

No. 18-1233

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**In the Supreme Court of the United States**

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ROMAG FASTENERS, INC., PETITIONER

*v.*

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

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*ON WRIT OF CERTIORARI  
TO THE UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT*

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**JOINT APPENDIX**

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PETITION FOR A WRIT OF CERTIORARI FILED: MARCH 22, 2019  
CERTIORARI GRANTED: JUNE 28, 2019

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### III

The following opinions, decisions, judgments, and orders were omitted from the printing of the joint appendix because they were previously submitted as appendices to the petition for certiorari as follows:

Appendix A: Court of appeals order,  
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Appendix B: District court second amended final  
judgment, Oct. 15, 2018

Appendix C: District court amended final judgment,  
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Appendix D: District court amended partial final judgment,  
Nov. 8, 2017

Appendix E: Court of appeals order,  
May 3, 2017

Appendix F: Court of appeals opinion,  
Mar. 31, 2016

Appendix G: District court order,  
Aug. 8, 2014

Appendix H: District court opinion,  
June 27, 2014

Appendix I: Jury verdict, Apr. 3, 2014

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF CONNECTICUT

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Docket No. 3:10-cv-01827

ROMAG FASTENERS, INC., PLAINTIFF-COUNTER DE-  
FENDANT

*v.*

FOSSIL, INC. ET AL., DEFENDANTS-COUNTER CLAIMANT

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DOCKET ENTRIES

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DATE	NO.	PROCEEDINGS
11/22/2010	1	COMPLAINT against Fossil, Inc., Fossil Stores I, Inc., Macy's, Inc., Macy's Retail Holdings, Inc., filed by Romag Fasteners, Inc.. (Gargulio, B) Modified on 11/24/2010 to correct text (Gargulio, B). (Entered: 11/22/2010)
	*	* * * * *
11/30/2010	20	RULING granting <u>10</u> Motion for TRO. Signed by Judge Christopher F. Droney on 11/30/2010. (Gothers, M.)(9 pages) (Entered: 11/30/2010)

		* * * * *
12/15/2010	31	ANSWER to <u>1</u> Complaint with Affirmative Defenses with Jury Demand, COUNTERCLAIM against Romag Fasteners, Inc. by Macy's Retail Holdings, Inc., Fossil Stores I, Inc., Fossil, Inc., Macy's, Inc..(Morrison, Francis) (Entered: 12/15/2010)
		* * * * *
09/09/2012	153	MOTION for Summary Judgment <i>Regarding Measure of Damages</i> by Fossil Stores I, Inc., Fossil Inc..Responses due by 10/10/2012 (Attachments: # <u>1</u> SEALED Memorandum in Support)(Geiger, Nicholas) Modified on 9/21/2012 to seal memorandum pursuant to 163 Order(Brown, S.). (Entered: 09/19/2012)
		* * * * *
04/26/2013	243	Minute Entry. Proceedings held before Judge William G. Young: Motion Hearing held on 4/26/2013 re <u>154</u> MOTION for Summary Judgment <i>For Patent Invalidity</i> filed by Macy's, Inc., Fossil Stores I, Inc., Fossil, Inc., Macy's Retail Holdings, Inc., <u>153</u> MOTION for Summary Judgment <i>Regarding Measure of</i>

*Damages* filed by Fossil Stores I, Inc., Fossil, Inc. After hearing from counsel, the Court enters an Order denying both motions. Denying 153 Motion for Summary Judgment; denying 154 Motion for Summary Judgment. 28 minutes(Court Reporter D. Womack.) (Ghilardi, K.) (Entered: 04/26/2013)

\* \* \* \* \*

10/24/2013 260 MEMORANDUM AND ORDER: denying 154 MOTION for Summary Judgment *For Patent Invalidity* filed by Macy's, Inc., Fossil Stores I, Inc., Fossil, Inc., Macy's Retail Holdings, Inc., denying 153 MOTION for Summary Judgment *Regarding Measure of Damages* filed by Fossil Stores I, Inc., Fossil, Inc. Signed by Judge William G. Young on 10/23/2013.(Ghilardi, K.) (Entered: 10/24/2013)

\* \* \* \* \*

02/10/2014 303 TRIAL MEMO by Belk, Inc., Dillard's Inc., Fossil Stores I, Inc., Fossil, Inc., Macy's Retail Holdings, Inc., Macy's, Inc., Nordstrom, Inc., Romag Fasteners, Inc., The Bon-Ton Department Stores, Inc., The Bon-Ton

Stores, Zappos Retail, Inc., Zappos.com, Inc. Estimated trial time 10 days. (Attachments: # 1 Attachment 1, # 2 Attachment 2, # 3 Attachment 3, # 4 Attachment 4, # 5 Attachment 5, # 6 Attachment 6, # 7 Attachment 7, # 8 Attachment 8, # 9 Attachment 9, # 10 Attachment 10, # 11 Attachment 11, # 12 Attachment 12, # 13 Attachment 13, # 14 Attachment 14, # 15 Attachment 15, # 16 Attachment 16, # 17 Attachment 17, # 18 Attachment 18, # 19 Attachment 19) (Schaefer, David) (Entered: 02/10/2014)

\* \* \* \* \*

03/07/2014 360 ORDER granting 298 Motion ; granting in part and denying in part 299 Motion ; denying 300 Motion for Leave to File; granting 304 Motion in Limine; granting in part and denying in part 305 Motion in Limine; finding as moot 306 Motion in Limine; granting in part and denying in part 307 Motion in Limine; denying 308 Motion in Limine; granting 309 Motion to Bifurcate; granting 310 Motion for Protective Order; granting 341 Motion to Seal; granting 348 Motion to Seal; granting 283 Motion in

Limine; granting 285 Motion in Limine; denying 287 Motion in Limine; denying 290 Motion in Limine; granting 292 Motion in Limine. Signed by Judge Janet Bond Arterton on 03/07/2014 (Bonneau, J) (Entered: 03/07/2014)

\* \* \* \* \*

03/24/2014	387	Minute Entry for proceedings held before Judge Janet Bond Arterton: Jury Trial held on 3/24/2014 Jury Trial Continued Until 3/25/14 at 9am. Total Time: 6 hours and 45 minutes(Court Reporter Sharon Montini.) (Tor-day, B.) (Entered: 03/25/2014)
03/25/2014	388	Minute Entry for proceedings held before Judge Janet Bond Arterton: Jury Trial held on 3/25/2014. Jury Trial Continued Until 3/26/14 at 9am. Total Time: 5 hours and 35 minutes(Court Reporter Sharon Montini.) (Tor-day, B.) (Entered: 03/26/2014)
03/26/2014	391	Minute Entry for proceedings held before Judge Janet Bond Arterton: Jury Trial held on 3/26/2014. Jury Trial Continued Until 3/27/14 at 9am. Total Time: 6 hours and 15 minutes(Court Reporter Sharon Montini.) (Tor-day, B.) (Entered: 03/27/2014)

	*	*	*	*	*
03/27/2014	392	Proposed Verdict Form by Romag Fasteners, Inc.. (Schaefer, David) (Entered: 03/27/2014)			
03/27/2014	393	Proposed Jury Instructions by Romag Fasteners, Inc.. (Schaefer, David) (Entered: 03/27/2014)			
03/27/2014	394	Proposed Jury Instructions by Belk, Inc., Dillard's Inc., Fossil Stores I, Inc., Fossil, Inc., Macy's Retail Holdings, Inc., Macy's, Inc., Nordstrom, Inc., The Bon-Ton Department Stores, Inc., The Bon-Ton Stores, Inc., Zappos Retail, Inc., Zappos.com, Inc.. (Cass, William) (Entered: 03/27/2014)			
03/27/2014	395	Proposed Verdict Form by Belk, Inc., Dillard's Inc., Fossil Stores I, Inc., Fossil, Inc., Macy's Retail Holdings, Inc., Macy's, Inc., Nordstrom, Inc., The Bon-Ton Department Stores, Inc., The Bon-Ton Stores, Inc., Zappos Retail, Inc., Zappos.com, Inc.. (Cass, William) (Entered: 03/27/2014)			
03/27/2014	396	Minute Entry. Proceedings held before Judge Janet Bond Arterton: denying, without prejudice to renew <u>389</u> Motion for Judgment as a Matter of Law; Jury			

Trial held on 3/27/2014. Jury Trial Continued Until 3/28/14 AT 10AM. Total Time: 5 hours and 30 minutes(Court Reporter Sharon Montini.) (Torday, B.) (Entered: 03/28/2014)

03/28/2014 398 Minute Entry for proceedings held before Judge Janet Bond Arterton: Jury Trial held on 3/28/2014. Jury Trial Continued Until 3/31/14 at 9am. Total Time: 4 hours and 15 minutes(Court Reporter Sharon Montini.) (Torday, B.) (Entered: 03/31/2014)

\* \* \* \* \*

03/31/2014 400 Minute Entry for proceedings held before Judge Janet Bond Arterton: Jury Trial held on 3/31/2014. Jury Trial Continued Until 4/2/14 at 9am. Total Time: 6 hours and 5 minutes(Court Reporter Sharon Montini.) (Torday, B.) (Entered: 03/31/2014)

\* \* \* \* \*

04/01/2014 405 Minute Entry for proceedings held before Judge Janet Bond Arterton: Jury Trial held on 4/1/2014. Jury Trial Continued Until 4/2/14 at 9am. Total Time: 3 hours and 5 minutes(Court Reporter Sharon Montini.) (Torday, B.) (Entered: 04/01/2014)

			*	*	*	*	*
04/02/2014	409	Minute Entry for proceedings held before Judge Janet Bond Arterton: Jury Trial held on 4/2/2014. Jury Trial Continued Until 4/3/14 at 9am. Total Time: 8 hours and 10 minutes(Court Reporter Sharon Montini.) (Torday, B.) (Entered: 04/03/2014)					
04/02/2014	410	COURT Jury Instructions. (Torday, B.) (Entered: 04/03/2014)					
			*	*	*	*	*
04/03/2014	411	ADDITIONAL Jury Instructions. (Torday, B.) (Entered: 04/03/2014)					
			*	*	*	*	*
04/03/2014	417	JURY VERDICT For Romag Fasteners, Inc. Against Fossil, Inc., et al in the Amount of \$6,867,000.00. (Torday, B.) (Entered: 04/04/2014)					
04/03/2014	418	Minute Entry for proceedings held before Judge Janet Bond Arterton: Jury Trial completed on 4/3/2014. Total Time: 8 hours and 10 minutes(Court Reporter Sharon Montini.) (Torday, B.) (Entered: 04/04/2014)					
			*	*	*	*	*

04/08/2014	426	Minute Entry. Proceedings held before Judge Janet Bond Arterton: denying <u>422</u> Motion to Strike ; granting <u>424</u> Motion Judicial notice; denying <u>422</u> Motion for Sanctions; Bench Trial held on 4/8/2014.Continued to 4/9/14 at 10am; Rule 50 and 59 are due 5/6/14; opposition due 5/28/14, reply due 6/11/14; plaintiff motion for attorney fee and costs due 4/8/14, opposition due 4/28/14. Total Time: 3 hours and 40 minutes(Court Reporter Sharon Montini.) (Torday, B.) Modified on 4/10/2014 (Torday, B.). (Entered: 04/09/2014)
04/09/2014	427	Minute Entry for proceedings held before Judge Janet Bond Arterton: Bench Trial completed on 4/9/2014. Total Time: 2 hours and 20 minutes(Court Reporter Sharon Montini.) (Torday, B.) (Entered: 04/09/2014)
		* * * * *
06/27/2014	470	MEMORANDUM OF DECISION Signed by Judge Janet Bond Arterton on 6/27/2014.(Gargulio, B) (Entered: 06/27/2014)
07/02/2014	471	FINDINGS OF FACT AND CONCLUSIONS OF LAW

Signed by Judge Janet Bond Arterton on 6/27/14.(Torday, B.)  
(Entered: 07/02/2014)

- |            |     |  |
|------------|-----|--|
| 07/18/2014 | 472 | MOTION for Judgment as a Matter of Law <i>Pursuant to Rule 50(b)</i> (Responses due by 8/8/2014, ), MOTION for New Trial <i>Pursuant to Rule 59</i> by Romag Fasteners, Inc.. (Schaefer, David) (Entered: 07/18/2014)                            |
| 07/18/2014 | 473 | Memorandum in Support re <u>472</u> MOTION for Judgment as a Matter of law <i>Pursuant to Rule 50(b)</i> MOTION for New Trial <i>Pursuant to Rule 59</i> by Romag Fasteners, Inc.. (Schaefer, David) (Entered: 07/18/2014)                       |
|            |     | * * * * *  |
| 07/18/2014 | 475 | MOTION for Judgment as a Matter of Law <i>Pursuant to Rule 50(b)</i> (Responses due by 8/8/2014, ), MOTION for New Trial <i>Conditionally, Pursuant to Rule 59</i> by Fossil Stores I, Inc., Fossil, Inc.. (Cass, William) (Entered: 07/18/2014) |
| 07/18/2014 | 476 | Memorandum in Support re <u>475</u> MOTION for Judgment as a Matter of Law <i>Pursuant to Rule 50(b)</i> MOTION for New Trial <i>Conditionally, Pursuant to Rule 59</i> filed by Fossil Stores I, Inc.,  |

Fossil, Inc.. (Cass, William) (Entered: 07/18/2014)

08/01/2014 477 Memorandum in Opposition re 472 MOTION for Judgment as a Matter of Law *Pursuant to Rule 50(b)* MOTION for New Trial *Pursuant to Rule 59* filed by Belk, Inc., Dillard's, Inc., Fossil Stores I, Inc., Fossil, Inc., Macy's Retail Holdings, Inc., Macy's, Inc., Nordstrom, Inc., The Bon-Ton Department Stores, Inc., The Bon-Ton Stores, Inc., Zappos Retail, Inc., Zappos.com, Inc.. (Cass, William) (Entered: 08/01/2014)

\* \* \* \* \*

08/01/2014 479 Memorandum in Opposition re 475 MOTION for Judgment as a Matter of Law *Pursuant to Rule 50(b)* MOTION for New Trial *Conditionally, Pursuant to Rule 59* filed by Romag Fasteners, Inc.. (Schaefer, David) (Entered: 08/01/2014)

08/08/2014 480 ORDER: Plaintiff's Motion 472 for Judgment as a Matter of law and for a New Trial is GRANTED, in that judgment will be entered against Defendants Macy's, Inc. and Macy's Retail, Inc. with respect to trade-

mark infringement, and DENIED in all other respects. Defendants' "Conditional" Motion 475 for Judgment as a Matter of Law and for a New Trial is DENIED without prejudice to renewal if the Court's ruling with respect to the willfulness requirement is overturned on appeal and the Court subsequently determines based on the equitable factors that Plaintiff is entitled to an award of Fossil's profits for trademark infringement. Signed by Judge Janet Bond Arterton on 08/08/2014. (Bonneau, J) (Entered: 08/08/2014)

\* \* \* \* \*

09/05/2014 486 Plaintiff's Motion 483 for Judgment under Rule 58(d) is GRANTED. The Court will construe this motion as a decision by Plaintiff not to elect statutory damages. Accordingly, the Clerk is directed to enter judgment as follows: (1) judgment shall enter against Fossil, Inc. and Fossil Stores I, Inc. with respect to trademark infringement, false designation of origin, state common law unfair competition, violation of CUTPA, and patent infringement in the amount of \$41,862.75; (2) judgment shall

enter against Macy's, Inc. and Macy's Retail, Inc. with respect to trademark infringement and patent infringement in the amount of \$12,562.90; and (3) judgment shall enter for Defendants with respect to Plaintiff's remaining claims. Signed by Judge Janet Bond Arterton on 9/5/14. (Harris, J) (Entered: 09/05/2014)

09/08/2014 487 NOTICE OF APPEAL to Federal Circuit as to 471 Findings of Fact & Conclusions of Law, 470 Order, 480 Order on Motion for Judgment as a Matter of law, order on Motion for New Trial,,,,,,,,, by Romag Fasteners, Inc.. Filing Fee \$ 505, receipt number 0205-3353164. (Freiman, Jonathan) (Entered: 09/08/2014)

\* \* \* \* \*

09/19/2014 489 FINAL JUDGMENT entered in favor of Romag Fasteners, Inc. against Fossil Stores I, Inc., Fossil, Inc., Macy's Retail Holdings, Inc., Macy's, Inc.. For Appeal Forms please go to the following website:  
[http://www.ctd.uscourts.gov/forms/all-forms/appeals\\_forms](http://www.ctd.uscourts.gov/forms/all-forms/appeals_forms)

Signed by Clerk on 9/18/14.(Tor-  
day, B.) (Entered: 09/19/2014)

\* \* \* \* \*

09/22/2014 492 AMENDED JUDGMENT entered in favor of Romag Fasteners, Inc. against Fossil Stores I, Inc., Fossil, Inc., Macy's Retail Holdings, Inc., Macy's, Inc..

