

No. 25-18

In the Supreme Court of the United States

CIRRUS DESIGN CORPORATION,
Petitioner,
v.

GREAT WESTERN AIR, LLC
DBA CIRRUS AVIATION SERVICES, LLC,
Respondent.

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

**BRIEF OF THE CATO INSTITUTE AS *AMICUS
CURIAE* IN SUPPORT OF PETITIONER**

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QUESTION PRESENTED

The question presented is:

Whether, as this Court held in *Dairy Queen*, the Seventh Amendment jury-trial right applies in trademark-infringement actions seeking monetary relief in the form of the infringer's profits.

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INTEREST OF *AMICUS CURIAE*¹

The Cato Institute is a nonpartisan public policy research foundation founded in 1977 and dedicated to advancing the principles of individual liberty, free markets, and limited government. Cato's Robert A. Levy Center for Constitutional Studies was established in 1989 to promote the principles of limited constitutional government that are the foundation of liberty. Toward those ends, Cato publishes books and studies, conducts conferences, produces the annual *Cato Supreme Court Review*, and files *amicus* briefs.

Cato's interest in this case lies in ensuring that the fundamental right to a jury trial that is enshrined in the Seventh Amendment receives appropriate protection and support from this Court.

¹ Rule 37 statement: All parties were timely notified of the filing of this brief. No part of this brief was authored by any party's counsel, and no person or entity other than *amicus* funded its preparation or submission.

SUMMARY OF ARGUMENT

The Seventh Amendment provides that “[i]n Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved.” U.S. CONST. amend. VII. This case is about whether that right applies for plaintiffs who seek an award of profits for trademark infringement.

This case began with an action for trademark infringement under the Lanham Act. Cirrus Aviation Services, LLC (“Respondent”) sought declaratory relief through a finding that its name did not infringe the mark of Cirrus Design Corporation (“Petitioner”), and Petitioner countersued for infringement. App. 25–26. Under the Lanham Act, a plaintiff suing for trademark infringement can recover: (1) the defendant’s profits, (2) the damages sustained by the plaintiff, and (3) the costs of the action. 15 U.S.C. § 1117(a). If Petitioner had opted to recover actual damages, it would indisputably have been entitled to a jury trial.

Instead, Petitioner opted to recover Respondent’s profits, which teed up the question presented in this case. Petitioner demanded a jury trial to determine both trademark infringement liability and the amount of defendant’s profits under the Lanham Act. But the Ninth Circuit held that Petitioner was not entitled to a jury trial on either issue, solely because Petitioner had opted to recover defendant’s profits rather than actual damages under the Lanham Act. *See* App. 1–4. Petitioner now asks this Court to grant certiorari and ultimately vindicate its Seventh Amendment right to a jury trial.

How should courts decide whether litigants in Petitioner’s position are entitled to a jury trial? Sixty years ago, in *Dairy Queen, Inc. v. Wood*, this Court answered that question. In *Dairy Queen*, this Court determined that litigants like Cirrus Design Corporation are entitled to a jury trial—even if the litigant is seeking an “accounting of profits.” *See Dairy Queen, Inc. v. Wood*, 369 U.S. 469, 477–78 (1962). The Court in *Dairy Queen* held that when “owners of [a] trademark” bring an “infringement” claim seeking “a money judgment,” the “claim . . . is unquestionably legal.” *Id.* at 473–77. In other words, such claims qualify as a “Suits at common law” and trigger the Seventh Amendment jury right. The Court’s unambiguous identification of the nature of that claim—namely, that it is “unquestionably legal” rather than equitable—settles the question at hand today.

