No. 04-___

IN THE

Supreme Court of the United States

Contessa Premium Foods, Inc.,
Petitioner,

v.

Berdex Seafood, Inc., et al.

On Petition for a Writ of Certiorari
to the United States Court of Appeals
for the Ninth Circuit

PETITION FOR A WRIT OF CERTIORARI

Gregory J. Morrow
CONTESSA PREMIUM FOODS, INC.
222 West Sixth St.
San Pedro, CA 90731

Theodore A. Pianko
Gary Dukarich
Joel A. Kauth
CHRISTIE, PARKER & HALE, LLP
3501 Jamboree Road
Suite 6000
Newport Beach, CA 92660

Laurence H. Tribe
(*Counsel of Record*)
Hauser Hall 420
1575 Massachusetts Ave.
Cambridge, MA 02138
(617) 661-9030

Thomas C. Goldstein
Amy Howe
Kevin K. Russell
GOLDSTEIN & HOWE, P.C.
4607 Asbury Pl., NW
Washington, DC 20016

June 15, 2005

QUESTIONS PRESENTED

1. Whether willfulness is a prerequisite for an award of profits for violations of Section 43(a) of the Lanham Act, a question upon which the circuits are divided.
2. Whether this case should be remanded to the Ninth Circuit for reconsideration after this Court's decision in *MGM Studios, Inc.* v. *Grokster Ltd.*, No. 04-480.

CORPORATE DISCLOSURE STATEMENT

Pursuant to Supreme Court Rule 29.6, petitioner states that it has no parent corporation and that no publicly held corporation holds ten percent or more of its stock. During the course of the litigation, the name of petitioner's company was changed from "ZB Industries, Inc." to "Contessa Food Products, Inc.," and then to its current name, "Contessa Premium Foods, Inc."

PARTIES TO THE PROCEEDINGS BELOW

In addition to the parties named in the caption, the following parties appeared below and are respondents here: The Mazzetta Company, Slade Gorton & Co., Inc., Hanwa American Corp., Fishery Products International Inc., Coast to Coast Seafood, Inc., Sea Port Products Corp., and Admiralty Island Fisheries. Other defendants below, who are not respondents here, include Lockpur Fish Processing Co., Ltd., Ocean King International, L.M. Sandler & Sons, Inc., BGL I, Inc., Expack Seafood, Inc., F.W. Myers & Co., ICE Co., J.C. Murray & Co., and Niamar International, Inc.

TABLE OF CONTENTS

QUESTIONS PRESENTED.. i
CORPORATE DISCLOSURE STATEMENT ii
PARTIES TO THE PROCEEDINGS BELOW iii
TABLE OF CONTENTS.. iv
TABLE OF AUTHORITIES vi
PETITION FOR A WRIT OF CERTIORARI 1
OPINIONS BELOW...1
JURISDICTION 1
RELEVANT STATUTORY PROVISIONS 1
STATEMENT...3
REASONS FOR GRANTING THE WRIT...........................7

I. Certiorari Is Warranted To Resolve The Division Among The Courts Of Appeals Over Whether Willfulness Is A Prerequisite For An Award Of Profits For Violations Of Section 43(a) Of The Lanham Act..8
   A. The Courts Of Appeals Are Split Three Ways Over The Prerequisites For An Award Of Profits Under The Lanham Act. 8
   B. Whether Willfulness Is Required For An Award Of Profits For Violations Of Section 43(a) Is A Question Of Substantial And Recurring Importance. 13
   C. This Case Is An Ideal Vehicle For Resolving The Split…… 16
   D. Willfulness Is Not A Prerequisite For An Award Of Profits For Trademark Infringement....................17
      1. Imposition Of An Absolute Willfulness Prerequisite Conflicts With The Text Of The Statute 17
      2. "Principles Of Equity" Do Not Support Requiring Willfulness As A Prerequisite For An Award Of Profits In Every Case 19

II. This Case May Require Reconsideration In Light Of This Court's Decision In *Grokster*..................................24

CONCLUSION...25

TABLE OF AUTHORITIES

Cases

Adray v. *Adry-Mart, Inc.*, 76 F.3d 984 (CA9 1995) 10, 11
Aktiebolaget Electrolux v. *Armatron Int'l, Inc.*, 999 F.2d 1 (CA1 1993) 10
ALPO Petfoods, Inc. v. *Ralston Purina Co.*, 913 F.2d 958 (CADC 1990) 10, 15
Banjo Buddies, Inc. v. *Renosky*, 399 F.3d 168 (CA3 2005) 11, 12
Bishop v. *Equinox Int'l Corp.*, 154 F.3d 1220 (CA10 1998) 10
Burger King Corp. v. *Mason*, 855 F.2d 779 (CA11 1988) 12, 22
Champion Spark Plug Co. v. *Sanders*, 331 U.S. 125 (1947) 23
David Sherman Corp. v. *Heublein, Inc.*, 340 F.2d 377 (CA8 1965) 14
Downtowner/Passport International Hotel Corp. v. *Norlew, Inc.*, 841 F.2d 214 (CA8 1988) 15
George Basch Co. v. *Blue Coral, Inc.*, 968 F.2d 1532 (CA2 1992) .... passim
Hamilton-Brown Shoe Co. v. *Wolf Brothers & Co.*, 240 U.S. 251 (1916) 21, 22
Harold F. Ritchie, Inc. v. Chesebrough-Pond's, Inc., 281 F.2d 755 (CA2 1960) 14
Hecht Co. v. *Bowles*, 321 U.S. 321 (1944) 19
Kos Pharms., Inc. v. *Andrx Corp.*, 369 F.3d 700 (CA3 2004) 14
Lindy Pen Co. v. *Bic Pen Corp.*, 982 F.2d 1400 (CA9 1993) .... passim
Louis Vuitton S.A. v. *Lee*, 875 F.2d 584 (CA7 1989) 20
MGM Studios, Inc. v. *Grokster, Ltd.*, 380 F.3d 1154, cert. granted, 125 S. Ct. 686 (2004) 5, 8, 24