For Appeal Forms please go to the following website:  
[http://www.ctd.uscourts.gov/forms/all-forms/appeals\\_forms](http://www.ctd.uscourts.gov/forms/all-forms/appeals_forms)  
Signed by Clerk on 9/22/14.(Tor-  
day, B.) (Entered: 09/22/2014)

\* \* \* \* \*

11/08/2017 539 AMENDED PARTIAL FINAL JUDGMENT entered in favor of Romag Fasteners, Inc. against Macy's Retail Holdings, Inc. and Macy's, Inc. with respect to patent infringement claims in the amount of \$15,320.61 and against Fossil Stores I, Inc. and Fossil, Inc. with respect to patent infringement claims in the amount of \$51,052.14.

For Appeal Forms please go to the following website:  
[http://www.ctd.uscourts.gov/forms/all-forms/appeals\\_forms](http://www.ctd.uscourts.gov/forms/all-forms/appeals_forms)  
Signed by Clerk on 11/8/2017.  
(Freberg, B) (Entered:

11/08/2017)

\* \* \* \* \*

08/16/2018 553 ORDER: For the reasons set forth in the attached Ruling, Plaintiff's Request 543 for Reinstatement of Patent Act Attorney's Fees and Costs and an Award of Lanham Act Attorney's Fees and Costs is DENIED. Signed by Judge Janet Bond Arterton on 8/16/18. (Denker, J.) (Entered: 08/16/2018)

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09/12/2018 555 ORDER granting 554 Motion for Final Judgment. Signed by Judge Janet Bond Arterton on 9/11/2018. (Freberg, B) (Entered: 09/12/2018)

\* \* \* \* \*

09/17/2018 558 NOTICE OF APPEAL to Federal Circuit of Docs. ## 480, 471, 470, 539, 553, and 555 by Romag Fasteners, Inc. Filing fee \$ 505, receipt number CTDC-4972250. (Fisher, Sean) Modified on 9/21/2018 to add links to documents (Freberg, B). (Entered: 09/17/2018)

\* \* \* \* \*

10/18/2018 560 SECOND AMENDED FINAL JUDGMENT entered in favor of

Romag Fasteners, Inc. against Fossil Stores I, Inc., Fossil, Inc., Macy's Retail Holdings, Inc., Macy's, Inc. This Second Amended Final Judgment shall be substituted for the Final Judgment entered September 12, 2018.

For Appeal Forms please go to the following website: [http://www.ctd.uscourts.gov/forms/all-forms/appeals\\_forms](http://www.ctd.uscourts.gov/forms/all-forms/appeals_forms)  
Signed by Judge Janet Bond Arterton on 10/15/2018. (Freberg, B) (Entered: 10/15/2018)

11/02/2018 561 AMENDED NOTICE OF APPEAL to Federal Circuit as to 555 Order on Motion for Judgment, 553 Order, 560 Judgment, 539 Judgment,, 471 Findings of Fact & Conclusions of Law, 470 Order, 480 Order on Motion for Judgment as a Matter of Law,,, Order on Motion for New Trial by Romag Fasteners, Inc.. (Freiman, Jonathan) Modified on 11/2/2018 to add word Amended per request from filer (Walker, J.). Modified on 11/7/2018 to correct text (Freberg, B). (Entered: 11/02/2018)

UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

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Docket No. 14-1856

ROMAG FASTENERS, INC., PLAINTIFF-APPELLANT

*v.*

FOSSIL, INC. ET AL., DEFENDANTS-CROSS-APPELLANTS

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DOCKET ENTRIES

DATE	NO.	PROCEEDINGS
09/29/2014	1	Appeal docketed. Received: 09/22/2014. [186136] Entry of Appearance due 10/14/2014. Certificate of Interest is due on 10/14/2014. Docketing Statement due 10/14/2014. Appellant/Petitioner's brief is due 12/01/2014. [AT] [Entered: 09/29/2014 12:54 PM]
	*	* * * * *
01/29/2015	27	BRIEF FILED for Appellant Romag Fasteners, Inc. [26]. Number of Pages: 59. Service: 01/29/2015 by email. Pursuant to ECF-10, filer is directed to file six copies of the brief in paper

format. The paper copies of the brief should be received by the court on or before 02/04/2015. Cross-Appellants Belk, Inc., Dillard's, Inc., et al. brief is due 03/13/2015. [213984] [KJ] [Entered: 01/30/2015 10:13 AM]

\* \* \* \* \*

05/01/2015 35 BRIEF FILED for Cross-Appellants Fossil, Inc., et al. [33]. Number of pages: 71. Service: 05/01/2015 by email. Pursuant to ECF-10, filer is directed to file six copies of the brief in paper format. The paper copies of the brief should be received by the court on or before 05/18/2015. Appellant's reply brief is due 06/15/2015. [239189] [SW] [Entered: 05/11/2015 09:14 AM]

\* \* \* \* \*

07/24/2015 42 REPLY BRIEF FILED for Appellant Romag Fasteners, Inc. [40]. Number of Pages: 50. Service: 07/24/2015 by email. Pursuant to ECF-10, filer is directed to file six copies of the brief in paper format. The paper copies of the brief should be received by the court on or before 08/03/2015. Cross-Appellant's reply brief is due 08/10/2015. [260258] [CAB] [Entered: 07/29/2015 12:13 PM]

\* \* \* \* \*

08/31/2015 46 REPLY BRIEF FILED for Cross-Appellants Belk, Inc., Dillard's, Inc., et al. [45]. Number of Pages: 29. Service: 08/31/2015 by email. Pursuant to ECF-10, filer is directed to file six copies of the brief in paper format. The paper copies of the brief should be received by the court on or before 09/08/2015. Appendix is due 09/11/2015. [268938] [CAB] [Entered: 09/02/2015 12:14 PM]

\* \* \* \* \*

03/31/2016 63 OPINION and JUDGMENT filed. The judgment or decision is: Affirmed. (Precedential Opinion). (For the Court: Dyk, Circuit Judge; Wallach, Circuit Judge and Hughes, Circuit Judge). [323035] [14-1856, 14-1857] Vacated pursuant to the court's order. See Doc No. [74] [JCA] [Entered: 03/31/2016 09:11 AM]

04/12/2016 64 ERRATA to the Precedential Opinion Doc No.: [63]. Service as of this date by the Clerk of Court. [325674] Vacated pursuant to the court's order. See Doc No. [74] [CAB] [Entered: 04/12/2016 12:41 PM]

\* \* \* \* \*

05/09/2016	66	Mandate issued to the United States District Court for the District of Connecticut. Costs taxed in the amount of \$580.40. Service as of this date by Clerk of Court. [333305] [14-1856, 14-1857] Mandate has been recalled pursuant to the court's order. See Doc No. [74] [CAB] [Entered: 05/09/2016 01:07 PM]
	* * * * *	
08/16/2016	68	Petition for writ of Certiorari filed on 08/12/2016 in the Supreme Court of the United States. Supreme Court #: 16-202, Romag Fasteners, Inc. v. Fossil, Inc. [359288] [14-1856, 14-1857] [CAB] [Entered: 08/16/2016 02:28 PM]
03/27/2017	69	The petition for writ of certiorari, [16-202], filed on 08/12/2016, was Granted on 03/27/2017. [419659] [14-1856, 14-1857] [CAB] [Entered: 03/28/2017 04:01 PM]
	* * * * *	
04/28/2017	73	Certified judgment of the Supreme Court of the United States issued on 04/27/2017 for 16-202. [427930] [14-1856, 14-1857] [CAB] [Entered: 04/28/2017 03:49 PM]
05/03/2017	74	ORDER filed recalling mandate; reopening appeal; the June 27,

2014 judgment of the United States District Court for the District of Connecticut reducing Romags jury award patent damages by eighteen percent due to the defense of laches is vacated. By: Merits Panel (Per Curiam). Service as of this date by Clerk of Court. [428959] [14-1856, 14-1857] [CAB] [Entered: 05/03/2017 04:21 PM]

06/09/2017 75 Mandate issued to the United States District Court for the District of Connecticut. Service as of this date by the Clerk of Court. [437956] [14-1856, 14-1857] [JAB] [Entered: 06/09/2017 02:10 PM]

UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

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Docket No. 18-2417

ROMAG FASTENERS, INC., PLAINTIFF-APPELLANT

*v.*

FOSSIL, INC. ET AL., DEFENDANTS-APPELLEES

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DOCKET ENTRIES

DATE	NO.	PROCEEDINGS
09/26/2018	1	Appeal docketed. Received: 09/21/2018. [552775] Entry of Appearance due 10/10/2018. Certificate of Interest due 10/10/2018. Docketing Statement due 10/10/2018. Appellant's brief due 11/26/2018. [MJL] [Entered: 09/26/2018 03:52 PM]
	*	* * * * *
11/15/2018	24	CORRECTED ENTRY: MOTION of Appellees Fossil Stores I, Inc., Fossil, Inc., et al. to terminate appeal through dismissal [Consent: opposed]. Service: 11/15/2018 by email. [565507]— [Edited 11/16/2018 by MJL to

correct relief] [Jeffrey Dupler]  
 [Entered: 11/15/2018 04:21 PM]

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12/21/2018 30 RESPONSE of Appellant Romag Fasteners, Inc. to the motion [24] filed by Appellees Fossil, Inc., Fossil Stores I, Inc., Macy's, Inc., Macy's Retail Holdings, Inc., Fossil Stores I, Inc., Fossil, Inc., Macy's Retail Holdings, Inc. and Macy's, Inc.. Service: 12/21/2018 by email. [573976] [18-2417] [Jonathan Freiman] [Entered: 12/21/2018 11:17 AM]

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01/11/2019 32 REPLY of Appellees Fossil Stores I, Inc., Fossil, Inc., Macy's Retail Holdings, Inc. and Macy's Inc. to response filed by Appellant, Doc. No [30]. Service: 01/11/2019 by email. [577683] [18-2417] [Jeffrey Dupler] [Entered: 01/11/2019 01:47 PM]

02/05/2019 33 ORDER filed. The motion [24] is granted to the extent that the appeal is limited to issues decided by the district court in its orders after the remand from this court (e.g., district court Dkt. Nos. 529, 533, and 560). (Per Curiam). Service: 02/05/2019 by clerk. [583411] [LMS] [Entered

02/05/2019 34 02/05/2019 10:24 AM]  
ORDER filed. The stay of briefing is lifted. Romag Fasteners, Inc.'s opening brief is due within 30 days from the issuance of this order. Service as of this date by the Clerk of Court. [583453] [JAL] [Entered: 02/05/2019 11:46 PM]

02/19/2019 35 Notice from Appellant Romag Fasteners, Inc. in Response to Court's February 5, 2019 Orders. Service: 02/19/2019 by email. [587083] [18-2417] [Jonathan Freiman] [Entered: 02/19/2019 02:36 PM]

02/26/2019 36 Notice from Appellees Fossil Stores I, Inc., Fossil, Inc., Macy's Retail Holdings, Inc. and Macy's, Inc. In response to Romag's February 19, 2019 Notice. Service: 02/26/2019 by email. [588635] [18-2417] [Jeffrey Dupler] [Entered: 02/26/2019 10:53 AM]

03/22/2019 37 Petition for writ of Certiorari filed on 03/22/2019, and placed on the docket 03/22/2019, in the Supreme Court of the United States. Supreme Court #: 18-1233, Romag Fasteners, Inc. v. Fossil, Inc., et al. [595380] [JAB] [Entered: 03/26/2019 07:44 AM]

03/27/2019 38 ORDER filed. The judgment of

the district court is summarily affirmed. Each side shall bear its own costs. (Per Curiam). Service: 03/27/2019 by clerk. [595779] [LMS] [Entered: 03/27/2019 10:06 AM]

- |            |    |   |
|------------|----|---|
| 03/27/2019 | 39 | JUDGMENT filed. AFFIRMED. Court Order. COSTS: Each side bears its own costs. Mandate to issue in due course. For information regarding costs, petitions for rehearing, and petitions for writs of certiorari click <a href="#">here</a> . [595824] [PBC] [Entered: 03/27/2019 12:07 PM] |
| 05/03/2019 | 40 | Mandate issued to the United States District Court for the District of Connecticut. Service as of this date by the Clerk of Court. [604799] [PBC] [Entered: 05/03/2019 08:45 AM]  |
| 06/28/2019 | 41 | The petition for writ of certiorari, [18-1233], filed on 03/22/2019, was Granted on 06/28/2019. [617831] [JAB] [Entered: 06/28/2019 02:54 PM]   |

UNITED STATES DISTRICT COURT  
DISTRICT OF CONNECTICUT

ROMAG FASTENERS, INC,

*Plaintiff,*

*v.*

FOSSIL, INC. *et al.*,

*Defendants.*

Civil No. 3:10cv1827  
(JBA)

**JURY INSTRUCTIONS**

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## **I. INTRODUCTION TO JURY INSTRUCTIONS**

You have now heard all of the evidence in this matter and I will now instruct you on the law to be applied in this case. After that, you will hear the arguments of counsel and then you will return to the jury room to deliberate in accordance with these instructions.

You must take the law as I give it to you, and if any attorney or any witness or exhibit has stated a legal principle different from any that I state to you in my instructions, it is my instructions that you must follow. The instructions as a whole constitute the law of this case and

must be applied as a whole; you should not single out any one instruction or ignore others.

Regardless of any opinion you may have as to what the law is or ought to be, it would be a violation of your sworn duty to base a verdict upon any view of the law other than the instructions of the Court. It would also be a violation of your sworn duty if you were to base any finding of fact on anything other than the evidence presented to you in this case.

Please be patient and listen closely. Give careful thought to every issue set forth in these instructions regardless of any general feeling you may have about which party is right. In deciding the facts, you should be guided solely by the evidence presented during trial, without regard to the consequences of your decision. You have been chosen to try the issues of fact and reach an impartial verdict on the basis of the evidence or lack of

evidence. In this action, Plaintiff and Defendants are entities, not individual persons. All parties are equal before the law, and are to be dealt with as equals in a court of justice. The parties are entitled to have this case decided without regard to status, size, or supposed wealth. This case should be considered and decided by you as an action between persons of equal standing and worth. Your verdict must be based solely upon the evidence about each Defendant. You will be returning separate verdicts for each Defendant. The case against each Defendant, on each count, stands or falls upon the proof or lack of proof against that Defendant alone, and your verdict as to any Defendant on any count should not control your decision as to any other Defendant or any other count

**A. Role of the Court**

As the presiding judge, I perform basically two functions during a trial: I decide what evidence is admissible for your consideration, and I instruct you on the law

that you are to apply to the facts. I gave you some preliminary instructions before evidence began, but it is now—after the close of evidence—that the full, final instructions are given.