Regrettably, some lower courts have failed to apply the straightforward holding of *Dairy Queen*. Instead, they have made the constitutional right to a jury trial in trademark cases dependent upon whether the infringer seeks “an accounting” of profits rather than seeking “damages.” *See id.* at 477. These courts erred by applying *Dairy Queen* only to claims for trademark *damages*, but that case affirmed the right to a jury trial even when the plaintiff opts to recover defendant’s *profits* under the Lanham Act. Notably, the Court in *Dairy Queen* sought to avoid this problem when it reasoned that the substance of the remedy controlled whether a jury trial was appropriate—and upheld the right to a jury trial in cases similar to the one here. *See id.*

The Ninth Circuit’s disregard of *Dairy Queen*’s central holding warrants this Court’s review. Regrettably, however, the Ninth Circuit is not the only Court that has denied a jury trial to litigants who seek recovery of the profits of patent infringement. The Sixth, Eighth, and Eleventh Circuits have also held that there is no right to a jury trial if the owner of a trademark seeks the recovery of an infringer’s profits under the Lanham Act.² Because these circuits have misinterpreted the holding of *Dairy Queen*, they have deprived the trademark owners of their constitutional right to a jury trial.

A proper understanding of the right to a jury trial in this context requires attention to text, history, and tradition. An action for trademark infringement is most analogous to an “action on the case” or an “action in deceit”: Such actions were considered legal, not equitable, and they therefore would have been heard by a jury. Furthermore, the profit remedy is also more analogous to a remedy at law than a remedy in equity, because of both its historical roots and its modern purpose. The profit remedy under the Lanham Act was designed as an alternative method to approximate the trademark owner’s damages and as a means to deter future unlawful use of the mark—both characteristics of legal remedies. Finally, a jury is particularly well-

² See *Hard Candy, LLC v. Anastasia Beverly Hills, Inc.*, 921 F.3d 1343, 1348 (11th Cir. 2019) (“a plaintiff seeking the defendant’s profits in lieu of actual damages is not entitled to a jury trial”); *Nat’l Presto Indus., Inc. v. U.S. Merchs. Fin. Grp., Inc.*, 121 F.4th 671, 680 (8th Cir. 2024) (rejecting an “expansive” interpretation of *Dairy Queen* and holding that there is no jury trial right); *Ferrari S.P.A. v. Roberts*, 944 F.2d 1235, 1248 (6th Cir. 1991) (holding that there was no jury trial right for a disgorgement of profits remedy).

equipped to decide both liability and the scope of the profit remedy, because both inquiries entail factual determinations.

Ideally, this Court’s long-standing *Dairy Queen* precedent would already have been universally applied. But because of erroneous decisions in lower courts, this Court’s review is necessary to provide additional guidance to lower courts and ensure a uniform nationwide rule, so that a trademark owner’s right to a jury trial does not hinge on a litigant’s choice of forum. Accordingly, this Court should grant the petition to preserve the fundamental right to a jury trial in trademark infringement cases.

ARGUMENT

I. THE EXTRAORDINARY IMPORTANCE OF THE JURY TRIAL REQUIRES THIS COURT TO GRANT IT EXTRAORDINARY WEIGHT.

This Court has acknowledged that “[t]he right to trial by jury is ‘of such importance and occupies so firm a place in our history and jurisprudence that any seeming curtailment of the right’ has always been and ‘should be scrutinized with the utmost care.’” *S.E.C. v. Jarkey*, 603 U.S. 109, 110 (2024) (quoting *Dimick v. Schiedt*, 293 U.S. 474, 486 (1935)). This case represents one such “curtailment” of the right to trial by jury that is worthy of this Court’s attention, particularly given lower-court decisions that appear to have overlooked this Court’s holdings.

The jury trial is deeply rooted in American law because its processes prevent arbitrary and wrongful deprivations of individual rights. Instead of concentrating judicial power into the hands of a single judge, the Constitution protects our substantive liberties by

dispersing that power into a jury of our peers. In short, the Constitution makes the jury trial the predominant mechanism for adjudication because it embodies the collective wisdom and experience of the people.