Mishawaka Rubber & Woolen Mfg. Co. v. *Kresge*, 316 U.S. 203 (1942)..passim
Quick Techs., Inc. v. *Sage Group PLC*, 313 F.3d 338 (CA5 2002) 12
Roulo v. *Russ Berrie & Co.*, 886 F.2d 931 (CA7 1989)...12, 20, 21
Sands, Taylor & Wood Co. v. *Quaker Oats Co.*, 978 F.2d 947 (CA7 1992)..15, 16
Savin Corp. v. *Savin Group*, 391 F.3d 439 (CA2 2004)..14
Scarves by Vera, Inc. v. *Todo Imports Ltd.*, 544 F.2d 1167 (CA2 1976)..14
Tamko Roofing Prods., Inc. v. *Ideal Roofing Co.*, 282 F.3d 23 (CA1 2002)...................................passim
Tisch Hotels, Inc. v. *Americana Inn, Inc.*, 350 F.2d 609 (CA7 1965)...14
United States v. *Oakland Cannabis Buyers' Coop.*, 532 U.S. 483 (2001)..20
W. E. Bassett Co. v. *Revlon, Inc.*, 435 F.2d 656 (CA2 1970)...14
Wynn Oil Co. v. *American Way Serv. Corp.*, 943 F.2d 595 (CA6 1991)..12

Statutes

15 U.S.C. 1114(1)..18
15 U.S.C. 1114(2)(A)-(B)..18
15 U.S.C. 1114(2)(D)(i)(II)(cc)..18
15 U.S.C. 1117(a) (1998)...17
15 U.S.C. 1118...18
Pub. L. No. 106-43, § 3(b), 113 Stat. 218, 219 (Aug. 5, 1999)...17
Section 106 of the Copyright Act, 17 U.S.C. 106 2
Section 35(a) of the Lanham Act, 15 U.S.C. 1117(a)....passim
Section 43(a) of the Lanham Act, 15 U.S.C. 1125(a)....passim
Section 43(c) of the Lanham Act, 15 U.S.C. 1125(c).8, 10, 17

Section 43(d) of the Lanham Act, 15 U.S.C. 1125(d) 8, 17

Other Authorities

Danielle Conway-Jones, *Remedying Trademark Infringement: The Role of Bad Faith In Awarding An Accounting of Defendants' Profits*, 42 SANTA CLARA L. REV. 863 (2002) 12

Eugene W. Luciani, *Note: Does The Bad Faith Requirement In Accounting of Profits Damages Make Economic Sense*?, 6 J. INTELL. PROP. L. 69 (1998)...12

James M. Koelemay, Jr., *A Practical Guide to Monetary Relief in Trademark Infringement Cases*, 85 TRADEMARK REPORTER 263 (1995).....11, 12, 16

Keith M. Stolte, *Remedying Judicial Limitations on Trademark Remedies: An Accounting of Profits Should Not Require a Finding of Bad Faith*, 87 TRADEMARK REPORTER 271 (1997)...........................12, 22

Keith M. Stolte, *Remedying Judicial Limitations on Trademark Remedies: Monetary Relief Should Not Require Proof of Actual Confusion*, 75 DENV. U. L. REV. 229 (1997)...14

Treatises

J. Gilson, TRADEMARK PROTECTION AND PRACTICE (2005)...17, 25, 26

J. McCarthy, TRADEMARKS AND UNFAIR COMPETITION (2002)..passim

Doris E. Long, UNFAIR COMPETITION AND THE LANHAM ACT (1993)..13, 14

RESTATEMENT (THIRD) UNFAIR COMPETITION (1995)..........24

PETITION FOR A WRIT OF CERTIORARI

Petitioner Contessa Premium Foods, Inc., respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Ninth Circuit in this case.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Ninth Circuit (App. 1a-8a) is unpublished. The orders of the district court (*id.* 9a-59a) are unpublished.

JURISDICTION

The judgment of the court of appeals was entered on January 3, 2005. Petitioner's petition for rehearing and rehearing en banc was denied on February 15, 2005. Justice O'Connor extended the time to file this petition to and including June 15, 2005. App. No. 04A944. This Court has jurisdiction pursuant to 28 U.S.C. 1254(1).

RELEVANT STATUTORY PROVISIONS

Section 35(a) of the Lanham Act, 15 U.S.C. 1117(a), provides, in relevant part:

> When a violation of any right of the registrant of a mark registered in the Patent and Trademark Office, a violation under section 43(a) or (d), or a willful violation under section 43(c), shall have been established in any civil action arising under this Act, the plaintiff shall be entitled, subject to the provisions of sections 29 and 32, and 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.

Section 43(a) of the Lanham Act, 15 U.S.C. 1125(a), provides, in relevant part:

(a) Civil action.

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

Section 106 of the Copyright Act, 17 U.S.C. 106, provides, in relevant part:

Subject to sections 107 through 122, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

(1) to reproduce the copyrighted work in copies or phonorecords;

(2) to prepare derivative works based upon the copyrighted work;

(3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending.

STATEMENT

1. Petitioner Contessa Premium Foods, Inc., is a major producer and distributor of seafood products, including frozen shrimp. App. 10a. In 1986, petitioner created a photographic logo, known in the litigation below as the "Boiling Shrimp Image," which depicts a black tiger shrimp held by chopsticks and submerged halfway into boiling water. *Id.* 25a-26a; see also *id.* 63a (Contessa image). The image represents a substantial investment of marketing resources and accumulated customer goodwill. Petitioner has used the image on its shrimp packaging since 1988 and in thousands of advertisements in U.S. retail markets. *Id.* 11a; C.A. E.R. 218-19.[1] Between 1993 and 2000, petitioner sold over 25 million pounds of shrimp, worth more than $250 million, in packaging all bearing the Boiling Shrimp Image. App. 26a.

Respondents are American seafood distributors who bought tens of thousands of cartons of frozen shrimp from Lockpur Food Products, Inc., a Bangladeshi seafood packing company, for resale in the U.S. From 1997 through 1998, Lockpur packed its own "Sea Star" frozen shrimp in four-pound boxes displaying a virtual duplicate of the Boiling Shrimp Image, with only the chopsticks removed. App. 26a, 63a. Even the bubbles in the boiling water were identical to those in the Boiling Shrimp image. See C.A. E.R. 216, 225; App. 63a (reproducing Contessa and Sea Star images).

The four-pound boxes of Lockpur shrimp were, in turn, packaged in larger "master cartons" that did not display the copied image. App. 26a. Respondents purchased millions of dollars worth of Lockpur's shrimp in master cartons which they then sold to U.S. customers. *Id.* 26a-27a; C.A. E.R. 1418, 1528-32, 1621-62.