**B. Role of the Jury**

As members of the jury, you are the sole and exclusive judges of the facts. You pass upon the evidence. You determine the credibility of the witnesses. You resolve such conflicts as there may be in the testimony. You draw whatever reasonable inferences you decide to draw from the facts as you have determined them, and you determine the weight of the evidence.

In determining these issues, no one may invade your province or function as jurors. In order for you to determine the facts, you must rely upon your own recollection of the evidence.

It is your duty to find the facts from all the evidence in the case. To the facts as you find them you must

apply the law as I give it to you. And you must perform your duty as jurors regardless of any personal likes or dislikes, opinions, prejudices, or sympathy you may have because they may interfere with your clear thinking and impair your ability to arrive at a just verdict. In other words, you must decide the case solely on the evidence that has been put before you.

Because you are the sole and exclusive judges of the facts, nothing in the instructions and nothing I have said during the trial reflects any opinion from me as to what your verdict should be. That is a matter entirely up to you. The rulings I have made during the trial are on legal matters, which are exclusively for the court, not the jury, because they do not constitute evidence.

### **C. Role of Attorneys**

Our courts operate under an adversarial system, in which it is the role of the attorneys to press as hard as they can for their respective positions. In fulfilling that

role, they have not only the right, but the obligation, to make objections to the introduction of evidence they feel is improper. The application of the rules of evidence is not always clear, and lawyers often disagree. It is my job as the judge to resolve these disputes, but my rulings on evidentiary matters have nothing to do with the ultimate merits of the case, and are not to be considered as points scored for one side or the other.

During a trial, one cannot help observing the personalities and styles of the attorneys, but it is important for you as jurors to recognize that this is not a contest among attorneys. You are to decide this case solely on the basis of the evidence, but the statements and characterizations of the evidence by the attorneys are not evidence. Insofar as you find their closing arguments helpful, take advantage of them, but it is your memory and your evaluation of the evidence in the case that controls.

**D. Burden of Proof—Preponderance of the Evidence**

Plaintiff Romag bears the burden of proving each element of its claims by a preponderance of the evidence. The burden of proof in this civil case is different from the burden of proof in criminal cases. In criminal cases, the burden of proof is higher—proof beyond a reasonable doubt. That is not the standard here. The standard here is proof by a preponderance of the evidence, which means proof that something is more likely true than not true. A preponderance of the evidence means the greater weight of the evidence. It refers to the quality and the persuasiveness of the evidence admitted, not to the number of witnesses or documents. If one party proves a claim by a preponderance of the evidence, that means the evidence it has presented has more convincing force than

the opposing evidence and produces in your minds a belief that what is sought to be proved is more likely true than not true.

It might be helpful to imagine a pair of scales in equal balance. Imagine that, in assessing Plaintiff's claims, you can put its evidence on one side of the scale and Defendants' evidence on the other side of the scale. If the scales tip ever so slightly in favor of Romag, then its evidence preponderates and it has sustained its burden of proof. If the scales tip the other way, ever so slightly in favor of Defendants, then, obviously, Plaintiff has not sustained its burden of proof. Should you find the scales are evenly balanced, that neither side's evidence outweighs the other's such that it is equally probable that either side is right, then Romag has failed to meet its burden of proving its claim by a preponderance of the evidence, and your verdict will be for Defendant on that claim.

In determining whether a claim has been proved by a preponderance of the evidence, you consider the relevant testimony of all witnesses, regardless of who may have called them, and all the exhibits in evidence, regardless of who may have offered them.

**E. Burden of Proof—Clear and Convincing Evidence**

In this case, Romag contends that Fossil and Macy's infringed the '126 patent, and that their infringement was willful. Shortly, I will detail Romag's basis for contending that Fossil and Macy's willfully infringed.

To prove that infringement of a patent is willful, Romag must persuade you by clear and convincing evidence, i.e., that it is highly probably that the infringement was willful. Such evidence requires a higher standard of proof than proof by a preponderance of the evidence. To find willful patent infringement proved by Romag, you

must be left with a clear conviction that the patent infringement was willful.

## **II. SUMMARY OF THE CASE**

Plaintiff Romag Fasteners, Inc. (or “Romag”) brings this action against Defendants Fossil, Inc.; Fossil Stores I, Inc.; Macy’s, Inc.; Macy’s Retail Holdings, Inc.; Dillard’s, Inc.; Nordstrom, Inc.; The Bon-Ton Stores, Inc.; The Bon-Ton Department Stores, Inc.; Belk, Inc.; Zappos.com, Inc.; and Zappos Retail, Inc., alleging that Defendants committed trademark infringement, false designation of origin, unfair competition, and engaged in unfair or deceptive business practices in violation of federal and state law. Plaintiff also alleges that Defendants Fossil, Inc. and Fossil Stores I, Inc. (or “Fossil”) and Macy’s, Inc. and Macy’s Retail Holdings, Inc. (or “Macy’s”) committed patent infringement in violation of federal law. Romag claims that Defendants have sold Fossil handbags containing magnetic fasteners that

bear the mark ROMAG and the designation U.S. Pat. No. 5,722,126 without Romag's consent or authorization. Romag seeks monetary compensation for Defendants' alleged conduct. Defendants deny that they infringed on Plaintiff's trademark or patent rights and that they committed unfair competition or unfair or deceptive business practices, and claim that they used only genuine ROMAG snaps in the handbags they sold.

\* \* \*

I will now describe the elements of Plaintiff's legal claims.

### **III. TRADEMARK AND UNFAIR COMPETITION CLAIMS**

Plaintiff brings several claims against Defendants related to their use of magnetic snap fasteners bearing the ROMAG trademark in handbags imported to and/or sold in the United States. Plaintiff contends that Defendants committed trademark infringement and

false designation of origin in violation of federal law, unfair competition in violation of Connecticut state common law, and unfair or deceptive business practices in violation of the Connecticut Unfair Trade Practices Act (“CUTPA”). Plaintiff also contends that Defendants’ alleged infringement was willful. Finally, Plaintiff contends that it is entitled to an award of Defendants’ profits and punitive damages. Defendants deny that Plaintiff has met its burden of proof on any of these claims, and argue that Plaintiff is not entitled to any monetary recovery for these claims.

\* \* \*

#### **A. Trademark Infringement**

Plaintiff brings a claim for trademark infringement against Defendants under Section 32(1) of the Lanham Act, which is the federal trademark statute, which prohibits the use in commerce of “any reproduction, counterfeit, copy, or colorable imitation of a registered

mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive.” The law entitles the owner of a trademark to permit or exclude others from using that trademark. The owner of a trademark may enforce the right to exclude others in an action for trademark infringement.

The term “trademark” includes any word, name, symbol or device or any combination thereof, adopted and used by a manufacturer or merchant to identify and distinguish its goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods. The main function of a trademark is to identify and distinguish goods as a product of a particular manufacturer or merchant and to protect its goodwill against the sale of another’s product as its own. A trademark is also a merchandising symbol that helps a

prospective purchaser to select the goods the purchaser wants. A trademark signifies that all the goods bearing the mark derive from a single source and are equivalent in quality. There is therefore a public interest in the use of trademarks.

In order to prove its claim for trademark infringement, Plaintiff must prove the following elements by a preponderance of the evidence:

- (1) Plaintiff is the owner of the ROMAG mark;
- (2) The ROMAG mark is a valid mark entitled to protection; and
- (3) Defendants without Romag's consent, used a mark that is likely to cause confusion.

The parties have stipulated that Plaintiff is the owner of the ROMAG mark and that the ROMAG mark is a valid mark entitled to protection. Defendants need not have been involved in the manufacture nor the affixing of the ROMAG trademark to the magnetic snap fasteners to be

liable for trademark infringement. Their sale of the handbags containing the magnetic snap fasteners would be sufficient “use” for Defendants to be liable for the results of such infringement, and their claimed lack of knowledge of their supplier’s infringement, even if true, provides no defense.

1. *Likelihood of Confusion*

The final element that Plaintiff must prove in order to succeed on its trademark infringement claim is that Defendants, without Romag’s consent, used the ROMAG mark in a manner likely to cause confusion regarding the source of these goods.

You must determine only whether there is a likelihood of confusion; so it is unnecessary that the evidence show that any specific person has been confused or misled. It is sufficient if you find that the consequences of Defendants’ use of the ROMAG mark in all reasonable probability would be to cause confusion regarding the

source, sponsorship, approval or affiliation of the products.

The fact that the products could be distinguished by careful or discriminating purchasers is not enough to lead you to conclude that here is no likelihood of confusion.

In determining whether Defendants used the ROMAG mark in a manner likely to cause confusion regarding the source of Plaintiff's and Defendants' goods, you may draw on your common experience as citizens of the community. Likelihood of confusion is also determined by evaluating the following factors:

- (1) The strength of the ROMAG mark;
- (2) The degree of similarity between Plaintiff's use of the mark ROMAG and Defendants' use of the mark ROMAG;
- (3) The similarity between Plaintiff's products,

i.e., magnetic snap fasteners, and the magnetic snap fasteners used in Defendants' handbags;

- (4) Any actual confusion about the source of the parties' products caused by Defendants' use of the ROMAG mark;
- (5) Whether Defendants acted in bad faith by adopting the ROMAG mark;
- (6) Whether Defendants' products are inferior to Romag's products; and
- (7) The sophistication of the relevant purchasing public of the parties' products.

No one factor or consideration is conclusive, but each should be weighed in light of the total evidence presented at trial. In light of these considerations and your common experience, you must determine if the relevant public, neither overly careless nor overly careful, would be, upon encountering Defendants' products, confused

about the source, sponsorship, approval, or affiliation of the parties' products.

2. *Definition of Counterfeit*

Section 1116(d)(1)(B) of the Lanham Act defines

a "counterfeit" as:

(i) a counterfeit of a mark that is registered on the principal register in the United States Patent and Trademark Office for . . . goods . . . sold, offered for sale, or distributed and that is in use, whether or not the person against whom relief is sought knew such mark was so registered; or

(ii) a spurious designation that is identical with, or substantially indistinguishable from, a designation as to which the remedies of this chapter are made available . . . ;

but such term does not include any mark or designation used on or in connection with goods . . . of which the manufacture[r] or producer was, at the time of the manufacture or production in question authorized to use the mark or designation for the type of goods . . . so manufactured or produced, by the holder of the right to use such mark or designation.

Put more simply, a “counterfeit mark” is a false mark that is identical with, or substantially indistinguishable from, the genuine mark, which is used without the consent or authorization of the genuine mark’s owner. Plaintiff has the burden of proving that the accused snaps were counterfeit within the meaning of the statute. Therefore, Plaintiff must prove by a preponderance of the evidence that (1) the mark used on the snap fasteners on the Fossil bags is a copy that is identical or substantially indistinguishable from the ROMAG trademark that is registered on the Principal Register of the United States Patent and Trademark office; (2) that the mark was affixed without Romag’s permission; and (3) Defendants used Plaintiff’s trademark in the sale, offering for sale, distribution, or advertising of goods that are covered by Plaintiff’s trademark registration.

If you find that Romag has proven that Defendants used a counterfeit mark as I have just defined that term for you, then you may presume that there is a likelihood of confusion between Plaintiff's mark and the counterfeit mark used by Defendants. Defendants may rebut this presumption by proving by a preponderance of the evidence that there was no likelihood of confusion.

**B. False Designation of Origin**

Plaintiff also brings a claim for unfair competition, namely false designation of origin, against Defendants pursuant to Section 43(a) of the Lanham Act, which “guards against infringement of unregistered marks and other indicia of origin, including trade dress and trade names.” To establish a claim for false designation of origin, Plaintiff must prove that it owns the ROMAG mark and that the ROMAG mark is valid and protectable. The parties have stipulated to these facts. Plaintiff must prove that the ROMAG mark is associated with

magnetic snap fasteners and that the use of the same mark by Defendants constitutes a false representation that Defendants' goods come from the same source, or are affiliated with or sponsored by Romag. Romag must also prove a likelihood of confusion as to the source, sponsorship, approval, or affiliation of the goods. You should apply the same instructions regarding likelihood of confusion and counterfeiting to this claim as you do to Plaintiff's trademark infringement claim.

### **C. Willful Trademark Infringement**

Plaintiff also alleges that Defendants willfully infringed its trademark. If you find that Defendants infringed Romag's trademark, you must also determine if Defendants used the trademark willfully, as I will now define that term for you. This is a separate claim from Plaintiff's claim that Defendants infringed Romag's trademark, which I described earlier. To prove willful-

ness, Plaintiff must show (1) that Defendants were actually aware of the infringing activity, or (2) that Defendants' actions were the result of willful blindness. Willful blindness means that Defendants knew they might be selling infringing goods but nevertheless intentionally shielded themselves from discovering the truth.

**D. State Common Law Unfair Competition**

Plaintiff also brings a claim against Defendants for unfair competition under Connecticut common law. This claim mirrors the federal claim for unfair competition, in this case false designation of origin. The test for common law unfair competition under Connecticut law is identical to the test under the Lanham Act, and thus you should apply the same instructions as a set forth for Plaintiff's false designation of origin claim to Plaintiff's state common law unfair competition claim.

**E. Connecticut Unfair Trade Practices Act**

Plaintiff claims that Defendants violated the Connecticut Unfair Trade Practices Act, a Connecticut law, commonly known as CUTPA. In order to succeed on its CUTPA claim, Plaintiff must prove by a preponderance of the evidence that: (1) Defendant engaged in an unfair method of competition or an unfair or deceptive act or practice in the conduct of trade or commerce; and (2) Plaintiff suffered an ascertainable loss as a result of Defendants' conduct.

1. *Conduct of Trade or Commerce*

As the first step in deciding whether Defendants violated CUTPA, you must first determine whether Defendants' actions were carried out in the course of their trade or commerce. In this case, it is not disputed that Defendants' actions were carried out in the course of their trade or commerce.

2. *Unfair Trade Practice or Deceptive Act or Practice*

Plaintiff may satisfy the first element of its CUTPA claim by proving that Defendants engaged in either an unfair trade practice or a deceptive act or practice. Romag need not prove both theories in order to satisfy the first element. If you find that Romag has proven that, in the course of its business, any Defendant engaged in either an unfair trade practice or in a deceptive act or practice, then the first element is met.

(a) Unfair Trade Practice

To prove that Defendants' conduct constituted an unfair trade practice, Romag must prove that Defendants' conduct meets at least one of the three following criteria: (1) it offends public policy as it has been established by statutes, the common law, or other established concept of unfairness; or (2) it is immoral, unethical, op-

pressive, or unscrupulous; or (3) it causes substantial injury to consumers, competitors, or other business persons. Romag is not required to prove that Defendants' conduct satisfies all three of these criteria. A practice can be unfair because it meets one of these criteria to a large degree or because it meets all of these criteria to a lesser degree. Conduct may violate CUTPA even if it is not expressly illegal.

Plaintiff asserts that Defendants' actions in trading in allegedly counterfeit fasteners bearing the ROMAG trademark and Romag's patent number constituted an unfair trade practice because it offended public policy. The public policy of the State of Connecticut protects the intellectual property of a corporation such as Romag. Violation of a statute does not automatically result in a CUTPA violation. Therefore, even if you find that Defendants violated a statute, you must still decide

whether Plaintiff has proved that Defendants' statutory violation offends public policy.

Plaintiff also asserts that Defendants' actions in trading in allegedly counterfeit fasteners bearing the ROMAG trademark and Romag's patent number constituted an unfair trade practice because such conduct was immoral, unethical, oppressive, or unscrupulous. Conduct is immoral or unethical if such conduct violates or breaches the standard of right and wrong that is generally expected of persons doing business in Connecticut. Conduct is oppressive if it unnecessarily or recklessly imposes substantial hardship and loss on others. Conduct is unscrupulous when the party who engages in such conduct acts with complete disregard or indifference to the rights and interests of persons who are certain to be affected by that conduct. You need to determine whether Defendants' conduct was immoral, unethical, oppressive, or unscrupulous.