The right to a civil jury trial predates the Constitution's adoption. In 1768, William Blackstone wrote that the jury trial was "the glory of the English law," which possesses "so great an advantage over others in regulating civil property . . ."³ One of the "injuries and usurpations" named in the Declaration of Independence is that the King deprived the colonists "in many cases, of the benefits of Trial by Jury."⁴ James Madison argued that the jury trial was as "essential to secur[ing] the liberty of the people as any one of the pre-existent rights of nature."⁵ The Anti-Federalists vociferously criticized the absence of the right to a jury trial in the original Constitution: They contended that establishing this right was necessary for "the protection of debtor defendants; the frustration of unwise legislation; the overturning of the practices of courts of vice-admiralty . . . and the protection of litigants against overbearing and oppressive judges."⁶

Given the importance of the right to a jury trial, courts should resolve any doubt in favor of preserving it. *See Beacon Theatres v. Westover*, 359 U.S. 500, 510 (1959) ("Since the right to [a] jury trial is a constitutional one" discretion should "wherever possible, be

³ 3 WILLIAM BLACKSTONE, COMMENTARIES *379.

⁴ *Declaration of Independence: A Transcription*, NAT'L ARCHIVES, available at <https://tinyurl.com/4hsdsx5h>.

⁵ Mark W. Bennett, *Judges' Views on Vanishing Civil Trials*, 88 JUDICATURE 306, 307 (2005) (quoting 1 ANNALS OF CONG. 454 (Joseph Gales ed., 1789) (discussing civil cases)).

⁶ Charles W. Wolfram, *The Constitutional History of the Seventh Amendment*, 57 MINN. L. REV. 639, 670–71 (1973).

exercised to preserve [a] jury trial.”). This Court should therefore grant the petition and resolve the circuit split by preserving the right to a jury trial when trademark owners seek a profit remedy under the Lanham Act.

II. THIS COURT SHOULD GRANT THIS PETITION SO THAT IT CAN REAFFIRM ITS HOLDING IN *DAIRY QUEEN*.

This Court’s decision in *Dairy Queen* held that trademark actions are legal in nature. *See Dairy Queen*, 369 U.S. at 477 (“an action for damages based upon a charge of trademark infringement . . . would be no less subject to cognizance by a court of law.”); *see also* Gary M. Ropski, *The Federal Trademark Jury Trial—Awakening of a Dormant Constitutional Right*, 70 TRADEMARK REP. 177, 205 (1980). Furthermore, *Dairy Queen* “firmly established that the labels used in requesting relief do not make the action either legal or equitable.” Ropski, *supra*, at 186. Instead, the “real test” for determining whether a remedy is equitable is “the absence of an adequate remedy at law,” and the right to a jury trial can only be denied where “accounts between the parties are of such a complicated nature that only a court of equity can satisfactorily unravel them.” *Id.* (internal quotation marks omitted). Here, as in *Dairy Queen*, a monetary claim for trademark infringement is “unquestionably legal,” and therefore appropriate for jury resolution. *Dairy Queen*, 369 U.S. at 476.

In *Dairy Queen*, the owners of the trademark “Dairy Queen” sued the defendant for failing to make payments under an exclusive licensing agreement and continuing to use the mark after the contract’s termination. *Id.* at 473–75. The trademark owners sued for

injunctive relief and an “accounting to determine the exact amount of money owing by petitioner and a judgement for that amount.” *Id.* at 475. The defendant requested a jury trial, which was denied by the lower courts, and this Court took the case on mandamus. The Court did not specify whether the theory of recovery was specific to the owners’ claim for breach of contract or for trademark infringement; instead, the Court issued a more general holding, explaining that the owners’ “claim for a money judgment is a claim wholly legal in its nature however the complaint is construed.” *Id.* at 477.

The Court acknowledged the trademark owners’ argument that an “accounting” is traditionally an equitable term, but it emphasized that “the constitutional right to trial by jury cannot be made to depend upon the choice of words used in the pleadings.” *Id.* at 477–78. Furthermore, the Court explained that a “jury, under proper instructions from the court, could readily determine the recovery” and that a legal remedy is not considered “inadequate because the measure of damages may necessitate a look into petitioner’s business records.” *Id.* at 478–79. In short, the Court permitted a jury to award defendant’s profits to plaintiff under the Lanham Act.