---

[1] "C.A. E.R." refers to the Excerpt of Records in the court of appeals.

Petitioner first became aware of this activity in September 1998. C.A. E.R. 724. Around the same time, U.S. Customs officials seized shipments of Sea Star-brand shrimp because of its infringing packaging. *Id*. at 724-25.

2. Petitioner filed suit against Lockpur and its American distributors. App. 9a-10a.[2] Among other things, petitioner alleged that by reselling products displaying a virtual copy of the Boiling Shrimp Image, respondents violated petitioner's exclusive right to copy and distribute its copyrighted image, in violation of the Copyright Act, 17 U.S.C. 106. See *id.* 9a.[3] In addition, petitioner alleged that respondents violated Section 43(a) of the Lanham Act, 15 U.S.C. 1125(a), by distributing an inferior product using an image that was likely to cause consumer confusion or mistake as to the source of the products respondents were selling. App. 9a.

Petitioner obtained preliminary injunctions against certain respondents continuing to sell the offending Lockpur product. The district court also granted default judgments against Lockpur and another defendant. Petitioner agreed to settlements or stipulated dismissals with six other defendants. The district court subsequently granted summary judgment to the remaining defendants on the trademark and copyright claims. App. 22a, 39a, 57a. The court held that petitioner lost its copyright in the Image in the late 1980s when one of petitioner's marketing agencies inadvertently published eight magazine advertisements containing the image without the notice of copyright required by the Copyright Act of 1976, 17 U.S.C. 401(b), 405(a). App. 13a-22a.

---

[2] The original complaint was filed against Lockpur and respondent Berdex in October 1998. App. 9a-10a. Additional defendants were added through amendments to the complaint and a separate lawsuit that was eventually consolidated in the Central District of California. *Id.* 10a & n.1.

[3] Petitioner did not bring a copyright claim against respondents Fishery Products International, Inc., Sea Port Products Corporation, and Admiralty Island Fisheries Inc. See App. 3a.

With respect to petitioner's trademark claims, the district court held that even if respondents violated petitioners' trademark, petitioner was not entitled to any relief. Petitioner was not entitled to actual damages, the court held, because it failed to establish any actual confusion or pecuniary loss as a result of the trademark violations. C.A. E.R. at 402-407. The court further held that petitioner was not entitled to disgorgement of respondents' profits because it could not show that "'the infringement [was] willfully calculated to exploit the advantage of an established mark.'" App. 32a, 48a (quoting *Lindy Pen Co.* v. *Bic Pen Corp.*, 982 F.2d 1400, 1405 (CA9 1993)). In the court's view, the summary judgment evidence failed to establish that respondents ever looked inside the master cartons they were buying and reselling, thereby precluding a finding of willful infringement. *Id.* 36a, 43a, 50a-51a. Finally, the court held that petitioner was not entitled to permanent injunctive relief because respondents had severed business ties with Lockpur during the pendency of the litigation. *Id.* 54a-56a; see also C.A. E.R. 933-35, 950-52, 971-73, 993-95, 1015-16.[4]

3. Petitioner appealed. The Ninth Circuit generally affirmed the district court's judgment regarding both the copyright and trademark claims. The court first declined to decide the validity of petitioner's copyright, App. 4a n.1, holding instead that petitioner failed to prove any infringement by respondents. Although the court acknowledged that Lockpur's *direct* infringement was "easily established," *id.* 4a-5a, the court held that petitioner failed to prove the elements of a *contributory* or *vicarious* copyright infringement claim against respondents, *id.* 5a-6a & n.2. Applying its decision in *MGM Studios, Inc.* v. *Grokster, Ltd.*, 380 F.3d 1154, 1164, cert. granted, 125 S. Ct. 686 (2004), the

---

[4] The district court issued numerous essentially identical orders in the various consolidated cases. The duplicate orders are not reproduced in the appendix but appear in the excerpts of record from the court of appeals.

court held that to prevail under a theory of vicarious infringement, petitioner would "have to establish that [respondents] received a direct financial benefit from the infringement and that [respondents] had the right and ability to supervise Lockpur." App. 5a n.2. Petitioner could not prevail on such a claim, the court held, because respondents "did not have the requisite control over Lockpur" and because "there was no evidence in the record that [respondents] received any benefits whatsoever" from Lockpur's infringing use of the Boiling Shrimp image. *Ibid*. The court further held that petitioner could not prevail under the theory of contributory infringement because it did not show that respondents "knew or had reason to know of Lockpur's infringement." *Id*. 5a.

The court also affirmed the district court's denial of all relief under the Lanham Act. The court assumed that petitioner had a valid trademark in the Boiling Shrimp Image. App. 6a. The court also acknowledged that "Contessa has introduced evidence supporting a reasonable inference that defendants Fishery Products, Berdex and Coast-to-Coast did distribute product in packaging containing the Image." *Id*. 7a.[5] Applying settled circuit precedent, the court nonetheless held that petitioner was precluded from seeking disgorgement of any profits resulting from that infringement "because of an absence of any evidence supporting a reasonable inference that any of [respondents] *willfully infringed* its alleged trademark." *Id*. 7a (citing *Lindy Pen Co.*, 982 F.2d at 1406) (emphasis added). The court also affirmed the district court's

[5] With respect to five other defendants, the court held that petitioner's trademark claims failed because petitioner had not produced sufficient evidence to show that those defendants had ever used the Boiling Shrimp Image in commerce. App. 6a-7a. Petitioner does not seek review of this aspect of the court of appeals' decision and, accordingly, does not challenge the judgment with respect to those five defendants on the trademark claims.

denial of injunctive relief in light of its finding that the defendants "had permanently terminated business relations with Lockpur and had neither commercial interest nor motivation to use the allegedly infringing Image." *Ibid.* Because petitioner did not appeal the denial of actual damages, the court's ruling left petitioner with no entitlement to any relief if it prevailed on the merits of its trademark claims. Accordingly, the court of appeals affirmed the dismissal of petitioner's trademark claims in their entirety. *Id.* 4a.

Petitioner filed a petition for rehearing or rehearing en banc, which was denied. App. 62a. This petition followed.