Plaintiff also asserts that Defendants' actions in trading in allegedly counterfeit fasteners bearing the ROMAG trademark and Romag's patent number constituted an unfair trade practice because there was substantial injury to consumers, competitors, or other business persons. Plaintiff must prove by a preponderance of the evidence that Defendants' conduct caused an injury that is: (1) substantial; (2) not outweighed by countervailing benefits to consumers or competition; and (3) that consumers or competitors could not reasonably have avoided.

(b) Deceptive Act or Practice

To prove that Defendants' conduct constituted a deceptive act or practice, Plaintiff must prove three requirements. First, there must be a representation, omission, or other practice likely to mislead customers. Plaintiff does not have to prove that Defendants intended to deceive those customers or that Defendants knew the

statement or act was false. Second, the consumers must interpret the message reasonably under the circumstances. Third, the misleading representation, omission, or practice must be material—that is, likely to affect consumer decisions or conduct.

### 3. *Ascertainable Loss*

In addition to proving that Defendants committed an unfair trade practice or an unfair or deceptive act that violates CUTPA, Plaintiff must prove it sustained an ascertainable loss. Plaintiff has the burden of proving ascertainable loss. A loss is a deprivation, detriment, or injury. A loss is ascertainable if it is capable of being discovered, observed, or established, but it need not be measured by a dollar amount.

## **IV. PATENT CLAIMS**

Romag alleges that Fossil and Macy's infringed Claims 1, 2, and, 3 of the '126 patent, and seeks monetary

damages in the amount of a reasonable royalty as compensation for this alleged violation. Romag further alleges that Defendants' patent infringement was willful. Defendants deny that they have infringed Plaintiff's patent, or that such infringement was willful.

**A. The Role of the Claims of a Patent**

Before you can decide the patent issues in this case, you will need to understand the role of patent "claims." The patent claims are the numbered sentences at the end of each patent. The claims are important because it is the words of the claims that define what a patent covers. The figures and text in the rest of the patent provide a description and/or examples of the invention and provide a context for the claims, but it is the claims that define the breadth of the patent's coverage. Each claim is effectively treated as if it were a separate patent, and each claim may cover more or less than another

claim. Therefore, what a patent covers depends, in turn, on what each of its claims covers.

You will first need to understand what each claim covers in order to decide whether or not there is infringement of the claim. The law says that it is my role to define the terms of the claims and it is your role to apply my definitions to the issues that you are asked to decide in this case. You must accept my definition of the disputed word in the claims as being correct. It is your job to take this definition and apply it to the issues that you are deciding.

**B. How a Claim Defines What it Covers and Claim Interpretation**

I will now explain how a claim defines what it covers. A claim sets forth, in words, a set of requirements. Each claim sets forth its requirements in a single sentence. If a device satisfies each of these requirements, then it is covered by the claim.

There can be several claims in a patent. Each claim may be narrower or broader than another claim by setting forth more or fewer requirements. The coverage of a patent is assessed claim-by-claim. In patent law, the requirements of a claim are often referred to as “claim elements” or “claim requirements.” When a thing (such as a product or process) meets all the requirements of a claim, the claim is said to “cover” that thing, and that thing is said to “fall” within the scope of that claim. In other words, a claim covers a product or process where each of the claim elements or requirements is present in that product or process.

Sometimes the words in a patent claim are difficult to understand, and therefore it is difficult to understand what requirements these words impose. As I just instructed you, there is a specific term that I have defined and you are to apply the definition that I provide to you.

By understanding the meaning of the words in a claim and by understanding that the words in a claim set forth the requirements that a product or process must meet in order to be covered by that claim, you will be able to understand the scope of coverage for each claim. Once you understand what each claim covers, then you are prepared to decide infringement.

I will now explain to you the meaning of one of the words in the claims in this case. In doing so, I will explain some of the requirements of the claims. For any words in the claim for which I have not provided you with a definition, you should apply their common meaning. You should not take my definition of the language of the claims as an indication that I have a view regarding how you should decide infringement. That issue is yours to decide.

1. *Claim Term and Meaning—“Rotatable”*

The three claims of the ‘126 patent comprise attachment legs that are mounted to a base washer and are “rotatable” with respect to this base washer. The term “rotatable” means “capable of being rotated and not rigidly secured, i.e., the connection between the legs and the base washer allows for a change of position about the rotational axis.”

**C. Patent Infringement**

In order to prove that Fossil and Macy’s directly infringed the ‘126 patent, Romag must prove by a preponderance of the evidence, i.e., that it is more likely than not, that Fossil and Macy’s made, used, sold, imported, or offered for sale within the United States a product that meets all of the requirements of a claim and did so without the permission of Romag. Someone can

infringe a patent without knowing of the patent or without knowing that what they are doing is an infringement of the patent. They also may infringe a patent even though they believe in good faith that what they are doing is not an infringement of any patent. You must compare the accused product with each and every one of the requirements of a claim to determine whether all of the requirements of that claim are met. The same element of the accused product may satisfy more than one element of a claim. The proper comparison for infringement is between Romag's '126 patent claims and the snaps used in Fossil's handbags, not a comparison between Romag's snaps and the snaps used in Fossil's handbags. You must determine, separately for each asserted claim, whether or not there is infringement. You may also take into account that placing a patent number on a product is an admission that the marked product falls within the scope of the patented claims.

**D. Willful Patent Infringement**

Plaintiff also contends that Fossil and Macy's committed the act of patent infringement willfully. This is a separate claim from Plaintiff's claim that Fossil and Macy's infringed Romag's patent. Your determination of whether their patent infringement was willful will not be related to your assessment of damages, if any. The purpose of your determination is to aid the Court in making further decisions in this case after your verdict is returned.

You must determine whether Plaintiff has proved willful infringement by clear and convincing evidence. Remember that this is a higher degree of persuasion than is necessary to meet the preponderance of the evidence standard. Willfulness requires you to determine that Plaintiff has proved that Fossil and Macy's acted with willful blindness. To prove that Fossil and Macy's acted with willful blindness, Romag must prove: (1) that

it is highly probable that Fossil and Macy's acted despite an objectively high likelihood that their actions infringed a valid and enforceable patent and (2) that it is highly probable that Fossil and Macy's knew or should have known of this infringement risk.

In making the first determination, you may not consider Fossil and Macy's state of mind. Legitimate and credible defenses to infringement, even if not ultimately successful, demonstrate a lack of willful blindness. Only if you conclude that Fossil and Macy's were wilfully blind do you need to consider the second part of the test. The second part of the test does depend on the state of mind of Fossil and Macy's. Romag must persuade you that Fossil and Macy's knew or should have known that their actions constituted an unjustifiably high risk of infringement of a valid and enforceable patent. To determine whether Fossil and Macy's had this state of mind, consider all facts, which may include, but are not limited to:

- (1) Whether or not Fossil and Macy's acted in accordance with the standards of conduct for their industries;
- (2) Whether or not Fossil and Macy's intentionally copied a product of Romag's that is covered by the '126 patent;
- (3) Whether or not there is a reasonable basis to believe that Fossil and Macy's did not infringe or had a reasonable defense to infringement;
- (4) Whether or not Fossil and Macy's made a good-faith effort to avoid infringing the '126 patent;
- (5) Whether or not Fossil or Macy's tried to cover up their infringement;
- (6) Whether or not Fossil or Macy's had an economic incentive to infringe on the '126 patent.

**V. REMEDIES AND DAMAGES**

I will now instruct you on the issue of remedies and damages. The fact that I am instructing you concerning remedies and damages should not be considered as indicating any view by the Court as to whether Defendants are liable on any claim. The instructions on damages are for your guidance if you find in favor of Plaintiff. If you find that Romag has proved that Defendants are liable, then you must decide how much, if any in remedies and damages to award for injuries caused by the unlawful conduct you found proved. You should award damages only for those injuries that you find Plaintiff has proved by a preponderance of the evidence to have been a proximate result of Defendants' conduct. You should apply sound judgment and common sense in reaching the proper amount of damages or profits. Any remedies or damages must be based upon the evidence presented and not on any sympathy you may feel for any of the parties.

You must decide what remedies, if any, are appropriate under each of Plaintiff's claims.

**A. Trademark Remedies—Defendants' Profits**

If you decide for Romag on the question of liability for trademark infringement or false designation of origin, then you should consider the amount of money to award to Romag, if any. If you decide in favor of one Defendant on the question of trademark liability, then you should not consider the remedies and damages issue with respect to that Defendant. In this case, Romag does not seek actual damages, but rather seeks an award of the profits that each Defendant made because of its infringement. If you find that Defendants have violated Romag's trademark rights, Romag may be entitled to recover Defendants' profits.

Profits may only be awarded if you find a Defendant has been unjustly enriched by use of Plaintiff's trademark or there is a need to deter an infringer from doing so again. It is not necessary for you to make a finding of both unjust enrichment and deterrence in order for you to make an award of profits. You may award Romag Defendants' profits if you make either a finding of unjust enrichment or deterrence, or both.

In order to be entitled to an award of profits under the unjust enrichment rationale, Romag must show actual confusion or proof of Defendants' deceptive intent. The use of a counterfeit may be proof of deceptive intent.

In order to be entitled to an award of profits under the deterrence rationale, Romag must show that Defendants demonstrated a callous disregard of the known rights of Romag as a mark holder. In considering whether Defendants engaged in such callous disregard

of Romag's rights, you should consider all the circumstances presented in this case, including whether Defendants turned a blind eye to the use of counterfeit snap fasteners.

Profit is determined by deducting all expenses from gross revenue. Gross revenue is all of Defendants' receipts from using the infringing mark in the sale of its product. Plaintiff has the burden of proving a Defendant's gross receipts by a preponderance of the evidence.

Expenses are all costs incurred in producing the gross revenue. Defendant has the burden of proving the expenses. Defendant also bears the burden of proving that any portion of the profit is attributable to factors other than the infringement. Defendant must prove each of these by a preponderance of the evidence.

Unless you find that a portion of the profit from the sale of the products using the trademark is attributable to factors other than use of the trademark, you

should find that the total profit is attributable to the infringement. If you determine that Plaintiff is entitled to an award of profits under the deterrence rationale, you may decide to award Defendants' profits even if the profits were not acquired due to the use of Romag's mark.

On the verdict form, you will be asked to calculate profits separately for each Defendant that you find infringed Plaintiff's trademark.

**B. Reasonable Royalty**

If you find that Fossil or Macy's infringed any claim of the '126 patent, then you must consider what amount of damages to award Romag. The damages you award must be adequate to compensate Romag for the patent infringement. They are not meant to punish an infringer. Your damages award, if you reach this issue, should put Romag in approximately the same financial position that it would have been in had the infringement

not occurred. If you find that Romag is entitled to damages on its patent claims, you may not include or add any sum for purposes of punishing Fossil or Macy's. Romag has the burden to establish the amount of its patent damages by a preponderance of the evidence. In this case Romag seeks a reasonable royalty. A reasonable royalty is defined as the amount of money Fossil and Macy's and Romag would have agreed upon as a fee for the use of the invention at the time prior to when the infringement began.

If you find that Romag has established patent infringement, Romag is entitled to at least a reasonable royalty to compensate for each infringing sale.

A royalty is a payment made to a patent holder in exchange for the right to make, use, or sell the claimed invention. A reasonable royalty is the amount of royalty payment that a patent holder and the infringer would have agreed to in a hypothetical negotiation taking place

at a time prior to when the infringement first began. In considering this hypothetical negotiation, you should focus on what the expectations of the patent holder and the infringer would have been had they entered into an agreement at the time, and had they acted reasonably in their negotiations. In determining this, you must assume that both parties believed the patent was valid and infringed and that the patent holder and the infringer were willing to enter into an agreement. The reasonable royalty you determine must be a royalty that would have resulted from the hypothetical negotiation, and not simply a royalty either party would have preferred. Evidence of things that happened after the infringement first began can be considered in evaluating the reasonable royalty only to the extent that the evidence aids in assessing what royalty would have resulted from a hypothetical negotiation. Although evidence of actual profits an alleged infringer made may be used to determine the anticipated

profits at the time of the hypothetical negotiation, the royalty may not be limited or increased based on the actual profits the alleged infringer made.

In determining the reasonable royalty, you should consider all the facts known and available to the parties at the time the infringement began. Some of the kinds of factors that you may consider in making your determination are:

- (1) The royalties received by the patentee for the licensing of the patent-in-suit, proving or tending to prove an established royalty;
- (2) The rates paid by the licensee for the use of other patents comparable to the patent-in-suit;
- (3) The nature and scope of the license, as exclusive or nonexclusive, or as restricted or non-restricted in terms of territory or with respect to whom the manufactured product

may be sold;

- (4) The licensor's established policy and marketing program to maintain his or her patent monopoly by not licensing others to use the invention or by granting licenses under special conditions designed to preserve that monopoly;
- (5) The commercial relationship between the licensor and licensee, such as whether they are competitors in the same territory in the same line of business, or whether they are inventor and promoter;
- (6) The effect of selling the patented specialty in promoting sales of other products of the licensee, the existing value of the invention to the licensor as a generator of sales of his non-patented items, and the extent of such derivative or conveyed sales;

- (7) The duration of the patent and the term of the license;
- (8) The established profitability of the product made under the patent, its commercial success, and its current popularity;
- (9) The utility and advantages of the patented property over the old modes or devices, if any, that had been used for working out similar results;
- (10) The nature of the patented invention, the character of the commercial embodiment of it as owned and produced by the licensor, and the benefits to those who have used the invention;
- (11) The extent to which the infringer has made use of the invention and any evidence probative of the value of that use;
- (12) The portion of the profit or of the selling

price that may be customary in the particular business or in comparable business to allow for the use of the invention or analogous inventions;

(13) The portion of the realizable profits that should be credited to the invention as distinguished from nonpatented elements, the manufacturing process, business risks, or significant features or improvements added by the infringer;

(14) The opinion and testimony of qualified experts; and

(15) The amount that a licensor (such as the patentee) and a licensee (such as the infringer) would have agreed upon (at the time the infringement began) if both had been reasonably and voluntarily trying to reach an agree-

ment; that is, the amount which a prudent licensee—who desired, as a business proposition, to obtain a license to manufacture and sell a particular article embodying the patented invention—would have been willing to pay as a royalty and yet be able to make a reasonable profit and which amount would have been acceptable by a prudent patentee who was willing to grant a license.

No one factor is dispositive and you should consider the evidence that has been presented to you in this case on each of these factors. You may also consider any other factors that in your mind would have increased or decreased the royalty the infringer would have been willing to pay and the patent holder would have been willing to accept, acting as normally prudent business people. The final factor establishes the framework that you should use in determining a reasonable royalty, that is,

the payment that would have resulted from a negotiation between the patent holder and the infringer taking place at a time prior to when the infringement began.

**C. Punitive Damages**

If you find Defendants' liable on either Plaintiff's state common law unfair competition claim or Plaintiff's CUTPA claim, you will also be asked whether Plaintiff has proved that punitive damages should be awarded against Defendants under the standards I will describe. Plaintiff does not seek an award of compensatory damages with respect to these claims. Punitive damages are not available for Plaintiff's federal trademark and patent claims and thus you may not award punitive damages to Plaintiff on those claims. Punitive damages are awarded to punish a defendant for extreme or outrageous conduct that harmed a plaintiff, and to deter or prevent a defendant and others like it from committing such conduct in the future.

You may find that Plaintiff is entitled to punitive damages if you find that the acts or omissions of Defendants were done recklessly, willfully, or wantonly. Willful, reckless, or wanton conduct means conduct that is highly unreasonable and involves an extreme departure from ordinary care in a situation where a high degree of danger is apparent. Plaintiff has the burden of proving, by the greater weight of the evidence, that Defendants acted recklessly, willfully, or wantonly. Proof of negligent or grossly negligent conduct is insufficient.