This Court later relied on its holding in *Dairy Queen* to similarly preserve the right to a jury trial in copyright actions where the claimant sought statutory damages rather than actual damages. *Feltner v. Columbia Pictures TV*, 523 U.S. 340, 346, 353 (1998) (citing *Dairy Queen* for the proposition that an award of actual damages and profits are “generally thought to constitute legal relief.”).

Most district courts after *Dairy Queen* interpreted its holding properly. For instance, in *Oxford Indus., Inc. v. Hartmarx Corp.*, the Northern District of Illinois provided a careful application of *Dairy Queen*'s reasoning. It explained:

Because trademark actions were historically legal, because an equitable accounting for profits was not granted except when there was some other basis of equitable jurisdiction, because an award of profits in the trademark context is more like an award of damages than restitution and because any doubts should be resolved in favor of the policy expressed in *Beacon Theatres* and *Dairy Queen* favoring jury trials of factual issues, we believe that *Dairy Queen*, *Ross* and *Curtis* entitled Hartmarx to a jury trial on its claim for profits under 15 U.S.C. § 1117.

Oxford Indus., Inc. v. Hartmax Corp., No. 88 C 0322, 1990 U.S. Dist. LEXIS 5979, at *25 (N.D. Ill. May 2, 1990).

In other intellectual property cases, circuit courts relied on *Dairy Queen* to uphold the right to a jury trial in patent and copyright actions. The Fifth Circuit held that there was a jury trial right in a patent suit in which the claimant sought an "accounting for profits." *Swofford v. B & W, Inc.*, 336 F.2d 406, 408 (5th Cir. 1964). Similarly, the Third Circuit held that there was a jury trial right in a patent suit in which the claimant requested profits as compensation for an infringement. *Kennedy v. Lakso Co.*, 414 F.2d 1249 (3d Cir. 1969) ("no distinction can be drawn which would justify recognition of the right to jury trial for 'damages' and its

denial in a claim for ‘profits’ on the theory that ‘damages’ are recoverable in an action at law whereas ‘profits’ have their origin in equitable principles”). Indeed, the Ninth Circuit held that there was a jury trial right in a copyright suit, finding that the “[p]laintiffs in this case had a right to a jury trial” because an accounting of profits is considered a legal remedy.⁷ *Sid & Marty Krofft TV Prods. v. McDonald’s Corp.*, 562 F.2d 1157, 1174–75 (9th Cir. 1977), *overruled on other grounds by Skidmore v. Led Zeppelin*, 952 F.3d 1051 (9th Cir. 2020) (en banc).

However, other courts have interpreted *Dairy Queen* in a way that cannot be reconciled with the plain text of that decision. The Sixth Circuit held that a request for an injunction and an accounting were equitable remedies and that there was no right to a jury trial, which contradicted its earlier decision that held the opposite under *Dairy Queen*. *See Ferrari*, 944 F.2d at 1248; *But see Tandy Corp. v. Malone & Hyde, Inc.*, 769 F.2d 362, 364 (6th Cir. 1985) (citing *Dairy Queen* for the proposition that “the damages or accounting aspect of trademark actions are considered legal actions for purposes of the jury trial clause of the Seventh Amendment.”). The Eighth Circuit similarly held that there was no jury trial right to determine profits under the Lanham Act, rejecting an “expansive” interpretation of *Dairy Queen*. *Nat'l Presto Indus.*, 121 F.4th at 680. Further, the Eleventh Circuit rejected a

⁷ The parties in *Sid & Marty Krofft TV Prods.* did not intend for the jury to consider profits. *See* 562 F.2d at 1175. The Ninth Circuit thus did not find the district court in error because “a right is not an obligation.” *Id.* While *Dairy Queen* decided that the parties have a right to a jury trial, “[i]t certainly cannot be read to hold that the parties are required to have a jury determination even if they do not wish it.” *Id.*

straightforward reading of *Dairy Queen*, arguing that “it would have been strange for the Court to have implicitly held, without any historical analysis, that it deemed accounting and disgorgement of profits to be a legal remedy requiring a jury trial.” *See Hard Candy, LLC*, 921 F.3d at 1358.