REASONS FOR GRANTING THE WRIT

This Court should grant the petition for certiorari to resolve an entrenched three-way split of authority among the courts of appeals regarding the proper standard for awarding disgorgement of profits for trademark infringement or other violations of Section 43(a) of the Lanham Act. Three circuits hold that an award of profits is permitted only in cases of willful infringement. Two circuits hold that willful infringement is required unless the plaintiff qualifies for an award of compensatory damages, in which case the defendant's profits may be used as a measure of actual damages. Four other circuits have rejected either per se rule in favor of permitting district courts to exercise their equitable discretion in light of all the relevant factors, including the presence or absence of willfulness.

The difference in these standards is particularly important in the many cases, like this one, in which American distributors resell infringing products manufactured abroad. In such cases, an award of profits from the reseller may be the only remedy practically available to a trademark owner. Yet, the absolute prerequisite of willful infringement precludes recovery from distributors who are able to disclaim knowledge of the infringement even as they profit from it. This result is inconsistent with the text and purposes of the

Lanham Act, which explicitly confers upon the district court equitable discretion to fashion appropriate remedies according to the circumstances of the case. See 15 U.S.C. 1117(a).

In addition, the Ninth Circuit's dismissal of petitioner's copyright claims based on the legal standards established in *MGM Studios, Inc.* v. *Grokster, Ltd.*, 380 F.3d 1154 (2004), may require re-examination in light of this Court's decision in that case. See *MGM Studios, Inc.* v. *Grokster Ltd.*, No. 04-480 (pending as of the date this petition was filed). Accordingly, if this Court declines to review the trademark decision below, and this Court reverses the Ninth Circuit's decision in *Grokster*, it may be appropriate to grant the petition, vacate the court of appeals' decision, and remand for reconsideration in light of the *Grokster* decision.

I. Certiorari Is Warranted To Resolve The Division Among The Courts Of Appeals Over Whether Willfulness Is A Prerequisite For An Award Of Profits For Violations Of Section 43(a) Of The Lanham Act.

This case presents an opportunity for this Court to resolve the long-standing three-way split of authority among the federal circuits regarding the prerequisites for an award of profits for violations of Section 43(a) of the Lanham Act.

A. The Courts Of Appeals Are Split Three Ways Over The Prerequisites For An Award Of Profits Under The Lanham Act.

The Lanham Act prohibits a number of forms of unfair trade practices, including infringement upon registered trademarks (Section 32), infringement upon non-registered trademarks, false advertising, and false descriptions of origin (Section 43(a)), dilution of famous marks (Section 43(c)), and "cyberpiracy" (Section 43(d)). Petitioner's trademarks claims arise under Section 43(a), which provides in relevant part:

> Any person who, on or in connection with any goods or services, or any container for goods, uses in

> commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—
>
> > (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,
>
> shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. 1125(a).

Monetary remedies for violations of the Lanham Act are provided by Section 35(a), which specifies that

> [w]hen a violation of any right of the registrant of a mark registered in the Patent and Trademark Office, a violation under section 43(a) [false description or designation of origin] or (d) [cyberpiracy], or a *willful* violation under section 43(c) [dilution of famous marks], shall have been established in any civil action arising under this Act, the plaintiff shall be entitled, subject to the provisions of sections 29 and 32, and 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.

15 U.S.C. 1117(a) (emphasis added).[6]

Although this provision has an explicit requirement of willfulness only with respect to *dilution* claims under Section 43(c), three circuits hold that willfulness is an absolute prerequisite for *all* awards of profits under this provision, including awards for trademark infringement under Section 43(a). See *Bishop* v. *Equinox Int'l Corp.*, 154 F.3d 1220, 1223 (CA10 1998) ("[A]n award of profits requires a showing that defendant's actions were willful or in bad faith."); *George Basch Co*. v. *Blue Coral, Inc.*, 968 F.2d 1532, 1534 (CA2 1992) ("[I]n order to justify an award of profits, a plaintiff must establish that the defendant engaged in willful deception."); *ALPO Petfoods, Inc.* v. *Ralston Purina Co.*, 913 F.2d 958, 968 (CADC 1990) ("[A]n award based on a defendant's profits requires proof that the defendant acted willfully or in bad faith.").

The First and Ninth Circuits hold that willfulness is a prerequisite for a profits award, except in cases where the plaintiff qualifies for compensatory damages, in which case the defendant's profits may be awarded as a measure of the plaintiff's damages without proof of willfulness. Thus, the First Circuit requires proof of willfulness "when the rationale for an award of defendant's profits is to deter some egregious conduct." *Tamko Roofing Prods., Inc*. v. *Ideal Roofing Co.*, 282 F.3d 23, 36 n.11 (2002). But the First Circuit holds that "an accounting of defendant's profits where the products directly compete does not require fraud, bad faith, or palming off," *id*. at 36, on the theory "that defendant's profits would have gone to plaintiff if there was no violation," *Aktiebolaget Electrolux* v. *Armatron Int'l, Inc.*, 999 F.2d 1, 5 (1993). The Ninth Circuit likewise does not require proof of willfulness "when plaintiff seeks the defendant's profits as a measure of his own damage" resulting from "lost sales." *Adray* v. *Adry-Mart, Inc.*, 76 F.3d 984, 988 (1995) (citing *Lindy Pen Co.* v.

---

[6] Injunctive relief is governed by Section 34. See 15 U.S.C. 1116.

Bic Pen Corp., 982 F.2d 1400, 1407-09 (CA9 1993)). But when a plaintiff is unable to show that it has suffered any lost sales as a result of the infringement, it may "recover * * * profits only if the infringement was willful." *Ibid*. (citing *Lindy Pen Co.*, 982 F.2d at 1405-09). Thus, in this case, because petitioner was unable to show lost sales due to the infringement, the Ninth Circuit required proof of willfulness for an award of profits. App. 7a.

Among the circuits that require proof of willfulness, there is yet further division over what constitutes a willful violation sufficient to justify an award of profits. See James M. Koelemay, Jr., *A Practical Guide to Monetary Relief in Trademark Infringement Cases*, 85 TRADEMARK REPORTER 263, 270 (1995) ("Those courts that retain a scienter requirement have not defined 'bad faith' or 'willfulness' consistently."); Doris E. Long, UNFAIR COMPETITION AND THE LANHAM ACT § 7.11.3.3 (1993) (noting inconsistency). Some circuits, including the Ninth, require "bad faith" or a "deliberate intent to deceive" consumers. See *Basch Co.*, 968 F.2d at 1534; *Lindy Pen Co.*, 982 F.2d at 1406. Thus, in this case, the district court rejected petitioner's assertion that willfulness could be established by showing that respondents were willfully blind to whether the shrimp they were reselling was packaged with an infringing image. App. 33a. Other courts, by contrast, apply a broader definition. The First Circuit, for example, has awarded profits for willful infringement when a jury was instructed that "an act is done willfully if done voluntarily and intentionally." *Tamko*, 282 F.3d at 36 n.10.

