No. 16-202

In The
Supreme Court of the United States

ROMAG FASTENERS, INC.,

Petitioner,

v.

FOSSIL, INC., FOSSIL STORES I, INC.,
MACY'S, INC., AND MACY'S RETAIL HOLDINGS, INC.,
Respondents.

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

SUPPLEMENTAL BRIEF FOR PETITIONER

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The Court's decision in *SCA Hygiene Products Aktiebolag v. First Quality Baby Products, LLC*, No. 15-927 (Mar. 21, 2017), reversed the legal basis on which the Federal Circuit reduced petitioner Romag's *patent* award and compels reversal of the decision below. So, at a minimum, this Court should GVR for the Federal Circuit to reconsider its decision on Romag's patent award in light of *SCA Hygiene*.

However, a GVR is not the prudent course of action here. The decision below contains both an award of patent royalties *and*, more consequentially, a rejection of Romag's claim for infringer's profits as a remedy for trademark infringement. As to Romag's trademark claim, the Federal Circuit held that Romag was not entitled to recover Fossil's profits, even though the jury had found that Fossil infringed Romag's trademark, because Romag had not shown that Fossil's infringement was willful. And it was on that question—whether willful infringement is a prerequisite for an award of profits for trademark infringement—that Romag's petition focused.

This Court should therefore grant this petition and order full briefing and argument on the first question presented, and, in its final disposition of the case, also remand for further consideration in light of *SCA Hygiene*. As explained below, an immediate GVR would unnecessarily multiply this action and delay this Court's resolution of an important question of federal trademark law that has deeply and evenly divided the circuits for decades.

1. Romag's petition is directed, first and foremost, to whether, under section 35 of the Lanham Act, willful trademark infringement is a prerequisite for an award of infringer's profits for a violation of section 43(a). Because the court below separately

ruled, on the basis of its recent decision in *SCA Hygiene Products Aktiebolag v. First Quality Baby Products, LLC*, 807 F.3d 1311 (Fed. Cir. 2015) (en banc), that laches was a defense to Romag's *patent* infringement claim, Pet. App. 4a–5a, Romag requested in its petition that this Court hold that aspect of the petition pending disposition of *SCA Hygiene*, Pet. 22–23.

This Court's decision in *SCA Hygiene* conclusively answers the patent question in Romag's favor. In the decision below, the Federal Circuit recognized—and the parties agreed—that the Federal Circuit's ruling in *SCA Hygiene* controlled whether the district court properly reduced Romag's patent award based on the doctrine of laches. Pet. App. 5a. This Court has now reversed the controlling Federal Circuit precedent and held that "[l]aches cannot be interposed as a defense where the infringement occurred within the period prescribed by [35 U.S.C. § 286]." *SCA Hygiene*, No. 15-927, slip op. at 16. As the Court explained, "[l]aches is a gap-filling doctrine, and where there is a statute of limitations, there is no gap to fill." *Id.* at 5. Romag brought its claim within the six-year statute of limitations, 35 U.S.C. § 286, and thus the lower court erred by applying the laches doctrine.

2. At a minimum, a GVR is warranted. But a GVR is not the appropriate course here, given Romag's pending petition on the trademark question: whether, under section 35 of the Lanham Act, willful infringement is a prerequisite for an award of infringer's profits for a violation of section 43(a). Romag's petition primarily concerns an aspect of the judgment below that is entirely separate and independent from the patent question. Romag's

trademark infringement claim is a different claim that arose under a different statute, on which *SCA Hygiene* has no bearing. The remaining *trademark* question implicates a longstanding, widely acknowledged, and intractable circuit split that warrants this Court's consideration now. It is squarely presented and outcome determinative in this case.

A GVR would be a waste of resources for the parties, the Federal Circuit, and this Court. No matter how the Federal Circuit applies this Court's decision in *SCA Hygiene* on remand, the disposition of Romag's patent award will not affect the remainder of the judgment, which rejected Romag's claim for infringer's profits for trademark infringement because Romag had not shown that Fossil willfully infringed Romag's mark. The absence of such a showing would not have precluded Romag's recovery in six other circuits.

As a result, the parties will return to this Court in exactly the same posture with respect to Romag's trademark claim, only having expended more resources and time. Romag would refile pages 1–22 of its petition, Fossil presumably would refile pages 1–34 of its brief in opposition, and Romag would refile pages 1–10 of its cert reply. In the meantime, the circuit conflict would persist, with all its attendant uncertainty. In short, a GVR at this time would only delay resolution of a deep and abiding circuit split on the first question presented.

Romag therefore respectfully requests that the Court grant plenary review on the first question presented. Only upon its final disposition of the case should the Court vacate and remand the second question presented for reconsideration in light of *SCA Hygiene*. At a minimum, however, the Court's

decision in *SCA Hygiene* requires that the Federal Circuit's decision below be vacated and remanded for further proceedings.

Respectfully submitted,

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