In short, these conflicting decisions “attempt to distinguish *Dairy Queen* as holding only that claims for an accounting in a contract dispute amount to legal damages.” *CFE Racing Prods. v. BMF Wheels, Inc.*, No. 11-13744, 2013 U.S. Dist. LEXIS 203251, at **8–9 (E.D. Mich. May 23, 2013). However, “those cases misread the Supreme Court’s clear language,” because this Court has affirmed the right to a jury trial to determine an accounting of defendant’s illegal profits irrespective of whether the action rests on breach of contract or trademark infringement. *Id.* Indeed, the district court decision leading up to *Dairy Queen* characterized the remedy as “profits illegally obtained by the defendant,” not legal damages. *See McCullough v. Dairy Queen, Inc.*, 194 F. Supp. 686, 687 (E.D. Pa. 1961). In short, those decisions of the Sixth, Eighth, and Eleventh Circuit are erroneous, and their errors invite this court to articulate once again the principles of law that inform the application of the Seventh Amendment.

Notably, even though the Ninth Circuit correctly applied *Dairy Queen*’s holding in a copyright action, *see Sid & Marty Krofft TV Prods.*, 562 F.2d at 1175, it failed to do so in the case at hand. The Ninth Circuit chose the wrong path: It should have granted a jury trial to determine the infringer’s illicit profits, because its reasoning should have rested on the plain language of *Dairy Queen*. It chose instead to follow the lead of a

few other lower courts that have given insufficient attention to *Dairy Queen*'s text and reasoning. Here, Petitioner requests the same right to a jury trial that the Court has already affirmed in *Dairy Queen*. This Court's review is necessary to ensure that its decision in *Dairy Queen* is appropriately relied on and respected by the circuit courts now and in the future.

III. THE SEVENTH AMENDMENT GUARANTEES THE RIGHT TO A JURY TRIAL FOR RECOVERY OF AN INFRINGER'S PROFITS UNDER THE LANHAM ACT.

Judicial interpretation of the Seventh Amendment requires a two-pronged approach to determine whether the historical right to a jury trial applies in the concrete circumstances of the case at hand. First, the court must analyze whether the cause of action "either was tried at law at the time of the founding or is at least analogous to one that was"; second, the court must ask "whether the particular trial decision must fall to the jury in order to preserve the substance of the common-law right as it existed in 1791." *City of Monterey v. Del Monte Dunes*, 526 U.S. 687, 708 (1999) (quoting *Markham v. Westview Instruments, Inc.*, 517 U.S. 370, 376 (1996)) (internal citations and quotation marks omitted). This suit satisfies both prongs. Both the trademark action and the profits remedy were historically decided in courts of law, and the jury trial right is necessary here to preserve trademark rights as they existed in 1791.

A. Trademark actions and the profit remedy were historically legal actions.

Trademark actions were "historically legal." Ropski, *supra*, at 180–81. Indeed, "[t]he first case report

referring to trademark rights states that, sometime before 1617, an action at law (trespass on the case for deceit) was maintainable.” *Id.* at 179. Although some elements of trademark law are arguably present in older reported cases, the seminal 1783 case, *Singleton v. Bolton*, is typically cited by scholars as the first reported case for trademark infringement. See Lionel Bently, *The First Trademark Case at Common Law? The Story of Singleton v. Bolton (1783)*, 47 U.C. DAVIS L. REV. 969, 969 (2014); *see also Singleton v. Bolton*, 99 Eng. Rep. 661, 661 (1783). In that case, the judge stated that “if the defendant had sold a medicine of his own under the plaintiff’s name or mark, that would be a fraud for which an action [at law] would lie.” Bently, *supra*, at 989 (internal citations omitted). In any event, what is certain is that trademark actions are deeply rooted in courts of law.