In conflict with all of those standards, five other circuits have held that willfulness is never a prerequisite for an award of profits under the Lanham Act, ruling instead that district courts must exercise equitable discretion in light of all the relevant circumstances, including the defendant's level of culpability. See *Banjo Buddies, Inc.* v. *Renosky*, 399 F.3d 168, 174 (CA3 2005) (rejecting a "bright-line willfulness requirement"); *Quick Techs., Inc.* v. *Sage Group PLC*, 313

F.3d 338, 349 (CA5 2002) ("[I]n light of the plain language of § 1117(a), * * * we decline to adopt a bright-line rule in which a showing of willful infringement is a prerequisite to an accounting of profits."); *Wynn Oil Co.* v. *American Way Serv. Corp.*, 943 F.2d 595, 607 (CA6 1991) ("[T]here is no express requirement that the parties be in direct competition or that the infringer willfully infringe the trade dress to justify an award of profits.") (citation omitted); *Roulo* v. *Russ Berrie & Co.*, 886 F.2d 931, 941 (CA7 1989) (explaining that "other than general equitable considerations, there is no express requirement * * * that the infringer willfully infringe * * * to justify an award of profits"); *Burger King Corp.* v. *Mason*, 855 F.2d 779, 781 (CA11 1988) ("Nor is an award of profits * * * dependent upon a higher showing of culpability on the part of the defendant, who is purposely using the trademark.").

This division of authority is considered, mature, and unresolvable without intervention by this Court. The split has persisted more than a decade[7] and has been repeatedly acknowledged by the courts themselves. See, *e.g.*, *Banjo Buddies*, 399 F.3d at 174; *Quick Techs.*, 313 F.3d at 347-48. The question has received considerable analysis in the courts of appeals, see, *e.g.*, *Basch Co*., 968 F.2d at 1537-40; *Quick Techs.*, 313 F.3d at 346-49, as well as from authors of trademark treatises and law reviews.[8] Nonetheless, over the

---

[7] Indeed, as early as 1993, the author of a textbook on the Lanham Act was able to observe that "[t]here is an established split in the circuits regarding the type of proof necessary to obtain an accounting of the defendant's profits." Doris E. Long, UNFAIR COMPETITION AND THE LANHAM ACT § 7.11.3.3.

[8] See, *e.g.*, 3 J. Gilson, TRADEMARK PROTECTION AND PRACTICE § 14.03[6][c](i) (2005); 5 J. McCarthy, TRADEMARK AND UNFAIR COMPETITION § 30:62 (2004); Danielle Conway-Jones, *Remedying Trademark Infringement: The Role of Bad Faith In Awarding An Accounting of Defendants' Profits*, 42 SANTA CLARA L. REV. 863 (2002); Eugene W. Luciani, *Note: Does The*

past ten years, the disagreement has intensified rather than dissipated. Intervention by this Court is required if uniformity is to be restored to the law.

B. Whether Willfulness Is Required For An Award Of Profits For Violations Of Section 43(a) Is A Question Of Substantial And Recurring Importance.

The question of when an award of profits should be available under the Lanham Act is a recurring issue of substantial importance, as illustrated by the fact that nine circuits have squarely and repeatedly addressed the question. See *supra* at 10-12. The question is especially important because a willfulness prerequisite often precludes the only practically available remedy against a trademark infringer.

This case presents a compelling example. When an American distributor sells infringing products manufactured and packaged overseas, the initial infringer is often beyond the reach of American courts as a legal or practical matter.[9] And although the American distributors may profit handsomely in reselling the foreign infringing products, damages are difficult to prove in trademark infringement cases in the best of circumstances. See *Mishawaka Rubber & Woolen Mfg. Co.* v. *Kresge*, 316 U.S. 203, 206 (1942).

Bad Faith Requirement In Accounting of Profits Damages Make Economic Sense?, 6 J. INTELL. PROP. L. 69, 78-82 (1998); Keith M. Stolte, *Remedying Judicial Limitations on Trademark Remedies: An Accounting of Profits Should Not Require a Finding of Bad Faith*, 87 TRADEMARK REPORTER 271, 298 (1997) ("[T]he Supreme Court should review the question of whether the Lanham Act requires proof of bad faith in order for a trademark owner to recover any portion of an infringer's profits."); Koelemay, *supra*, at 263 ("On the key issue of scienter, a clear split has developed among the Circuits that may warranted Supreme Court review.").

[9] Thus, in this case petitioner obtained a default judgment against Lockpur but has no expectation that it will be able to collect on the judgment against this Bangladeshi company.

Although a violation of the Lanham Act may be established by proving that the defendant has used a mark that creates a *likelihood* of confusion, most courts require proof of *actual* consumer confusion for an award of damages. See 5 J. McCarthy, TRADEMARKS AND UNFAIR COMPETITION § 30:74 (2002); 3 J. Gilson, TRADEMARK PROTECTION AND PRACTICE § 14.03[3][b] (2005). However, "[i]n literally hundreds of cases, the courts have universally acknowledged that proof of actual confusion is extremely difficult, if not almost impossible, to secure." Keith M. Stolte, *Remedying Judicial Limitations on Trademark Remedies: Monetary Relief Should Not Require Proof of Actual Confusion*, 75 DENV. U. L. REV. 229, 245 (1997).[10] In addition, while a plaintiff alleging a violation of Section 43(a) need not prove the amount of damages with precision, courts will deny "a monetary award in infringement cases when damages are remote and speculative." *Lindy Pen Co.*, 982 F.2d at 1408. Accordingly, a damage award may not be available when the owner's