If you find by a preponderance of the evidence that Defendants acted recklessly or wantonly, then you may find punitive damages should be awarded. An award of punitive damages, however, is discretionary; that is, if you find that the legal requirements for punitive damages are satisfied, then you may decide whether to award punitive damages or not to award them.

In exercising your discretion, you should consider the underlying purpose of punitive damages: to punish a defendant for outrageous conduct or to deter it and other similar companies from performing similar conduct in the future. You should also consider whether the damages award is likely to deter or prevent Defendants from again performing any such wrongful acts, or whether punitive damages are necessary to provide deterrence. Finally, you should consider whether punitive damages are likely to deter or prevent other handbag designers and retailers from performing wrongful acts similar to those that Defendants were proved to have committed.

If you decide that punitive damages are warranted, you will indicate that determination on the verdict form, but will not be asked to make an award of damages because under Connecticut law, the Court will determine the amount of punitive damages if you find that they are warranted.

## **VI. GUIDELINES FOR DELIBERATION**

### **A. Inference Defined**

The term “inference,” is used in these instructions and may be used by counsel in their closing arguments. You will be asked to infer, on the basis of your reason, experience, and common sense, from one or more established facts, the existence of some other fact.

An inference is not a suspicion or a guess. It is a reasoned, logical decision to conclude that a disputed fact exists on the basis of another fact which you know exists.

There are times when different inferences may be drawn from the same facts. Plaintiff will ask you to draw one set of inferences, while Defendant will ask you to draw another. It is for you, and you alone, to decide what inferences, if any, you will draw.

The process of drawing inferences from facts in evidence is not a matter of guesswork or speculation. An inference is a deduction or conclusion which you, the

jury, are permitted to draw—but are not required to draw—from the facts which have been established by either direct or circumstantial evidence. In drawing inferences, you should exercise your common sense, and you may draw such reasonable inferences from the facts as you find to be justified in light of your experience. Whatever inferences you may draw, however, must, taken together with all of the evidence of the case, meet the standard of the preponderance of the evidence as to each element of Plaintiff's claim.

**B. What Is and What Is Not Evidence**

1. *What Is Evidence*

The evidence you will use to decide what the facts are comes in two forms:

- (1) sworn testimony of witnesses, on both direct and cross-examination; and
- (2) exhibits that have been received in evidence.

2. *What Is Not Evidence*

The evidence on which you will base your findings does not include:

- (1) closing arguments or presentations, or other statements by lawyers—they are not witnesses and have no first-hand knowledge;
- (2) questions asked of the witnesses are not evidence;
- (3) facts incorporated into a question are not evidence unless the witness agrees to the accuracy of the facts;
- (4) anything you may have seen or heard outside the courtroom is not evidence; and
- (5) objections to questions or to offered exhibits are not evidence.

Remember, attorneys have a duty to their clients to object when they believe evidence is being offered improperly and should not be admitted. You should not be influenced by the objection or by the Court's ruling on the objection. If the objection was sustained, ignore the question and, if an answer was given, ignore the answer. If the objection was overruled, treat the answer as evidence as you would any other answer.

### **C. Types of Evidence**

There are two types of evidence which you may properly use in deciding whether Plaintiff has proved its claims by a preponderance of the evidence.

One type of evidence is called direct evidence. Direct evidence is a witness' testimony about what he or she saw, heard, or observed. In other words, when a witness testifies about what is known to him or her based on his or her own knowledge obtained through his or her

own senses—what he or she sees, feels, touches, or hears—that is called direct evidence.

Circumstantial evidence is evidence which tends to prove a disputed fact by proof of other facts. You infer on the basis of reason and experience and common sense from an established fact whether or not some other fact has been proven.

Circumstantial evidence is of no less value than direct evidence. The law makes no distinction between direct and circumstantial evidence, and as I have explained before, you must be satisfied with Defendant's liability by a preponderance of the evidence from all of the evidence in the case.

Speculation, guesswork, or intuition cannot be substituted for proof. You must be satisfied by a preponderance of the evidence, whether it be direct or circumstantial, that Defendant is liable for Plaintiff's injury, that is, every element comprising Plaintiff's claims, as I

described them to you. You must also be satisfied by a preponderance of the evidence that Defendants have proved any element of their defenses or claims on which I have instructed you that Defendants bear the burden of proof.

I have also permitted prior deposition testimony of a witness to be presented even though the person is present to testify. Said deposition testimony is to be judged as to credibility, and weighed, and otherwise considered by you, insofar as possible, in the same way as testimony from the witness stand.

1. *Answers to Interrogatories*

Each party has introduced into evidence certain interrogatories with answers signed and sworn to by the other party. A party is bound by its sworn answers, but the introducing party does not bind itself to its opponent's answers. The introducing party may challenge the

opposing party's answers in whole or in part or may offer contrary evidence.

**D. Witnesses**

You have had an opportunity to observe all of the witnesses. It is now your job to decide how believable each witness was in his or her testimony because you are the sole judges of the credibility of each witness and of the weight to be given to his or her testimony.

It must be clear to you by now that you are being called upon to resolve various factual issues in the face of the very different pictures painted by Plaintiff and Defendant. In deciding whether Plaintiff or Defendants have met their respective burdens of proof, you will be making judgments about the testimony of the witnesses you have listened to and observed. In making those judgments, you should carefully scrutinize all of the

testimony of each witness, the circumstances under which each witness testified, and any other matter in evidence which may help you to decide the truth and the importance of each witness' testimony.

Here are some factors you may take into account in making your credibility determinations:

- Did the witness seem to be honest, candid, and forthright?
- Did the witness have any reason not to tell the truth or seem as if he or she was hiding something or being evasive?
- Did the witness have an interest in the outcome of the case?
- Did the witness have a good memory?
- Did the witness have the opportunity and ability to observe accurately the things he or she testified about?
- If the witness appeared to be trying to be honest,

was he or she nonetheless mistaken?

- Was the witness' testimony supported by other evidence, or did it differ from the testimony of other witnesses or other evidence?
- Was the witness trying to give you information accurately or was he or she trying to persuade you of something?
- Was the witness' testimony and attitude on cross-examination consistent with his or her testimony and attitude on direct examination?
- Did the witness have a relationship with Plaintiff or with Defendants that may have affected how he or she testified?
- Did the witness have some incentive, loyalty, or motive that might cause him or her to shade the truth; or, did the witness have some bias, prejudice, or hostility that may have caused the wit-

ness—consciously or not—to give you something other than a completely accurate account of the facts he or she testified to?

In connection with your evaluation of the credibility of the witnesses, you should consider evidence of a witness' resentment or anger towards Plaintiff or Defendant or of loyalty towards either Plaintiff or Defendant. Evidence that a witness is biased, prejudiced, or hostile towards one side or the other requires you to view that witness testimony with caution and weigh it with great care.

Your decision whether or not to believe a witness may depend on how that witness impressed you, applying these factors and your common sense. How much you choose to believe a witness may be influenced by the witness' bias. Also bear in mind that people sometimes forget things. A contradiction within a witness' testimony or between witnesses may be the result of an innocent lapse

of memory, or it may be an intentional falsehood. Similarly, different people observing an event may testify about it differently; they may do so because they remember it differently, or because one of them is not being truthful. Inconsistencies or discrepancies in the testimony of a witness or between the testimony of different witnesses may or may not cause you to discredit such testimony. If you find that a witness has knowingly testified falsely concerning any matter, you have a right to distrust the testimony of such an individual concerning other matters. You may reject all the testimony of that witness or give it such weight or credibility as you may think it deserves.

You are not required to accept testimony even though the testimony is uncontradicted and the witness is not impeached. You may decide, because of the witness' bearing and demeanor or because of the inherent

improbability of his or her testimony or for other reasons sufficient to you, that such testimony is not worthy of belief.

The testimony of a single witness may be sufficient to convince you of Defendants' liability by a preponderance of the evidence, if you believe that the witness has truthfully and accurately related what in fact occurred. Conversely, the testimony of a single witness can defeat Plaintiff's burden of proof as to the existence of an element of its claims.

You must decide what is the most accurate, credible, trustworthy, and reliable evidence. The weight of the evidence as to a particular fact is not determined by the number of witnesses or exhibits. It is the quality of the evidence that supports a finding as to a particular fact that should control.

In sum, what you must try to do in deciding credibility is to size a person up in light of his or her demeanor, the information and explanations given, and all the other evidence in the case, just as you would in any important matter where you are trying to decide if a person is truthful, straightforward, and accurate in his or her testimony. In deciding questions of credibility, remember that you should use your common sense, your good judgment, and your experience.

1. *Expert Witnesses*

In this case you have heard from several expert witnesses: Dr. E. Deborah Jay, Dr. James Rice, Ms. Laura Stamm, Dr. Udo Schwarz, Ms. Lisa Steinberg, Mr. Terry Van Winkle, Dr. J. Scott Armstrong, and Dr. Phillip Beutel. An expert witness may be permitted to testify to an opinion on those matters about which he or she has special knowledge, skill, experience, and training. Such testimony is presented to you on the theory

that someone who is experienced and knowledgeable in the field can assist you in understanding the evidence or in reaching an independent decision on the facts. In weighing this opinion testimony, you may consider the witness' qualification, his or her opinions, the reasons for testifying, as well as all of the other considerations that ordinarily apply when you are deciding whether or not to believe a witness' testimony. You may give the opinion testimony whatever weight, if any, you find it deserves in light of all the evidence in this case.

You should not, however, accept opinion testimony merely because I allowed the witness to testify concerning his or her opinion. Nor should you substitute it for your own reason, judgment, and common sense. The determination of the facts in this case rests solely with you.

2. *Use of Depositions as Evidence*

During the trial, certain testimony has been presented by way of deposition because the witness could not be required to testify live at this trial. The testimony of a witness whose testimony under oath at a deposition is presented at trial in writing or by video is entitled to the same consideration and is to be judged as to credibility, and weighed, and otherwise considered by you, insofar as possible, in the same way as if the witness had been present and had testified from the witness stand.

3. *Impeachment by Prior Inconsistent Statement*

You have heard evidence that witnesses made statements on earlier occasions that counsel may argue are inconsistent with that witness' trial testimony. Evidence of a prior inconsistent statement is not to be considered by you as affirmative evidence bearing on Defendants' liability. Evidence of the prior inconsistent

statement was placed before you for the limited purpose of helping you decide whether to believe the trial testimony of that witness. If you find that the witness made an earlier statement that conflicts with his or her trial testimony, you may consider that fact in determining how much of his or her trial testimony, if any, to believe.

In making this determination you may consider whether the witness purposely made a false statement or whether it was an innocent mistake; whether the inconsistency concerns an important fact, or whether it had to do with a small detail; whether the witness had an explanation for the inconsistency; and whether that explanation appealed to your common sense.

It is exclusively your duty, based upon all the evidence and your own good judgment, to determine whether the prior statement was inconsistent, and if so, how much, if any weight to be given to the inconsistent

statement in determining whether to believe all or part of the witness' testimony.

## **VI. CONCLUSION AND FINAL INSTRUCTIONS**

I have now concluded the instructions relating to the specific claims in this case. In closing, I must add a few more general instructions concerning your deliberations. You were permitted to take notes during the course of the trial. Any notes you have taken should be used only as memory aids; do not give your notes precedence over your independent recollection of the evidence. If you did not take notes, you should rely on your own recollection of the proceedings and should not be influenced by the notes of other jurors. Your notes are not evidence and should not be shared.

Your verdict must be unanimous and represent the considered judgment of each juror. Each of you must

make your own decision, but you must consider impartially all the evidence or lack of evidence and the views of your fellow jurors. It is your duty to consult with one another and to deliberate with a view toward reaching an agreement if you can do so consistent with the individual judgment of each juror. Until a verdict is agreed to by each juror, it is not a unanimous verdict.

In the course of your deliberations, do not hesitate to re-examine your individual view, or to change your opinion, if the deliberations and the views of your fellow jurors convince you that your view is erroneous. However, you should not surrender your conscientious opinion on how the issues should be decided, which must be reflected in your final vote. Remember at all times that you are not partisan, rather you are the judges of the facts and your sole interest is to determine if Plaintiff has met its burden of proof.

Upon retiring to the jury room you should first elect one among you to act as your foreperson who will preside over your deliberations and will be your spokesperson here in court. After you have retired to begin your deliberations, you are not to leave your jury room without first notifying the marshal, who will escort you. No deliberation may take place without all jurors being present.

You will take the verdict forms provided to you into the jury room and answer the questions asked. When you have reached unanimous agreement as to your verdict, you will have your foreperson fill in your answers, and date and sign the verdict form. Then inform the marshal that you have reached a verdict.

During your deliberations, you must not communicate with or provide any information to anyone by any means about this case. You may not use any electronic device or media, such as a telephone, a cell phone,

smart phone, iPhone, Blackberry or computer; the internet, any internet service, or any text or instant messaging service; or any internet chat room, blog or website such as Facebook, MySpace, LinkedIn, YouTube or Twitter, to communicate to anyone any information about this case or to conduct any research about this case until I accept your verdict. You can only discuss the case in the jury room with your fellow jurors during deliberations. I expect you will inform me as soon as you become aware of another juror's violation of these instructions.

You may not use these electronic means to investigate or communicate about the case because it is important that you decide this case based solely on the evidence presented in this courtroom. Information on the internet or available through social media might be wrong, incomplete, or inaccurate. You are only permitted to discuss the case with your fellow jurors during deliberations because they have seen and heard the same

evidence you have. In our judicial system, it is important that you are not influenced by anything or anyone outside of this courtroom. Otherwise, your decision may be based on information known only by you and not your fellow jurors or the parties in the case. This would unfairly and adversely impact the judicial process.

You are about to go into the jury room to begin your deliberations. You will have the exhibits with you. If you want any of the testimony read, you must request that. Please remember that it is not always easy to locate what you might want, so be as specific as possible in your request. Any requests for testimony, any questions, or any communication with the Court should be made to me in writing, signed by your foreperson, and given to one of the marshals. I will respond to your request as promptly as possible either in writing or by having you return to the courtroom so that I can address you orally. But I must caution you that in your communications with

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the Court you should never specify your numerical division at any time.

It is proper to add a final caution. Nothing that I have said in these instructions— and nothing that I have said or done during the trial—has been said or done to suggest to you what I think your verdict should be. What the verdict shall be is your exclusive duty and responsibility.

Thank you.

[Dkt. 411: Additional Jury Instructions, Apr. 3, 2014]

**INTENTIONALLY SHIELDED**

“Intentionally shielded” is more than reckless or negligent conduct. It means when a defendant knew that there was a high probability that components which infringed Plaintiff’s mark were used on its handbags, but took deliberate actions, such as purposefully looking the other way, to avoid learning of the infringement.

**UNITED STATES DISTRICT COURT  
DISTRICT OF CONNECTICUT**

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Case No. 10cv01827 (JBA)

March 25, 2014

ROMAG FASTENERS, INC. PLAINTIFF,

*vs.*

FOSSIL, INC. ET AL DEFENDANT.

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**TRIAL TRANSCRIPT  
VOLUME II**

[392]

BY MR. SCHAEFER TO MR. DYMENT:

\* \* \* \* \*

Q. And how long does it take from the day you tell a factory to start manufacturing to the time you get handbags in Dallas?

A. Ninety days, roughly.

Q. And if a factory should not meet the time deadlines that have been agreed with Fossil, that's a problem isn't it?

A. Yes.

Q. You cannot have the product where you need it at the time you need it; correct?

A. It's possible.

Q. And that would have a serious impact on Fossil's operations if they don't have a reliable delivery at a reliable time?