In comparison, “[t]rademark actions in equity are relative latecomers.” *Id.* at 179. Because the common law historically did not allow for discovery proceedings, damages were difficult to quantify if trademark actions were brought in courts of law. Mark A. Thurmon, *Confusion Codified: Why Trademark Remedies Make No Sense*, 17 J. INTELL. PROP. L. 245, 260–61 (2010). Furthermore, injunctions were only available in courts of equity. *Id.* at 261. The result was that “[t]he damages remedy provided in early common law trademark actions was grossly inadequate.” *Id.* at 262. However, even when a trademark action was brought in equity, “the Court of Chancery rarely ever grant[ed] an injunction until the legal right to the trade mark ha[d] been established by an action or issue at law.” Bently, *supra*, at 984 (internal citations omitted). The “popularity of the injunction to remedy the continuing wrong” in trademark actions may have “obliterated”

the “memory of the legal genesis of the trademark action,” but the origins of the trademark action lie in courts of law. Ropski, *supra*, at 181.

Although trademark actions became popular in equity because they permitted litigants to conduct discovery, obtain an injunction, and receive competent adjudication in complex cases, the merger of law and equity eliminated the reasons for litigants to bring such suits in equity. Today, courts of law allow for both discovery and the issuance of injunctions in the same action. Additionally, modern courts trust juries to determine complex cases: Today, the suggestion that a case contains legal issues that are just too difficult for a jury to understand is heavily disfavored. *See Dairy Queen, Inc.*, 369 U.S. at 478. Any requirement to bring trademark suits in equity is long gone: what remains is the historical fact that such actions were originally brought in courts of law.

The upshot of all of this is that the Ninth Circuit erred in its assignment of decision-making power with respect to the question of liability. Because trademark infringement is a legal—not an equitable—issue, the proper decider was the jury and not the judge. This would be so even if Respondent were right to argue that the profit remedy under the Lanham Act sounds in equity. *See Thurmon, supra*, at 266–67 n. 99 (detailing cases wherein an injunction was only awarded in equity after a successful action at law determined the issue of liability).

Further, like the trademark action, the profit remedy was also heard by courts of law before being heard by courts of equity. *See Ropski, supra*, at 184. The “Action of Account” for lost profits was one of the original common law actions that was historically tried by a

jury. *See generally* Edmund O. Belsheim, *The Old Action of Account*, 45 HARV. L. REV. 466 (1932). To be sure, the accounting remedy at law was “cumbersome, awkward, and dilatory.” *Id.* at 493–99. Juries had to resolve factual disputes about the size of damages in a special verdict after finding liability. Sometimes this was a challenging prospect, given the absence of discovery in legal proceedings. *Id.* at 497–99. For that reason, courts of equity entertained suits where “the question had turned entirely upon an account so complicated, and so long, as to make it inconvenient to have it taken at law.” *Id.* at 500 (quoting *Foley v. Hill*, 2 H. L. Cas. 28 (1848)). These obstacles to accounting at law no longer exist today “in view of the powers given to District Courts by [the] Federal Rule[s] of Civil Procedure.” *Dairy Queen*, 369 U.S. at 478.

In the era of the merger between law and equity, the “clean-up doctrine permitted a chancellor deciding injunctive relief to award legal relief such as an accounting without a jury,” but an accounting was considered “incidental” to the equitable claim. Ropski, *supra*, at 184. However, in *Beacon Theatres*, this Court narrowed the scope of the clean-up doctrine to an almost imperceptible point: That decision now requires that “only under the most imperative circumstances, circumstances which in view of the flexible procedures of the Federal Rules we cannot now anticipate, can the right to a jury trial of legal issues be lost through prior determination of equitable claims.” 359 U.S. at 510–11. Perhaps, long ago, it might have been more fitting to tie the profit remedy to injunctive relief and courts of equity, but modern developments necessitate a different path. This Court should follow *Beacon Theatres* by preserving the right to a jury trial when a claimant recovers profits under the Lanham Act.

To sum up: Of course it is true that both trademark actions and profit remedies were once considered in courts of law as well as courts of equity, but both of these devices were originally found in courts of law, where they would have been considered by a jury. To the extent that there is ambiguity about whether this action and this remedy are fundamentally legal or equitable, this Court should grant the petition so that it can resolve this uncertainty in favor of preserving the right to a jury trial.