---

[10] See, *e.g.*, *Savin Corp.* v. *Savin Group*, 391 F.3d 439, 459 (CA2 2004) ("[A]ctual confusion is very difficult to prove."); *Kos Pharms., Inc.* v. *Andrx Corp.*, 369 F.3d 700, 720 (CA3 2004) ("[R]eliable evidence of actual confusion is difficult to obtain in trademark and unfair competition cases.") (citation omitted); *Scarves by Vera, Inc.* v. *Todo Imports Ltd.*, 544 F.2d 1167, 1175 (CA2 1976) ("'[A] showing of actual confusion is * * * very difficult to demonstrate' with reliable proof.") (citation omitted); *W. E. Bassett Co.* v. *Revlon, Inc.*, 435 F.2d 656, 662 (CA2 1970) ("showing of actual confusion is * * * very difficult to demonstrate"); *Tisch Hotels, Inc.* v. *Americana Inn, Inc.*, 350 F.2d 609, 612 (CA7 1965) ("[R]eliable evidence of actual confusion is difficult to obtain.") (citation omitted); *David Sherman Corp.* v. *Heublein, Inc.*, 340 F.2d 377, 381 (CA8 1965) ("[I]t is usually difficult to ferret out instances of actual confusion even though they exist."); *Harold F. Ritchie, Inc. v. Chesebrough-Pond's, Inc.* , 281 F.2d 755, 761 (CA2 1960) ("[R]eliable evidence of actual instances of confusion is practically almost impossible to secure.").

injury is impossible to quantify.[11] Finally, in some cases, damages may be unavailable because the trademark owner suffered no cognizable harm from the infringement, other than the trespass on its statutory rights. This may happen, for example, when the infringer does not compete in the same market as the mark's owner. Cf. 5 J. McCarthy, *supra*, § 30:64.

Accordingly, an award of profits is often the only means of depriving the infringer of the benefits of its illegal conduct or, when appropriate, compensating the victim. A willfulness prerequisite, however, frequently renders that only possible remedy effectively unavailable. In this case, for example, the court of appeals held that respondents' failure to inspect the packaging they were reselling precluded an award of profits. See App. 5a, 7a. Such a rule effectively insulates American distributors of foreign infringing products from *any* liability under the Lanham Act so long as they remain sufficiently uninformed about the products they are selling. A distributor may, for example, be aware that there is great demand for the Chinese watches it is reselling in the United States, without knowing that the reason for the demand is that the product infringes on the trademarks of a famous watch maker. Such ignorance is, in fact, perversely encouraged by the willfulness prerequisite applied in this case and others.

The willfulness prerequisite pervasively precludes meaningful relief in other contexts as well. For example, the willfulness requirement generally precludes profit awards in "reverse confusion cases," in which "a large junior user saturates the market with a trademark similar or identical to that of a smaller, senior user." *Sands, Taylor & Wood Co.* v. *Quaker Oats Co.*, 978 F.2d 947, 957 (CA7 1992) (maker of

---

[11] See, *e.g.*, *ALPO*, 913 F.2d at 970-71 (false advertisement disparaging plaintiff's product); *Downtowner/Passport International Hotel Corp.* v. *Norlew, Inc.*, 841 F.2d 214, 220 (CA8 1988) (defendant continued to operate hotel using plaintiff's mark after franchise agreement had expired).

Gatorade infringed on prior user's trademark for "Thirst-Aid" in large advertising campaign). Willfulness "is necessarily absent in a reverse confusion case," *id.* at 961, since in "such a case, the junior user does not seek to profit from the good will associated with the senior user's mark," *id.* at 957. "Nonetheless, the senior user is injured" by the loss "of the value of the trademark – its product identity, corporate identity, control over its goodwill and reputation, and ability to move into new markets." *Ibid.*

Thus, the difference between considering willfulness as a *factor* and treating it as a *prerequisite* for disgorgement will often be the difference between a meaningful remedy for trademark infringement and no remedy at all. That substantial difference in outcome currently varies with the forum of the suit. A party in petitioner's position may obtain a substantial award of profits in Chicago or Philadelphia, but will be left with no remedy whatsoever for exactly the same infringing conduct in Los Angeles or New York. This difference in treatment is not only unfair and inconsistent with Congress's purpose of providing uniform national trademark protection; it also provides an acknowledged, inappropriate incentive for forum shopping in infringement cases. See Koelemay, *supra*, at 263 (advising that "[p]laintiffs should consider the different approaches taken in the various circuits prior to selecting a forum and filing suit").

C. This Case Is An Ideal Vehicle For Resolving The Split.

This case presents an ideal vehicle for resolving the division among the courts of appeals. The Ninth Circuit's willfulness requirement was the basis of the decision below. See App. 7a. Moreover, the circuit conflict is clearly presented on the facts of this case: petitioner is disentitled from seeking an award of profits under the bright-line rule of the Ninth Circuit, but petitioner would not be precluded from seeking disgorgement (and very likely would receive it, see *infra* at 22) under the flexible equitable standards employed

in other circuits. Moreover, petitioner is aware of no jurisdictional or other barriers to this Court's deciding the question were it to grant the petition for certiorari.

D. Willfulness Is Not A Prerequisite For An Award Of Profits For Trademark Infringement.

Review is also warranted because the Ninth Circuit's decision is incorrect, conflicting with the plain language of the statute and the congressional purposes animating the Act.

1. Imposition Of An Absolute Willfulness Prerequisite Conflicts With The Text Of The Statute.

The text of Section 35(a) demonstrates Congress's intent to require willfulness as a prerequisite for an award of profits only for dilution claims under Section 43(c) and not for claims under Section 43(a). Prior to 1999, the statute authorized an award of profits for "a violation under section 43(a) * * * subject to principles of equity." 15 U.S.C. 1117(a) (1998). In 1999, however, Congress amended the statute to authorize an award for "a violation under Section 43(a), or a *willful violation under section 43(c)*." Pub. L. No. 106-43, § 3(b), 113 Stat. 218, 219 (Aug. 5, 1999) (emphasis added). And after Congress later amended the statute to prohibit "cyberpiracy" in Section 43(d), it revised Section 35(a) to its current form, authorizing profit awards for "a violation under Section 43(a) or (d), or a willful violation under section 43(c)." 15 U.S.C. 1117(a). The text of the statute thus reflects Congress's careful determination to ensure that willfulness is required as a prerequisite for dilution claims, but not for claims under Section 43(a) or (d).

This intention is also reflected elsewhere in the statute. Congress repeated the willfulness requirement for dilution claims in the body of Section 43(c) itself, providing that "the owner of a famous mark shall be entitled only to injunctive relief * * * unless the person against whom the injunction is sought willfully intended to trade on the owner's reputation or to cause dilution of the famous mark." 15 U.S.C. 1125(c)(2).