A. Yes.

Q. And was one of the risks counterfeiting?

A. No.

Q. Okay. So let's explore that a bit. Were you aware that counterfeiting was a problem in China?

A. I'm aware.

Q. How are you aware?

[393] A. You read articles about, you know, high end and CDs, DVDs, things like that, copyright infringement. But not Fossil.

Q. Not Fossil?

A. No.

Q. Were you aware that Fossil had sold handbags with counterfeit components in 2005?

A. No.

Q. Were you aware that counterfeit components were placed in the handbags by the Chinese factory you were using?

A. No.

Q. You never were aware that there had been a problem of putting YKK counterfeit zippers in Fossil handbags?

A. No.

Q. Okay. And were you aware that -- let me withdraw that.

In terms of your knowledge of counterfeiting, were you aware of counterfeiting of handbags?

A. Yes.

Q. Were you aware of counterfeiting of components of handbags?

A. Yes.

**UNITED STATES DISTRICT COURT  
DISTRICT OF CONNECTICUT**

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Case No. 10cv01827 (JBA)

March 26, 2014

ROMAG FASTENERS, INC. PLAINTIFF,

*vs.*

FOSSIL, INC. ET AL DEFENDANT.

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**TRIAL TRANSCRIPT  
VOLUME III**

[538]

BY MR. SCHAEFER TO MR. DYMENT:

Q. Do you have a recollection of when that happened?

A. I'm going to say it was '06, but I really — I can't recall.

Q. So, after '06, is it fair to say that generics became available on the marketplace and anybody could buy them, as far as you understood?

A. That's correct.

Q. And you were also asked some — and the only difference is the magnetic snap has nothing on it. Is that a fair statement, as far as you understand it?

A. Has?

Q. No writing or anything on it?

A. Non-branded generic snaps can have writing on them. It's the function of them. They're two different functions.

Q. Right. Did it matter to Fossil whether they specified a generic or a Romag snap after 2006?

A. After 2006 they could use generic snaps.

Q. Okay. And to your understanding, had anybody ever specified that they specifically use a Romag brand after 2006?

A. I believe factories were told that they didn't have to use Romag.

[539] Q. Okay. Now, let's talk — let's go back to Exhibit 226 for a moment. I'm sorry, A, and I just want to direct your attention to the first page. If we could — it says "Add mag snap closure to the interior." Do you see that?

A. Yes.

Q. Does it specify any type of particular brand there?

A. No.

Q. Okay. And is that consistent with your memory, that after 2006 that Fossil didn't specify a particular type of snap?

A. Yes.

\* \* \* \* \*

[722]

BY MR. SCHAEFER TO MR. SCHROFF:

Q. Mr. Schroff, are you aware of what counterfeiting is?

A. Yes.

Q. And in your understanding, what is counterfeiting?

A. Unauthorized copies.

Q. Is counterfeiting a problem in mainland China?

A. I think the answer is universal; everyone knows that it is.

Q. Do you — in your view, does counterfeiting of a product that's manufactured by Fossil — and, again, not that it's manufactured, but the third party counterfeits a Fossil manufactured product, does that do any harm to anyone?

A. Obviously it would.

Q. And is one of the ways it does harm is that the person whose trademark is being — product is being counterfeited loses sales; correct?

A. Again, obvious.

Q. And also, it affects the value of their brand; doesn't it?

A. I think these comments that you are making are obvious.

Q. Okay.

**UNITED STATES DISTRICT COURT  
DISTRICT OF CONNECTICUT**

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Case No. 10cv01827 (JBA)

March 27, 2014

ROMAG FASTENERS, INC. PLAINTIFF,

*vs.*

FOSSIL, INC. ET AL DEFENDANT.

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**TRIAL TRANSCRIPT  
VOLUME IV**

[867]

BY MR. SCHAEFER TO MS. TERWEGE:

\* \* \* \* \*

Q. And what is Fossil East?

A. They are part of our team. They're an arm of our company who sits in Hong Kong. They work on our behalf at the factor.

Q. All right. And who heads up the Fossil East?

A. At that time Angus Cheung.

Q. Fossil East interacts with the factories in China on behalf of Fossil; correct?

A. Yes.

Q. And specifically with Superior?

A. With all vendors.

Q. Okay, but including Superior?

A. Including Superior.

Q. And what does Fossil East do on behalf of Fossil in interacting with Superior?

A. Whatever the situation may be. Are the hang tags late, is there a quality issue, is there a leather color. We have a quality team; their scheduling of production, scheduling of inspectors, negotiating price on our behalf. It can be a variety of things.

[868] Q. Is one of those things doing inspecting for you at the factory?

A. Yes.

Q. And do you know during this period from November 2007 through October 2010, how many inspectors Fossil East had working at the Superior factory?

A. I do not.

Q. Do they have people full time at the factory?

A. I'm not aware. We have a team. And there's rotation.

Q. And how many people are on that team?

A. Twelve.

Q. And they cover more than one factory?

A. All factories, yes.

Q. How many factories would that team be covering?

A. Twenty-plus.

Q. And so this team of 12 inspectors would have responsibility for the product coming out of these factories; is that correct?

A. Yes.

Q. As well as other factories in China that are making other products for Fossil?

[869] A. Yes.

Q. And do you know if that team has been trained in any way to be sensitive to trade names of products by other companies appearing on a Fossil bag?

A. They have not been trained.

Q. In November 2007, what portion of the handbags, women's handbags being manufactured for Fossil, were made by Superior?

A. I don't have that information memorized.

Q. No, I'm not asking for an exact number. Was it — an approximate percentage?

A. My guess would be 40 percent.

Q. Okay. And at that same time, what percentage was Sitoy Manufacturing?

A. Twenty-five percent.

Q. And Simone?

A. Twenty-five percent.

Q. And is it CrewBoss?

A. CrewBoss. B-O-S-S.

Q. In November 2007?

A. Just whatever. I guess that's 90. So the other ten would be split.

\* \* \* \* \*

[874]

BY MR. SCHAEFER TO MS. TERWEGE:

\* \* \* \* \*

Q. And have you been to Superior?

A. Yes.

Q. How many times?

A. Multiple.

Q. And who have you dealt with at Superior?

A. The merchandising staff, Mr. Lui.

Q. And who is the merchandising staff?

A. Let's see, Winke, Piene, Ida, Ella, Helen, Robert, Amman. That's probably what I remember.

Q. In your experience with Superior, had they lied to you?

A. Not that I recall.

Q. Had they misled Fossil about materials they were using in any handbags?

A. Yes, I believe they have.

Q. And in what circumstance did they do that?

A. Leather.

Q. And what did they do?

A. Ship incorrect colors.

Q. And when you said they misled you, do you believe they knew they were incorrect?

A. Yes.

\* \* \* \* \*

[886]

BY MR. SCHAEFER TO MS. TERWEGE:

\* \* \* \* \*

Q. Sure. To your knowledge, did Fossil take any actions to monitor the source where Superior purchased Romag magnetic snap fasteners?

A. No.

Q. In any of the material components used in Fossil handbags, to your knowledge, is a trade name associated with any of those components?

A. Can you restate again.

Q. Sure. With respect to the components that go into a handbag, manufactured for Fossil, are you aware of any of the components having a trade name associated with it?

A. Yes.

Q. And what components are those?

A. The zipper.

Q. And what would be the trade name?

A. YKK.

Q. And what does that stand for? Do you know?

A. It's the company, zipper company, YKK.

Q. So to your knowledge, Fossil is selling handbags with the YKK trade name on them?

A. Yes.

Q. And does Fossil take any action to assure [887] that the zippers with the YKK on them are not counterfeits?

A. Yes.

Q. What do you do?

A. We have a relationship with YKK.

Q. Okay.

A. We know who's ordering them from on our behalf.

Q. Does YKK give certificates of authenticity when they ship their product?

A. They signed a manufacturing agreement with our company.

Q. Do you then require that the manufacturer buy those zippers from a source you've designated?

A. Yes.

Q. And do you do any inspecting or auditing to make sure that the manufacturer does that?

A. Yes.

Q. What do you do?

A. Our inspectors are trained to look for this.

\* \* \* \* \*

**UNITED STATES DISTRICT COURT  
DISTRICT OF CONNECTICUT**

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Case No. 10cv01827 (JBA)

April 1, 2014

ROMAG FASTENERS, INC. PLAINTIFF,

*vs.*

FOSSIL, INC. ET AL DEFENDANT.

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TRANSCRIPT OF CHARGE CONFERENCE

[25]

BY THE COURT:

\* \* \* \* \*

MR. CASS: Your Honor, I wonder if there's even a dispute as to five percent royalty rate.

MR. SCHAEFER: There is a dispute, your Honor.

MR. CASS: There is a dispute.

MR. SCHAEFER: Just because they keep repeating it doesn't mean we agree with it.

MR. ZIVIN: Your Honor, are we still on the verdict form or are we moving on?

THE COURT: Is there some other comment about the verdict form?

MR. ZIVIN: Yes, your Honor. We have a problem with page 5, No. 3. That's a mitigation type defense, and we object to any kind of mitigation claim here for several reasons. One, it wasn't pleaded. Number two, the patent and the trademark laws are ones of strict liability. There is no duty to mitigate by giving notice to a defendant. That's not the law and never has been. Indeed, in virtually every patent and trademark [26] case, the plaintiff waits for a long time and lets the damages accumulate and then brings a lawsuit. Indeed, in many patent cases the lawsuits are brought for infringement after the patent already has expired. And the amount of time that one has to bring a lawsuit is generally considered to be equivalent to the statute of limitations, six years in a patent case, or whatever the tort statute of limitations is under state law, in a trademark case usually something like three or four.

As long as you bring your lawsuit within that time period, there's no duty to give any notice and there's no duty to mitigate any damages. Those concepts are just not applicable to the strict liability provisions of the patent and trademark law. We had a little —

Did we hand that up? We filed a short little memo on the subject.

THE COURT: Just now?

MR. SCHAEFER: We did it this morning before we came over. Like at 9:30, your Honor. It's a page and a half or so. Do we have a copy?

THE COURT: That's okay, I'll find it. Your argument with respect to the duty to mitigate not existing under the trademark and patent law, is

\* \* \* \* \*

**From:** "Angus Cheung"  
**Sent:** Wednesday, January 16, 2008 8:56 AM  
**To:** Doug Dymont <dougdfossil.com>; Kelly Terwege <kterwegefossil.com>  
**Cc:** Clarence Watt <Clarencefossil.com>; Christy Brown <cbrownfossil.com>; Gail Stoke <gailfossil.com>  
**Subject:** Fossil only..... Re : women's lthrs handbag costing exercise AF8324

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<p>PLAINTIFF'S TRIAL EXHIBIT 3:10CV1827 <b>118</b></p>
--

Hi Doug & Kelly

Had an hour conversation with RK today. Conv. went smooth & well.

- RK told me that their trading dept told them that skins are 2.20 by boat. (FE was told to use 2.0 to quote). With 10.5 - 12.5 sf consumption. There is about \$2+ dollars diff.

- RK said their consumption are 12.5sf. While his email the other day say 12sf included huge lamb cutting lost aldy.

So, RK quoted 0.5sf more today which is \$1.10.

H/ever, F.E. estimates are 10.5 sf. The diff of F.E. & RK are  $1.5\text{sf} \times 2.20 = \$3.30+$

- F.E. & RK submat are 3 dollars apart in \$5 vs \$8.0.

RK excused that they hv use the #8 metal zipper are order from ykk japan cost 2.60 ? Per our memory of zipper in

sample were not YKK. But I didn't challenge him lie at this pt and purposely let him make up some story to support his 52.00 fob quote.

- inside wall zip are metal zip from YKK Japan too cost \$1.10. (normal nylon zip cost less than 10 cents). Immediate saving is one dollar change back to nylon zip.

I hv asked him why they use ykk japan zipper in this bag. Was it designer make special req? He said he don't know and sample room just use it & they quote accordingly. We can't remember exact but our impression of both zippers were not from YKK.

Again, I didn't challenge him lie at this pt.

For all above difference add up which is explained about us\$7.40 diff between both cbd.

Re the rest of labor cost & overhead %. RK are not willing to discuss. Am not surprised that superior tried to ask 6 dollar more 12%+ more than what we had plug in FE cost b/d (15%).

After all, the conv. were smooth and nice. I hv squeeze couple word to RK that I am on their side. I am also want to them to take the prod if the group picked. But their px are way too far which scaring Dallas tried same silhouette with next door. (didn't tell him where).

I suggesting him perhaps he can nego w/tannery to get 10-20 cents off per sf (I blv they hv padded skin px) and suggesting dallas using non ykk japan zipper. Their current zipper supplier shipping million zipper to us are just fine. (Although, I don't think they really use YKK or quote

119a

YKK px) but it will be a good reason for him to step down the px without too much embarrassing of his high quotation.

I scared him in a friendly way that they may lost the program if the px remain at 52.0 this high.

He was respond that let's re-quote the px when we physically give them the order. I told him not to wait till order come. If their px are way too high. Dallas are not even consider to show this bag or Dallas may just hand the order to next door.

He is kind of agree and said will re-quote fob to Doug. Let's see what he is coming back. Sometime, u never know when talking RK. He said yes on one side & he may react differently at other side.

I SUGGEST WE SHD HANG ON FOR A DAY OR 2 TO SEE WHAT RK WILL COME BACK. NO NEED TO NEGO WITH HIM ABOUT CONSUMPTION, LTHR PX DIFF OR ZIPPER..... HE KNEW WHERE WAS HIGH IN HIS QUOTE. (Profit margin).

IF WE DIDN'T SEE HIM REPLY TILL FRIDAY. DOUG - MAY NEED YOUR HELP TO SEND HIM A QUESTION THAT WE ARE LOOKING FORWARD OT HIS REVISE QUOTE WITH SUGGESTION OR SO..... Let be patient and wait for RK feedback.

B.rgds / Angus

-----Original Message-----

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From: Angus Cheung  
Sent: Tuesday, January 15, 2008 9:51 AM  
To: Doug Dymont; Kelly Terwege  
Cc: Clarence Watt; Christy Brown; Gail Stoke; Aimee Bruyninckx  
Subject: Re : women's lthrs handbag costing exercise AF8324

Hi Doug

Not a problem at all. Challenge are expected & we are prepared. We will work it out at the end.

This situation reminded me when we first req doing inspection at superior fty. We work as a team to hv inspection launch at superior fty 2 years ago. Am sure u still remember RK tried to go around. Once we all united (Dallas & FE). They knew they can not go any further. They will hv to accept it and work w/us.

During our conv. inside the Taxi in h.k. I do blv that Fossil are the biggest leather handbag buyer for superior. (volume & dollar -wise).

Thanks for your lead last week. Will get back to u after my conversation w/RK.

Have a nice day to you all.  
-ag-

-----Original Message-----

From: Doug Dymont  
Sent: Monday, January 14, 2008 11:52 PM

121a

To: Angus Cheung; Kelly Terwege  
Cc: Clarence Watt; Christy Brown; Gail Stoke; Aimee Bruyninckx  
Subject: RE: women's lthrs handbag costing exercise AF8324

Hello Angus,  
Good luck w RK, he is tough nut to crack.  
Re Sitoy they will send price when they have sent sample.  
Thank you and best regards,  
Doug

Aimee, please advise when you receive Sitoy sample AF8324. Thanks.

-----Original Message-----

From: Angus Cheung  
Sent: Monday, January 14, 2008 2:49 AM  
To: Kelly Terwege; Doug Dymont  
Cc: Clarence Watt; Christy Brown; Gail Stoke  
Subject: RE: women's lthrs handbag costing exercise AF8324

Hi Doug & Kelly

Thanks for sending msg to RK. I will try my very best talk to RK & understand what are differences between both. We may be going around & around with no solid info as they do not want to fill the form & I don't they will tell us their component by items.