B. The purpose of the profit remedy under the Lanham Act is most analogous to a legal remedy.

Monetary remedies are considered the “prototypical common law remedy.” *Jarkesy*, 603 U.S. at 123. But this Court should also look to the purpose of the remedy in determining whether it is legal or equitable. *See id.* Courts that assign profits to plaintiffs under the Lanham Act have offered the following justifications: (1) preventing unjust enrichment; (2) compensating the plaintiff as a proxy for damages; and (3) deterring the defendant from future unlawful use of the mark. *See La Bamba Licensing, LLC v. La Bamba Authentic Mexican Cuisine, Inc.*, 75 F.4th 607, 613 (6th Cir. 2023) (recognizing these theories as “commonly-recognized, nonpunitive, theories of trademark recovery); *see also George Basch Co. v. Blue Coral, Inc.*, 968 F.2d 1532, 1537 (2d Cir. 1992). Although preventing unjust enrichment is an equitable matter, the Lanham Act’s mechanism more closely resembles a legal remedy: that is because the Lanham Act’s remedy approximates damages that are difficult to quantify and deters the infringer from future unlawful use.

Unlike other actions in which damages are often easily quantified, “damages from trademark or trade dress infringement are often hard to establish,” because of “the inherent difficulty in isolating the causation behind diverted sales and injured reputation.” *Id.* at 1539. In trademark actions, actual damages resulting from the defendant’s unlawful use of a mark are difficult to approximate, so an award of defendant’s profits is recoverable as a “surrogate for damages.” *See Oxford Indus, Inc.*, 1990 U.S. Dist. LEXIS 5979, at *23. In other words, some remedies require innovative methods to calculate damages, and the award of profits is one such method. Here, the award of profits rests on a theory of trademark dilution, which itself suggests a workable way to make the plaintiff whole. Dilution occurs when an inferior competitor uses the mark to gain a reputational advantage while simultaneously harming the plaintiff’s goodwill. Someone harmed by trademark dilution might be insufficiently compensated by an award for actual damages. The Lanham Act allows for the recovery of the defendant’s profits—which may be greater than actual damages. Although the profit remedy may “restore the status quo” in some contexts, the Lanham Act use of the profit remedy ensures that the plaintiff who is harmed by trademark dilution is fully compensated.

Indeed, the Fifth Circuit’s decision in *Swofford* follows the same logic for patent suits. The court reasoned that “[t]he profits which were recoverable in equity against an infringer of a patent were compensation for the injury the patentee had sustained from the invasion of his rights. Such profits were considered the measure of the patentee’s damages[,] [so] [i]t was very early recognized that, ‘though called profits, they are really damages.’” *Swofford*, 336 F.2d 406, 411 (5th Cir.

1964) (internal citations omitted). Although an accounting for profits may have been a “creature of equity,” the remedy was only incidental to an injunction brought in equity courts and was “justified historically to avoid multiplicity of litigation.” *Id.* Thus, the Fifth Circuit treated an “accounting of profits” as a legal remedy for Seventh Amendment purposes, allowing the jury to award profits. *Id.*

Another justification for profit recovery under the Lanham Act rests on the deterrence of future trademark infringement. The remedy allows greater recovery for plaintiffs if the defendant intentionally infringes on their mark. Even if a plaintiff has no evidence of actual confusion, they may seek the defendant’s profits if they can show that the defendant willfully or fraudulently used the trademark. *See 4 Pillar Dynasty LLC v. N.Y. & Co.*, 933 F.3d 202, 212 (2d. Cir. 2019). A monetary remedy is considered legal if it is “designed to punish or deter the wrongdoer, or on the other hand, solely to ‘restore the status quo.’” *Jarkesy*, 603 U.S. at 123. Because the profit remedy under the Lanham Act also functions as a deterrent and does not restore the status quo, it is most like a legal remedy.