But Congress provided no such language in the text of Section 43(a) or (d). See 15 U.S.C. 1125(a), (d). Congress also repeated the distinction between awards of profits for a "violation under section 43(a)" and a "*willful* violation under section 43(c)" in the provision governing the destruction of infringing articles, *id.* § 1118 (emphasis added).

Moreover, when Congress intended to limit other types of relief to willful violations, it did so expressly. For example, Congress provided different levels of statutory damages for counterfeit marks depending on whether "the court finds that the use of the counterfeit mark was willful." 15 U.S.C. 1117(c)(2). And the statute authorizes an injunction against an internet domain name registry only if it "willfully failed to comply with any [prior] court order." *Id.* § 1114(2)(D)(i)(II)(cc).

Interpreting Section 35(a) to contain an *implicit* willfulness prerequisite for all profit awards is also inconsistent with the *explicit* limitations on remedies set forth in that provision. Section 35(a) makes awards of profits "subject to the provisions of sections 29 and 32." 15 U.S.C. 1117(a). Section 32, in turn, provides that printers and publications that engage in "innocent" infringement are subject only to injunctive relief. *Id.* § 1114(2)(A)-(B). It similarly provides that the owner of a registered trademark "shall not be entitled to recover profits or damages" for certain reproduction of registered trademarks for use in labels or advertising, "unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive." *Id.* § 1114(1).[12] Neither of these exceptions would be necessary if Section 35(a) already required proof of willful infringement for all awards of profits. Moreover, it is implausible that

---

[12] Section 29 precludes an award of damages or profits for infringement of a registered trademark if the registrant failed to display the required registration symbol, unless the infringer had actual notice of the registration. 15 U.S.C. 1111.

Congress would express its intent to limit profit awards to willful infringement so explicitly in Section 32(b), yet leave the same intention in Section 35(a) wholly unexpressed.

Rather than imposing absolute prerequisites for Section 43(a) cases, Congress directed that awards of profits and damages should be tailored to the circumstances of each case. Section 35(a) expressly provides that profits shall be awarded "subject to the principles of equity." 15 U.S.C. 1117(a). "The essence of equity jurisdiction has been the power of the Chancellor to do equity and to mould each decree to the necessities of the particular case." *Hecht Co.* v. *Bowles*, 321 U.S. 321, 329 (1944). Thus, Congress provided that "the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case" if it finds "that the amount of the recovery based on profits is either inadequate or excessive." 15 U.S.C. 1117(a). This instruction demonstrates Congress's intent that decisions in accordance with "the principles of equity" shall be made on the facts of particular cases, rather than through the imposition of categorical exemptions or universal prerequisites.

2. "Principles Of Equity" Do Not Support Requiring Willfulness As A Prerequisite For An Award Of Profits In Every Case.

The requirement that profits be awarded "subject to principles of equity" has, however, been misinterpreted in some quarters as a license to impose an across-the-board willfulness prerequisite that Congress declined to enact. See, *e.g.*, *The George Basch Co.*, 968 F.2d at 1537; RESTATEMENT (THIRD) UNFAIR COMPETITION § 37 & cmt. a (1995).[13] This conclusion is in error for several reasons.

---

[13] The Restatement imposed a willfulness requirement in its 1995 edition, several years before Congress amended the Lanham Act to explicitly require willfulness for claims in dilution cases, but not claims under Section 43(a). See *supra* at 17. While the

First, the equitable discretion bestowed on courts by Section 35(a) must be exercised in light of the policy choices already made by Congress and expressed in the text of the statute. See *United States* v. *Oakland Cannabis Buyers' Coop.*, 532 U.S. 483, 497 (2001) ("[A] court sitting in equity cannot 'ignore the judgment of Congress, deliberately expressed in legislation.'"). While Congress did not preclude courts from considering willfulness as a factor in the exercise of "principles of equity," Congress's decision to require willfulness as a prerequisite for an award of profits only for dilution claims prevents the courts from requiring willfulness in every claim for disgorgement under Section 43(a).

Second, it is simply not the case that equity requires willfulness to support an award of profits in all circumstances. As Judge Posner has explained,

> the principles of equity referred to in section 1117(a) do not * * * justify withholding all monetary relief from the victim of a trademark infringement merely because the infringement was innocent. As between the "innocent" infringer who seeks to get off scot-free, and the innocent infringed who has neither engaged in any inequitable conduct nor sought treble damages or treble profits (or indeed any part of the defendant's profits that is attributable to the defendant's superior efficiency rather than to the plaintiff's trademark), the stronger equity is with the innocent infringed.

Louis Vuitton S.A. v. *Lee*, 875 F.2d 584, 588-89 (CA7 1989).

An award of profits can equitably serve a number of functions, including compensation, prevention of unjust enrichment, and deterrence. See, *e.g.*, *Tamko*, 282 F.3d at 36; *Roulo*, 886 F.2d at 941; 5 J. McCarthy, *supra*, § 30:64; 3 J.

Restatement may accurately reflect the requirements of state statutory and common law unfair trade practices doctrines, it is inconsistent with the Lanham Act in its present form.

Gilson, *supra*, § 14.03[6][b]. The relevance of willfulness to these purposes varies depending on the function served and the facts of each particular case. Thus, an award of profits may serve as an indirect measure of damages, particularly when it is apparent that the infringement has diverted sales from the victim to the infringer. See, *e.g.*, *Tamko*, 282 F.3d at 29-30; 5 J. McCarthy, *supra*, § 30:64. Willfulness has little relevance in that context. Indeed, the courts generally agree that an award of compensatory damages is not contingent upon proof of bad faith or willfulness. See *Tamko*, 282 F.3d at 37; *The George Basch Co.*, 968 F.2d at 1540; 3 J. Gilson, *supra*, § 14.03[3][a].

An award of profits also may serve to compensate for other forms of very real harm that are less concrete than a loss of sales, and, therefore, even more difficult to prove. For example, use of a mark on an inferior product may damage the owner's reputation and goodwill with consumers, even when used on non-competing products. In such cases, however, the owner will be unable to show a diversion of sales to the infringer, and will be hard pressed to prove and quantify the reputational harm. See 5 J. McCarthy, *supra*, § 30:77 (noting that "it may be very difficult for plaintiff to prove the fact and amount of damage to its goodwill"). An award of profits may nonetheless serve as an equitable remedy for that harm. Again, however, willfulness has no bearing on the existence or extent of the injury and should not be a perquisite for its remedy.

