONG. REC. H6363-01 (daily ed. July 26, 1999).
should be resolved by viewing willfulness as a prerequisite for awarding disgorgement damages, not a mere consideration or a question worth avoiding.

IV. CONCLUSION

The fifteen years following the 1999 amendment of § 1117 have generated a scattered map of approaches for considering willfulness providing disgorgement damages to trademark owners. Circuit courts approach willfulness in three ways: as either a requirement, a mere equitable consideration, or with ambivalence and avoidance. In light of the persuasive 2014 example of the Romag Fasteners decision, future courts should view willfulness as a prerequisite for awarding a disgorgement of an infringer's profits.

This approach first comports with congressional intent and furthers relevant remedial policies. Congress’s silence regarding non-dilutive remedies does not, as some courts and commentators argue, indicate a desire to abrogate willfulness’s requirement. Rather, it demonstrates a desire to maintain the common law’s status quo. Before the 1999 amendment to the Lanham Act, most common law courts considering disgorgement damages required a showing of willfulness, hesitant to punish innocent infringement. Therefore, the legislature’s refusal to address the role of willfulness in non-famous infringement actions demonstrates its desire to retain the requirement.

Second, viewing willfulness as a prerequisite is also consistent with the remedial policies of compensation, unjust enrichment, and deterrence. Although the total damages suffered by a mark owner are nearly impossible to calculate, a disgorgement remedy can compensate a mark owner by providing an estimate of the economic harm to the owner. An unjust enrichment rationale seeks to return commercial gains from wrongful activities to their rightful owner—trademark owners themselves. Finally, disgorgement’s availability as a remedy also removes incentives for infringement, thereby deterring future harm at the expense of trademark owners.

The courts and commentators alternatively abrogating a willfulness requirement misinterpret the scope of the language in the 1999 amendment and instead rely on issues like cybersquatting that were not contemplated by the existing § 1117 infrastructure. Accepting Congress’s intentional silence in the 1999 amendment to maintain the status quo while furthering policies of compensation, unjust enrichment, and deterrence demands that willfulness serve as a prerequisite for disgorgement damages in the trademark context. Where there’s willful infringement, there’s a way to properly assess disgorgement damages on behalf of mark owners.