What I am telling him that are business getting tough on retails & pressure from our customers. We were forced to

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find a better way to run our business by better understanding incl. what was difficulties from fty side as well as what we can help fm a design perspective. Double sourcing is another way we will do going forward to see what we can get fm RK's mouth.

By the way, is there any one following up the price with Sitoy. Should I communicate with Aimee who sent the bags to Sitoy ?

B.rgds / Angus

-----Original Message-----

From: Doug Dymont

Sent: Friday, January 11, 2008 9:48 AM

To: 'handbag@superior.com.hk'

Cc: Angus Cheung; Kelly Terwege; Clarence Watt; Christy Brown

Subject: RE: women's lthrs handbag costing exercise AF8324

Dear Richard,

I am not going to flog this one bag but it is symptomatic of an issue that needs to be addressed. We are the customer, we want to know the cost components of product so we can understand and make the necessary design changes in order to hit out targets.

I understand your concerns re internal intellectual property, it is a valid concern.

Since you won't comply by filling out FE CBD, perhaps you would agree to informal meeting with Angus to go

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over all components and pricing for this bag; make sure measurements are correct, hardware, thread etc.

Please advise.

Thank you and best regards,  
Doug

-----Original Message-----

From: handbag@superior.com.hk [mailto:handbag@superior.com.hk]

Sent: Friday, January 11, 2008 3:03 AM

To: Doug Dymont

Cc: Angus Cheung; Kelly Terwege; Clarence Watt; Christy Brown

Subject: RE: women's lthrs handbag costing exercise AF8324

Dear Doug,

Thanks for staying with Superior, that is one of the best place to suit accommodation. I do not agree to use FE CBD to justify Superior price. FE is not Superior, FE is not manufacturer, they do not know the situation we are facing. I can write down an ideal price without pyhsical practise easily.

Pls understand Superior CBD is not an open info, and it is straightly our intellectual property. It exactly like a personal expense record. I do not have full details and it is lock up at Finance dept. I do not touch on it and I just take the "suggestion" from computer main frame to quote price.

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So pls adv the FE CBD to me, I will chk and adv where is the difference between FE price and Superior price. The best way I can help to do this way.

Regards  
Richard Kwan

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To: Handbag/Superior  
cc: "Angus Cheung" <Angus@fossil.com>, "Kelly Terwege" <kterwege@fossil.com>, "Clarence Watt" <Clarence@fossil.com>, Christy Brown <cbrown@fossil.com>  
Subject: RE: women's lthrs handbag costing exercise AF8324

Dear Richard,  
All your comments are noted BUT you are missing the point; there is a \$13.85 (36%) difference between your quote and FE CBD. And I still do not know why!

We understand Superior is "Peninsula hotel" and that's why we stay there (with Superior). The issue is not to bog down on this one bag but to understand all the component costs that go into pricing the product.

I am not asking for a \$20 bag. I am asking you to fill out CBD quotation so that FE can compare to their estimate to see where the variance is coming from.

I will ask Angus and Clarence to go see you and review CBD.

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In the mean time please fill out CBD quotation.

Thank you and best regards,  
Doug

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UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

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April 12, 2016

ERRATUM

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Appeal No. 2014-1856

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ROMAG FASTENERS, INC.,  
*Plaintiff-Appellant*

v.

FOSSIL, INC., FOSSIL STORES I, INC., MACY'S, INC.,  
MACY'S RETAIL HOLDINGS, INC.,  
BELK, INC., THE BON-TON STORES, INC., THE BON-TON  
DEPARTMENT STORES, INC., DILLARD'S, INC.,  
NORDSTROM, INC., ZAPPOS.COM, INC., ZAPPOS RETAIL,  
INC.,

*Defendants-Cross-Appellants*

Decided: March 31, 2016

Precedential Opinion

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Please make the following change:

On page 11, footnote 5, line 2 of the opinion, delete the word “willful” so that the sentence reads:

The 1999 amendment substituted the phrase “a violation under [section 1125(a)] of this title, or

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a willful violation under [section 1125(c)] of this title,” for “a violation under [section 1125(a)] of this title.”

UNITED STATES CODE  
Title 15 – COMMERCE AND TRADE  
CHAPTER 22 – TRADEMARKS  
SUBCHAPTER III – GENERAL PROVISIONS  
Sec. 1111 – Notice of registration; display with mark; re-  
covery of profits and damages in infringement suit

**15 U.S.C. § 1111. Notice of registration; display with  
mark; recovery of profits and damages in infringe-  
ment suit**

Notwithstanding the provisions of section 1072 of this title, a registrant of a mark registered in the Patent and Trademark Office, may give notice that his mark is registered by displaying with the mark the words “Registered in U.S. Patent and Trademark Office” or “Reg. U.S. Pat. & Tm. Off.” or the letter R enclosed within a circle, thus ®; and in any suit for infringement under this chapter by such a registrant failing to give such notice of registration, no profits and no damages shall be recovered under the provisions of this chapter unless the defendant had actual notice of the registration.

UNITED STATES CODE  
Title 15 – COMMERCE AND TRADE  
CHAPTER 22 – TRADEMARKS  
SUBCHAPTER III – GENERAL PROVISIONS  
Sec. 1114 – Remedies; infringement; innocent infringement by printers and publishers

**15 U.S.C. § 1114. Remedies; infringement; innocent infringement by printers and publishers**

(1) Any person who shall, without the consent of the registrant—

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive,

shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages 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.

As used in this paragraph, the term “any person” includes the United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, or other persons acting for the United States and with the authorization and consent of the United States, and any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity. The United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, other persons acting for the United States and with the authorization and consent of the United States, and any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.

(2) Notwithstanding any other provision of this chapter, the remedies given to the owner of a right infringed under this chapter or to a person bringing an action under section 1125(a) or (d) of this title shall be limited as follows:

(A) Where an infringer or violator is engaged solely in the business of printing the mark or violating matter for others and establishes that he or she was an innocent infringer or innocent violator, the owner of the right infringed or person bringing the action under section 1125(a) of this title shall be entitled as against such infringer or violator only to an injunction against future printing.

(B) Where the infringement or violation complained of is contained in or is part of paid advertising matter in a newspaper, magazine, or other similar periodical or in an electronic communication as defined in section 2510(12) of title 18, the remedies of the owner of the right infringed or person bringing the action under sec-

tion 1125(a) of this title as against the publisher or distributor of such newspaper, magazine, or other similar periodical or electronic communication shall be limited to an injunction against the presentation of such advertising matter in future issues of such newspapers, magazines, or other similar periodicals or in future transmissions of such electronic communications. The limitations of this subparagraph shall apply only to innocent infringers and innocent violators.

(C) Injunctive relief shall not be available to the owner of the right infringed or person bringing the action under section 1125(a) of this title with respect to an issue of a newspaper, magazine, or other similar periodical or an electronic communication containing infringing matter or violating matter where restraining the dissemination of such infringing matter or violating matter in any particular issue of such periodical or in an electronic communication would delay the delivery of such issue or transmission of such electronic communication after the regular time for such delivery or transmission, and such delay would be due to the method by which publication and distribution of such periodical or transmission of such electronic communication is customarily conducted in accordance with sound business practice, and not due to any method or device adopted to evade this section or to prevent or delay the issuance of an injunction or restraining order with respect to such infringing matter or violating matter.

(D)(i)(I) A domain name registrar, a domain name registry, or other domain name registration authority that takes any action described under clause (ii) affecting a domain name shall not be liable for monetary relief or, except as provided in subclause (II), for injunctive relief, to any person for such action, regardless of

whether the domain name is finally determined to infringe or dilute the mark.

(II) A domain name registrar, domain name registry, or other domain name registration authority described in subclause (I) may be subject to injunctive relief only if such registrar, registry, or other registration authority has-

(aa) not expeditiously deposited with a court, in which an action has been filed regarding the disposition of the domain name, documents sufficient for the court to establish the court's control and authority regarding the disposition of the registration and use of the domain name;

(bb) transferred, suspended, or otherwise modified the domain name during the pendency of the action, except upon order of the court; or

(cc) willfully failed to comply with any such court order.

(ii) An action referred to under clause (i)(I) is any action of refusing to register, removing from registration, transferring, temporarily disabling, or permanently canceling a domain name-

(I) in compliance with a court order under section 1125(d) of this title; or

(II) in the implementation of a reasonable policy by such registrar, registry, or authority prohibiting the registration of a domain name that is identical to, confusingly similar to, or dilutive of another's mark.

(iii) A domain name registrar, a domain name registry, or other domain name registration authority shall not be liable for damages under this section for the registration or maintenance of a domain name for another

absent a showing of bad faith intent to profit from such registration or maintenance of the domain name.

(iv) If a registrar, registry, or other registration authority takes an action described under clause (ii) based on a knowing and material misrepresentation by any other person that a domain name is identical to, confusingly similar to, or dilutive of a mark, the person making the knowing and material misrepresentation shall be liable for any damages, including costs and attorney's fees, incurred by the domain name registrant as a result of such action. The court may also grant injunctive relief to the domain name registrant, including the reactivation of the domain name or the transfer of the domain name to the domain name registrant.

(v) A domain name registrant whose domain name has been suspended, disabled, or transferred under a policy described under clause (ii)(II) may, upon notice to the mark owner, file a civil action to establish that the registration or use of the domain name by such registrant is not unlawful under this chapter. The court may grant injunctive relief to the domain name registrant, including the reactivation of the domain name or transfer of the domain name to the domain name registrant.

(E) As used in this paragraph-

(i) the term "violator" means a person who violates section 1125(a) of this title; and

(ii) the term "violating matter" means matter that is the subject of a violation under section 1125(a) of this title.

(3)(A) Any person who engages in the conduct described in paragraph (11) of section 110 of title 17 and who complies with the requirements set forth in that para-

graph is not liable on account of such conduct for a violation of any right under this chapter. This subparagraph does not preclude liability, nor shall it be construed to restrict the defenses or limitations on rights granted under this chapter, of a person for conduct not described in paragraph (11) of section 110 of title 17, even if that person also engages in conduct described in paragraph (11) of section 110 of such title.

(B) A manufacturer, licensee, or licensor of technology that enables the making of limited portions of audio or video content of a motion picture imperceptible as described in subparagraph (A) is not liable on account of such manufacture or license for a violation of any right under this chapter, if such manufacturer, licensee, or licensor ensures that the technology provides a clear and conspicuous notice at the beginning of each performance that the performance of the motion picture is altered from the performance intended by the director or copyright holder of the motion picture. The limitations on liability in subparagraph (A) and this subparagraph shall not apply to a manufacturer, licensee, or licensor of technology that fails to comply with this paragraph.

(C) The requirement under subparagraph (B) to provide notice shall apply only with respect to technology manufactured after the end of the 180-day period beginning on April 27, 2005.

(D) Any failure by a manufacturer, licensee, or licensor of technology to qualify for the exemption under subparagraphs (A) and (B) shall not be construed to create an inference that any such party that engages in conduct described in paragraph (11) of section 110 of title 17 is liable for trademark infringement by reason of such conduct.

UNITED STATES CODE  
Title 15 – COMMERCE AND TRADE  
CHAPTER 22 – TRADEMARKS  
SUBCHAPTER III – GENERAL PROVISIONS  
Sec. 1115 – Registration on principal register as evidence  
of exclusive right to use mark; defenses

**15 U.S.C. § 1115. Registration on principal register as  
evidence of exclusive right to use mark; defenses**

\* \* \* \* \*

**(b) Incontestability; defenses**

To the extent that the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce. Such conclusive evidence shall relate to the exclusive right to use the mark on or in connection with the goods or services specified in the affidavit filed under the provisions of section 1065 of this title, or in the renewal application filed under the provisions of section 1059 of this title if the goods or services specified in the renewal are fewer in number, subject to any conditions or limitations in the registration or in such affidavit or renewal application. Such conclusive evidence of the right to use the registered mark shall be subject to proof of infringement as defined in section 1114 of this title, and shall be subject to the following defenses or defects:

\* \* \* \* \*

(9) That equitable principles, including laches, estoppel, and acquiescence, are applicable.

UNITED STATES CODE  
Title 15 – COMMERCE AND TRADE  
CHAPTER 22 – TRADEMARKS  
SUBCHAPTER III – GENERAL PROVISIONS  
Sec. 1116 – Injunctive relief

**15 U.S.C. § 1116. Injunctive relief**

**(a) Jurisdiction; service**

The several courts vested with jurisdiction of civil actions arising under this chapter shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent and Trademark Office or to prevent a violation under subsection (a), (c), or (d) of section 1125 of this title. Any such injunction may include a provision directing the defendant to file with the court and serve on the plaintiff within thirty days after the service on the defendant of such injunction, or such extended period as the court may direct, a report in writing under oath setting forth in detail the manner and form in which the defendant has complied with the injunction. Any such injunction granted upon hearing, after notice to the defendant, by any district court of the United States, may be served on the parties against whom such injunction is granted anywhere in the United States where they may be found, and shall be operative and may be enforced by proceedings to punish for contempt, or otherwise, by the court by which such injunction was granted, or by any other United States district court in whose jurisdiction the defendant may be found.

**(b) Transfer of certified copies of court papers**

The said courts shall have jurisdiction to enforce said injunction, as provided in this chapter, as fully as if the

injunction had been granted by the district court in which it is sought to be enforced. The clerk of the court or judge granting the injunction shall, when required to do so by the court before which application to enforce said injunction is made, transfer without delay to said court a certified copy of all papers on file in his office upon which said injunction was granted.

**(c) Notice to Director**

It shall be the duty of the clerks of such courts within one month after the filing of any action, suit, or proceeding involving a mark registered under the provisions of this chapter to give notice thereof in writing to the Director setting forth in order so far as known the names and addresses of the litigants and the designating number or numbers of the registration or registrations upon which the action, suit, or proceeding has been brought, and in the event any other registration be subsequently included in the action, suit, or proceeding by amendment, answer, or other pleading, the clerk shall give like notice thereof to the Director, and within one month after the judgment is entered or an appeal is taken the clerk of the court shall give notice thereof to the Director, and it shall be the duty of the Director on receipt of such notice forthwith to endorse the same upon the file wrapper of the said registration or registrations and to incorporate the same as a part of the contents of said file wrapper.

**(d) Civil actions arising out of use of counterfeit marks**

(1)(A) In the case of a civil action arising under section 1114(1)(a) of this title or section 220506 of title 36 with respect to a violation that consists of using a counterfeit mark in connection with the sale, offering for sale, or distribution of goods or services, the court may, upon ex

parte application, grant an order under subsection (a) of this section pursuant to this subsection providing for the seizure of goods and counterfeit marks involved in such violation and the means of making such marks, and records documenting the manufacture, sale, or receipt of things involved in such violation.

(B) As used in this subsection the term “counterfeit mark” means—

(i) a counterfeit of a mark that is registered on the principal register in the United States Patent and Trademark Office for such goods or services sold, offered for sale, or distributed and that is in use, whether or not the person against whom relief is sought knew such mark was so registered; or

(ii) a spurious designation that is identical with, or substantially indistinguishable from, a designation as to which the remedies of this chapter are made available by reason of section 220506 of title 36;

but such term does not include any mark or designation used on or in connection with goods or services of which the manufacture [*sic*] or producer was, at the time of the manufacture or production in question authorized to use the mark or designation for the type of goods or services so manufactured or produced, by the holder of the right to use such mark or designation.

(2) The court shall not receive an application under this subsection unless the applicant has given such notice of the application as is reasonable under the circumstances to the United States attorney for the judicial district in which such order is sought. Such attorney may participate in the proceedings arising under such application if such proceedings may affect evidence of an offense against the United States. The court may deny such application if the

court determines that the public interest in a potential prosecution so requires.

(3) The application for an order under this subsection shall—

(A) be based on an affidavit or the verified complaint establishing facts sufficient to support the findings of fact and conclusions of law required for such order; and

(B) contain the additional information required by paragraph (5) of this subsection to be set forth in such order.