Disgorgement of profits also is often appropriate to prevent unjust enrichment. See, *e.g.*, *Roulo*, 866 F.2d at 941; 5 J. McCarthy, *supra*, § 30:64. As this Court long ago explained, the "right to use a trade-mark is recognized as a kind of property, of which the owner is entitled to the exclusive enjoyment." *Hamilton-Brown Shoe Co*. v. *Wolf Brothers & Co.*, 240 U.S. 251, 259 (1916). Thus, if "another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress" through an accounting of profits. *Mishawaka*, 316 U.S. at 205 (1942).

This remedy "comports with experience," which teaches that "the wrongdoer who makes profits from the sales of goods bearing a mark belonging to another was enabled to do so because he was drawing upon the good will generated by that mark." *Id*. at 207. Accordingly, an accounting of profits may be awarded to prevent unjust enrichment even if compensatory damages are also granted. *Hamilton-Brown Shoe Co*., 240 U.S. at 259.

"Ordinarily, where financial benefits have been secured and retained by an infringer, it is of little consequence that the infringer had not acted willfully or in bad faith." Stolte, *supra*, at 285; see also *Burger King*, 855 F.2d at 781. When an infringer profits from using a trademark it was legally required to license, or not use, the fact and amount of unjust enrichment does not vary depending on the willfulness of the infringement. Thus, in *Mishawaka*, this Court approved an award of profits under the predecessor to the Lanham Act, even in the absence of any finding of willful infringement, where a shoe manufacturer profited from the display of a senior user's symbol. 316 U.S. at 203-04; see also *id*. at 208-09 (Black, J., dissenting) (arguing that profits should not have been awarded because defendant did not willfully palm off shoes and plaintiff had proved no injury). Permitting a defendant to keep the profits accrued through the illegal use of another's trademark, even if the infringement is not willful, "would give a windfall to the wrongdoer." *Id*. at 207.

Finally, even in the absence of willfulness, an award of profits serves an appropriate deterrent purpose, providing infringers with an incentive to pay greater heed to the trademark rights protected by the Act. See *Mishawaka*, 316 U.S. at 207 (noting that award of profits "promotes honesty"); *Tamko*, 282 F.2d at 29-30; *Burger King*, 855 F.2d at 781; 5 J. McCarthy, *supra*, § 30:64. Willfulness is clearly relevant to this function of a profits award. However, even in this context, its relevance will vary from case to case. For example, in this case, the court of appeals determined that respondents' conduct in selling infringing products without

examining their packaging was not willful. Yet such disregard for the trademark rights of others can and should be deterred.

Indeed, this case amply demonstrates the error in the assumption that an award of profits can be equitable only in response to willful infringement. For there is nothing inequitable in holding respondents accountable for the content of the packaging they sell for profit in U.S. markets. Indeed, if respondents manufactured the products they were selling, rather than outsourcing production to a Bangladeshi supplier, there would be no question that they would be liable for selling shrimp in competition with petitioner using an image that was essentially copied from petitioner's established brand. That petitioner was unable to prove actual lost sales, or quantify an injury to its reputation and goodwill, does not mean that no harm was suffered. Moreover, the fact that respondents' exploitation of petitioner's valuable trademark may have been merely negligent does not mean that respondents did not profit from their "poach[ing] upon the commercial magnetism of the symbol" petitioner created and made valuable through substantial investment in the quality of its products and extensive marketing. *Mishawaka*, 316 U.S. at 205. Respondents should not be entitled to retain the profits attributable to that infringing use simply because they did not monitor the packaging of the products they were selling.

Precluding a court from even *considering* the equities of this case is not necessary in order to "limit what may be an undue windfall to the plaintiff, and [to] prevent the potentially inequitable treatment of an 'innocent' or 'good faith' infringer." *The George Basch Co.*, 968 F.2d at 1540 (explaining basis for court's willfulness prerequisite). A court may protect a truly innocent infringer by taking that innocence into account in light of *all* the relevant equitable factors. See *Champion Spark Plug Co.* v. *Sanders*, 331 U.S. 125, 131 (1947) (a court may, in its discretion, deny an award of profits when it is equitable to do so). Moreover, the law protects against unfair liabilities and windfalls by limiting the

award to that portion of the profits arising from the infringement, see *Mishawaka*, 316 U.S. at 206, and by providing the court discretion to adjust the award to "such sum as the court shall find to be just, according to the circumstances of the case," 15 U.S.C. 1117(a).[14]

II. This Case May Require Reconsideration In Light Of This Court's Decision In *Grokster*.

If this Court determines not to grant the petition for certiorari to review the court of appeals' trademark decision, the petition should nonetheless be considered for a possible remand in light of this Court's decision in *MGM Studios, Inc.* v. *Grokster Ltd.*, No. 04-480. As of the date of the filing of this petition, this Court's decision in *Grokster* is still pending. Accordingly, petitioner is unable to state with certainty that a remand is appropriate. However, both *Grokster* and the decision of the Ninth Circuit below turn on the proper interpretation and application of principles of third-party liability under the Copyright Act. See App. 5a n.2. Indeed, in dismissing petitioner's copyright clams in this case, the court of appeals relied directly on its prior decision in *Grokster* to establish the elements of vicarious and contributory copyright infringement claims. *Ibid*. Accordingly, if this Court concludes that *Grokster* was wrongly decided in the Ninth Circuit, a remand could be in order to allow the court of appeals to revisit its copyright decision in this case in light of this Court's decision. Petitioner will, therefore, supplement its petition as appropriate when the opinion in *Grokster* is handed down.

---

[14] Section 35(a) further requires that any modified award must "constitute compensation and not a penalty." 15 U.S.C. 1117(a).

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be granted.

Respectfully submitted,

Laurence H. Tribe
(*Counsel of Record*)
Hauser Hall 420
1575 Massachusetts Ave.
Cambridge, MA 02138
(617) 661-9030

Thomas C. Goldstein
Amy Howe
Kevin K. Russell
GOLDSTEIN & HOWE, P.C.
4607 Asbury Pl., NW
Washington, DC 20016

Gregory J. Morrow
CONTESSA PREMIUM FOODS, INC.
222 West Sixth St.
San Pedro, CA 90731

Theodore A. Pianko
Gary Dukarich
Joel A. Kauth
CHRISTIE, PARKER & HALE, LLP
3501 Jamboree Road
Suite 6000
Newport Beach, CA 92660

June 15, 2005