Under either justification of the profit remedy, a recovery of defendant’s profits for trademark infringement “is arguably more in the nature of compensatory damages than restoring the trademark owner’s own property to him, which is what is normally understood by restitution.” *Oxford Indus., Inc.*, 1990 U.S. Dist. LEXIS 5979, at *23. Furthermore, even if an accounting of profits sounds in equity in other contexts, it does not follow that the profit remedy is equitable generally. Rather, the Court should consider the purpose of the remedy to determine whether it is legal or

equitable in this context, as it did in *Jarkesy*. See *Jarkesy*, 603 U.S. at 123. Because the profit remedy under the Lanham Act acts as both a proxy for damages and a deterrent, it most resembles a *legal* remedy and should be treated as such for Seventh Amendment purposes. This Court should therefore grant the petition to preserve the right to a jury trial under the Lanham Act.

C. Because the profit remedy rests on factual considerations, jury resolution is appropriate.

When the Constitution was adopted, it was considered “so peculiarly within the province of the jury” to assess “uncertain” damages that “the Court should not alter” the jury’s assessment. *Dimick*, 293 U.S. at 480 (internal quotation marks and citations omitted). Furthermore, “there is overwhelming evidence that the consistent practice at common law was for juries to award damages.” *Feltner*, 523 U.S. at 353. Indeed, “there is historical evidence that cases involving discretionary monetary relief were tried before juries.” *Id.* In short, “[i]t has long been recognized that ‘by the law the jury are judges of the damages.’” *Id.* (quoting *Lord Townshend v. Hughes*, 86 Eng. Rep. 994, 994–95 (C. P. 1677)).

This is especially true where an assessment of damages rests on factual considerations. Indeed, “[a]n essential characteristic of [the federal] system is the manner in which, in civil common-law actions, it distributes trial functions between judge and jury, and under the influence—if not the command—of the Seventh Amendment, assigns the decisions of disputed questions of fact to the jury.” *Byrd v. Blue Ridge Coop.*, 356 U.S. 525, 538 (1958). Jurors should determine damages that rest on factual considerations because

they, not judges, are the constitutionally designated fact-finders. *See Balt. & Carolina Line, Inc. v. Redman*, 295 U.S. 654, 657 (1935) (affirming that “issues of law are to be resolved by the court and issues of fact are to be determined by the jury under appropriate instructions by the court.”). Even when factual disputes are mixed with the merits of a legal claim, this Court has upheld the right to a jury to make factual determinations—and that requires judges to defer to juries. *See Perttu v. Richards*, 145 S. Ct. 1793, 1802 (2025).

In determining an infringer’s profits, a fact question—willfulness—is paramount. *See Romag Fasteners, Inc. v. Fossil Grp., Inc.*, 590 U.S. 212 (2020) (“we do not doubt that a trademark defendant’s mental state is a highly important consideration in determining whether an award of profits is appropriate.”). Notably, the Lanham Act permits a plaintiff to recover treble damages for intentional trademark infringement. *See* 15 U.S.C. § 1117(b). A finding of willfulness mirrors the tests of copyright cases: The plaintiff must show that the defendant was “actually aware” of the infringement or that the defendant’s actions were the result of reckless disregard or willful blindness. *See 4 Pillar Dynasty LLC*, 933 F.3d at 209–10. Because these determinations are highly fact-sensitive, they should be assessed by a jury rather than a judge. In short, an award of profits for patent infringement must rest on material factual determinations—and such circumstances make the jury the best decision-maker.

The jury’s unique role as fact-finder in our legal system deserves respect. The Court should grant the petition so that it can reaffirm the right to a civil jury

trial when a trademark owner seeks the profit remedy under the Lanham Act.

CONCLUSION

This Court has “held in various contexts . . . [that] district courts should structure their order of operations to preserve the jury trial right.” *Perttu*, 145 S. Ct. at 1802. The Ninth Circuit erred by allowing the judge to determine the issue of liability and the profit remedy—both of these matters should have been decided by a jury.

The immense importance of the constitutional right to a jury trial should not rest on geographical happenstance. This looming reduction of the right to trial by jury requires this Court to scrutinize its curtailment “with the utmost care.” *Jarkesy*, 603 U.S. at 110. For the foregoing reasons, this Court should grant the petition and resolve this circuit split on an important constitutional issue in favor of preserving the right to a jury trial.

Respectfully submitted,

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