(4) The court shall not grant such an application unless—

(A) the person obtaining an order under this subsection provides the security determined adequate by the court for the payment of such damages as any person may be entitled to recover as a result of a wrongful seizure or wrongful attempted seizure under this subsection; and

(B) the court finds that it clearly appears from specific facts that—

(i) an order other than an ex parte seizure order is not adequate to achieve the purposes of section 1114 of this title;

(ii) the applicant has not publicized the requested seizure;

(iii) the applicant is likely to succeed in showing that the person against whom seizure would be ordered used a counterfeit mark in connection with the sale, offering for sale, or distribution of goods or services;

(iv) an immediate and irreparable injury will occur if such seizure is not ordered;

(v) the matter to be seized will be located at the place identified in the application;

(vi) the harm to the applicant of denying the application outweighs the harm to the legitimate interests of the person against whom seizure would be ordered of granting the application; and

(vii) the person against whom seizure would be ordered, or persons acting in concert with such person, would destroy, move, hide, or otherwise make such matter inaccessible to the court, if the applicant were to proceed on notice to such person.

(5) An order under this subsection shall set forth—

(A) the findings of fact and conclusions of law required for the order;

(B) a particular description of the matter to be seized, and a description of each place at which such matter is to be seized;

(C) the time period, which shall end not later than seven days after the date on which such order is issued, during which the seizure is to be made;

(D) the amount of security required to be provided under this subsection; and

(E) a date for the hearing required under paragraph (10) of this subsection.

(6) The court shall take appropriate action to protect the person against whom an order under this subsection is directed from publicity, by or at the behest of the plaintiff, about such order and any seizure under such order.

(7) Any materials seized under this subsection shall be taken into the custody of the court. For seizures made un-

der this section, the court shall enter an appropriate protective order with respect to discovery and use of any records or information that has been seized. The protective order shall provide for appropriate procedures to ensure that confidential, private, proprietary, or privileged information contained in such records is not improperly disclosed or used.

(8) An order under this subsection, together with the supporting documents, shall be sealed until the person against whom the order is directed has an opportunity to contest such order, except that any person against whom such order is issued shall have access to such order and supporting documents after the seizure has been carried out.

(9) The court shall order that service of a copy of the order under this subsection shall be made by a Federal law enforcement officer (such as a United States marshal or an officer or agent of the United States Customs Service, Secret Service, Federal Bureau of Investigation, or Post Office) or may be made by a State or local law enforcement officer, who, upon making service, shall carry out the seizure under the order. The court shall issue orders, when appropriate, to protect the defendant from undue damage from the disclosure of trade secrets or other confidential information during the course of the seizure, including, when appropriate, orders restricting the access of the applicant (or any agent or employee of the applicant) to such secrets or information.

(10)(A) The court shall hold a hearing, unless waived by all the parties, on the date set by the court in the order of seizure. That date shall be not sooner than ten days after the order is issued and not later than fifteen days after the order is issued, unless the applicant for the order shows good cause for another date or unless the party against

whom such order is directed consents to another date for such hearing. At such hearing the party obtaining the order shall have the burden to prove that the facts supporting findings of fact and conclusions of law necessary to support such order are still in effect. If that party fails to meet that burden, the seizure order shall be dissolved or modified appropriately.

(B) In connection with a hearing under this paragraph, the court may make such orders modifying the time limits for discovery under the Rules of Civil Procedure as may be necessary to prevent the frustration of the purposes of such hearing.

(11) A person who suffers damage by reason of a wrongful seizure under this subsection has a cause of action against the applicant for the order under which such seizure was made, and shall be entitled to recover such relief as may be appropriate, including damages for lost profits, cost of materials, loss of good will, and punitive damages in instances where the seizure was sought in bad faith, and, unless the court finds extenuating circumstances, to recover a reasonable attorney's fee. The court in its discretion may award prejudgment interest on relief recovered under this paragraph, at an annual interest rate established under section 6621(a)(2) of title 26, commencing on the date of service of the claimant's pleading setting forth the claim under this paragraph and ending on the date such recovery is granted, or for such shorter time as the court deems appropriate.

UNITED STATES CODE  
Title 15 – COMMERCE AND TRADE  
CHAPTER 22 – TRADEMARKS  
SUBCHAPTER III – GENERAL PROVISIONS  
Sec. 1117 – Recovery for violation of rights

**15 U.S.C. § 1117. Recovery for violation of rights**

**(a) Profits; damages and costs; attorney fees**

When a violation of any right of the registrant of a mark registered in the Patent and Trademark Office, a violation under section 1125(a) or (d) of this title, or a willful violation under section 1125(c) of this title, shall have been established in any civil action arising under this chapter, the plaintiff shall be entitled, subject to the provisions of sections 1111 and 1114 of this title, 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. The court shall assess such profits and damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost or deduction claimed. In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. If the court shall find that the amount of the recovery based on profits is either inadequate or excessive 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. Such sum in either of the above circumstances shall constitute compensation and not a penalty. The court in exceptional cases may award reasonable attorney fees to the prevailing party.

**(b) Treble damages for use of counterfeit mark**

In assessing damages under subsection (a) for any violation of section 1114(1)(a) of this title or section 220506 of title 36, in a case involving use of a counterfeit mark or designation (as defined in section 1116(d) of this title), the court shall, unless the court finds extenuating circumstances, enter judgment for three times such profits or damages, whichever amount is greater, together with a reasonable attorney's fee, if the violation consists of—

(1) intentionally using a mark or designation, knowing such mark or designation is a counterfeit mark (as defined in section 1116(d) of this title), in connection with the sale, offering for sale, or distribution of goods or services; or

(2) providing goods or services necessary to the commission of a violation specified in paragraph (1), with the intent that the recipient of the goods or services would put the goods or services to use in committing the violation.

In such a case, the court may award prejudgment interest on such amount at an annual interest rate established under section 6621(a)(2) of title 26, beginning on the date of the service of the claimant's pleadings setting forth the claim for such entry of judgment and ending on the date such entry is made, or for such shorter time as the court considers appropriate.

**(c) Statutory damages for use of counterfeit marks**

In a case involving the use of a counterfeit mark (as defined in section 1116(d) of this title) in connection with the sale, offering for sale, or distribution of goods or services, the plaintiff may elect, at any time before final judgment is rendered by the trial court, to recover, instead of actual

damages and profits under subsection (a), an award of statutory damages for any such use in connection with the sale, offering for sale, or distribution of goods or services in the amount of—

(1) not less than \$1,000 or more than \$200,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just; or

(2) if the court finds that the use of the counterfeit mark was willful, not more than \$2,000,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just.

**(d) Statutory damages for violation of section 1125(d)(1)**

In a case involving a violation of section 1125(d)(1) of this title, the plaintiff may elect, at any time before final judgment is rendered by the trial court, to recover, instead of actual damages and profits, an award of statutory damages in the amount of not less than \$1,000 and not more than \$100,000 per domain name, as the court considers just.

**(e) Rebuttable presumption of willful violation**

In the case of a violation referred to in this section, it shall be a rebuttable presumption that the violation is willful for purposes of determining relief if the violator, or a person acting in concert with the violator, knowingly provided or knowingly caused to be provided materially false contact information to a domain name registrar, domain name registry, or other domain name registration authority in registering, maintaining, or renewing a domain name used in connection with the violation. Nothing in this

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subsection limits what may be considered a willful violation under this section.

UNITED STATES CODE  
Title 15 – COMMERCE AND TRADE  
CHAPTER 22 – TRADEMARKS  
SUBCHAPTER III – GENERAL PROVISIONS  
Sec. 1118 – Destruction of infringing articles

**15 U.S.C. § 1118. Destruction of infringing articles**

In any action arising under this chapter, in which a violation of any right of the registrant of a mark registered in the Patent and Trademark Office, a violation under section 1125(a) of this title, or a willful violation under section 1125(c) of this title, shall have been established, the court may order that all labels, signs, prints, packages, wrappers, receptacles, and advertisements in the possession of the defendant, bearing the registered mark or, in the case of a violation of section 1125(a) of this title or a willful violation under section 1125(c) of this title, the word, term, name, symbol, device, combination thereof, designation, description, or representation that is the subject of the violation, or any reproduction, counterfeit, copy, or colorable imitation thereof, and all plates, molds, matrices, and other means of making the same, shall be delivered up and destroyed. The party seeking an order under this section for destruction of articles seized under section 1116(d) of this title shall give ten days' notice to the United States attorney for the judicial district in which such order is sought (unless good cause is shown for lesser notice) and such United States attorney may, if such destruction may affect evidence of an offense against the United States, seek a hearing on such destruction or participate in any hearing otherwise to be held with respect to such destruction.

UNITED STATES CODE  
Title 15 – COMMERCE AND TRADE  
CHAPTER 22 – TRADEMARKS  
SUBCHAPTER III – GENERAL PROVISIONS  
Sec. 1125 – False designations of origin, false descriptions, and dilution forbidden

**15 U.S.C. § 1125. False designations of origin, false descriptions, and dilution forbidden**

**(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.

(2) As used in this subsection, the term “any person” includes any State, instrumentality of a State or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of

this chapter in the same manner and to the same extent as any nongovernmental entity.

(3) In a civil action for trade dress infringement under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.

**(b) Importation**

Any goods marked or labeled in contravention of the provisions of this section shall not be imported into the United States or admitted to entry at any customhouse of the United States. The owner, importer, or consignee of goods refused entry at any customhouse under this section may have any recourse by protest or appeal that is given under the customs revenue laws or may have the remedy given by this chapter in cases involving goods refused entry or seized.

**(c) Dilution by blurring; dilution by tarnishment**

**(1) Injunctive relief**

Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

**(2) Definitions**

(A) For purposes of paragraph (1), a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following:

- (i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.
- (ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.
- (iii) The extent of actual recognition of the mark.
- (iv) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

(B) For purposes of paragraph (1), "dilution by blurring" is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

- (i) The degree of similarity between the mark or trade name and the famous mark.
- (ii) The degree of inherent or acquired distinctiveness of the famous mark.
- (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.

(iv) The degree of recognition of the famous mark.

(v) Whether the user of the mark or trade name intended to create an association with the famous mark.

(vi) Any actual association between the mark or trade name and the famous mark.

(C) For purposes of paragraph (1), “dilution by tarnishment” is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.

### **(3) Exclusions**

The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

(A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person’s own goods or services, including use in connection with—

(i) advertising or promotion that permits consumers to compare goods or services; or

(ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

(B) All forms of news reporting and news commentary.

(C) Any noncommercial use of a mark.

### **(4) Burden of proof**

In a civil action for trade dress dilution under this chapter for trade dress not registered on the principal

register, the person who asserts trade dress protection has the burden of proving that—

(A) the claimed trade dress, taken as a whole, is not functional and is famous; and

(B) if the claimed trade dress includes any mark or marks registered on the principal register, the unregistered matter, taken as a whole, is famous separate and apart from any fame of such registered marks.

**(5) Additional remedies**

In an action brought under this subsection, the owner of the famous mark shall be entitled to injunctive relief as set forth in section 1116 of this title. The owner of the famous mark shall also be entitled to the remedies set forth in sections 1117(a) and 1118 of this title, subject to the discretion of the court and the principles of equity if—

(A) the mark or trade name that is likely to cause dilution by blurring or dilution by tarnishment was first used in commerce by the person against whom the injunction is sought after October 6, 2006; and

(B) in a claim arising under this subsection—

(i) by reason of dilution by blurring, the person against whom the injunction is sought willfully intended to trade on the recognition of the famous mark; or

(ii) by reason of dilution by tarnishment, the person against whom the injunction is sought willfully intended to harm the reputation of the famous mark.

**(6) Ownership of valid registration a complete bar to action**

The ownership by a person of a valid registration under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register under this chapter shall be a complete bar to an action against that person, with respect to that mark, that—

(A) is brought by another person under the common law or a statute of a State; and

(B)(i) seeks to prevent dilution by blurring or dilution by tarnishment; or

(ii) asserts any claim of actual or likely damage or harm to the distinctiveness or reputation of a mark, label, or form of advertisement.

**(7) Savings clause**

Nothing in this subsection shall be construed to impair, modify, or supersede the applicability of the patent laws of the United States.

**(d) Cyberpiracy prevention**

(1)(A) A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person—

(i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section; and

(ii) registers, traffics in, or uses a domain name that—

(I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark;

(II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark;  
or

(III) is a trademark, word, or name protected by reason of section 706 of title 18 or section 220506 of title 36.

(B)(i) In determining whether a person has a bad faith intent described under subparagraph (A), a court may consider factors such as, but not limited to—

(I) the trademark or other intellectual property rights of the person, if any, in the domain name;

(II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;

(III) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;

(IV) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;

(V) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;

(VI) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having

an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;

(VII) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct;

(VIII) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and

(IX) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c).

(ii) Bad faith intent described under subparagraph (A) shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.

(C) In any civil action involving the registration, trafficking, or use of a domain name under this paragraph, a court may order the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.

(D) A person shall be liable for using a domain name under subparagraph (A) only if that person is the domain name registrant or that registrant's authorized licensee.

(E) As used in this paragraph, the term “traffics in” refers to transactions that include, but are not limited to, sales, purchases, loans, pledges, licenses, exchanges of currency, and any other transfer for consideration or receipt in exchange for consideration.

(2)(A) The owner of a mark may file an in rem civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located if—

(i) the domain name violates any right of the owner of a mark registered in the Patent and Trademark Office, or protected under subsection (a) or (c); and

(ii) the court finds that the owner—

(I) is not able to obtain in personam jurisdiction over a person who would have been a defendant in a civil action under paragraph (1); or

(II) through due diligence was not able to find a person who would have been a defendant in a civil action under paragraph (1) by—

(aa) sending a notice of the alleged violation and intent to proceed under this paragraph to the registrant of the domain name at the postal and e-mail address provided by the registrant to the registrar; and

(bb) publishing notice of the action as the court may direct promptly after filing the action.

(B) The actions under subparagraph (A)(ii) shall constitute service of process.

(C) In an in rem action under this paragraph, a domain name shall be deemed to have its situs in the judicial district in which—

(i) the domain name registrar, registry, or other domain name authority that registered or assigned the domain name is located; or

(ii) documents sufficient to establish control and authority regarding the disposition of the registration and use of the domain name are deposited with the court.

(D)(i) The remedies in an in rem action under this paragraph shall be limited to a court order for the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark. Upon receipt of written notification of a filed, stamped copy of a complaint filed by the owner of a mark in a United States district court under this paragraph, the domain name registrar, domain name registry, or other domain name authority shall—

(I) expeditiously deposit with the court documents sufficient to establish the court's control and authority regarding the disposition of the registration and use of the domain name to the court; and

(II) not transfer, suspend, or otherwise modify the domain name during the pendency of the action, except upon order of the court.

(ii) The domain name registrar or registry or other domain name authority shall not be liable for injunctive or monetary relief under this paragraph except in the case of bad faith or reckless disregard, which includes a willful failure to comply with any such court order.

(3) The civil action established under paragraph (1) and the in rem action established under paragraph (2), and

any remedy available under either such action, shall be in addition to any other civil action or remedy otherwise applicable.

(4) The in rem jurisdiction established under paragraph (2) shall be in addition to any other jurisdiction that otherwise exists, whether in rem or in personam.

UNITED STATES CODE  
Title 15 – COMMERCE AND TRADE  
CHAPTER 22 – TRADEMARKS  
SUBCHAPTER III – GENERAL PROVISIONS  
Sec. 1127 – Construction and definitions;  
intent of chapter

**15 U.S.C. § 1127. Construction and definitions; intent  
of chapter**

*This section provides in relevant part:*

\* \* \* \* \*

The intent of this chapter is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trademarks, trade names, and unfair competition entered into between the United States and foreign nations.