**10.6 Trademark Counterfeiting**

[Name of plaintiff] claims that [name of defendant] has committed counterfeiting by unlawfully using [name of plaintiff]’s trademark in the sale, offer to sell, distribution, or advertising of goods without [name of plaintiff]’s authorization. To prove a claim for counterfeiting, [name of plaintiff] must prove the following facts by a preponderance of the evidence:

 The trademark used by [name of defendant] is a copy that is identical or substantially indistinguishable from [name of plaintiff]’s trademark that is registered on the Principal Register of the United States Patent and Trademark Office;

 [Name of defendant]’s trademark was affixed without [name of plaintiff]’s permission; and

 [Name of defendant] used [name of plaintiff]’s trademark in the sale, offering for sale, distribution, or advertising of goods that are covered by [name of plaintiff]’s trademark registration.

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Remedies

[This instruction should be given if [name of plaintiff] seeks actual damages and [name of defendant]’s profits:

If you find that [name of plaintiff] proved that [name of defendant] engaged in counterfeiting in violation of [name of plaintiff]’s trademark, you must consider whether, and to what extent, money damages should be awarded.]

Plaintiff’s Actual Monetary Damages

You may award actual damages that [name of plaintiff] has sustained. [Name of plaintiff] may recover the economic injury to [his/her/its] business proximately resulting from [name of defendant]’s wrongful acts. You are not required to calculate actual damages with absolute exactness – you may make reasonable approximations. However, an award of actual damages to [name of plaintiff] must be just and reasonable, based on facts, and proved by [name of plaintiff] by a preponderance of the evidence.

Defendant’s Profits and Calculation of Profits

In addition to [name of plaintiff]’s actual damages, you may also make an award based on an accounting of [name of defendant]’s profits if you find that:

 [Name of defendant]’s conduct was willful and deliberate; or

 [Name of defendant] was unjustly enriched; or

 An award of [name of defendant]’s profits is necessary to deter [name of defendant]’s future conduct.

A defendant commits a “willful violation” of a trademark when that defendant knowingly and purposefully capitalized on and appropriated for itself the goodwill of a plaintiff.

“Unjust enrichment” occurs if [name of defendant] received a benefit to which [he/she/it] was not entitled.

In determining [name of defendant]’s profits, [name of plaintiff] is only required to prove [name of defendant]’s gross sales. [Name of defendant] may then prove the amount of sales made for reasons other than the counterfeiting. [Name of defendant] also may prove [his/her/its] costs or other deductions which [he/she/it] claims should be subtracted from the amount of [his/her/its] sales to determine [his/her/its] profits on such sales. Any costs or deductions that [name of defendant] proves by a preponderance of the evidence are required to be subtracted from the sales attributable to the counterfeiting and the difference is the amount that may be awarded to [name of plaintiff].]

[This instruction should be given if plaintiff seeks statutory damages for counterfeiting:

If you find that [name of plaintiff] proved that [name of defendant] violated [name of plaintiff]’s trademark by counterfeiting, you must consider whether, and to what extent, money damages should be awarded.

[Name of plaintiff] seeks what is known as an award of “statutory damage.” Statutory damages are damages established by Congress in the Lanham Act. The purpose of statutory damages is to: compensate the trademark owner, penalize the counterfeiter, and deter future trademark counterfeiting. You may award statutory damages between $1,000 and $200,000 for each trademark that [name of plaintiff] proves [name of defendant] used, for each type of goods sold, offered for sale, or distributed.

If you find that [name of plaintiff] proved that [name of defendant] knew that the trademark [he/she/it] used was a counterfeit, you may award additional statutory damages. It is not necessary that [name of defendant] knew that the mark was registered by [name of plaintiff], only that [name of defendant] knew that the trademark was the same or substantially indistinguishable from [name of plaintiff]’s trademark.

If [name of plaintiff] proves that [name of defendant]’s use of the counterfeit trademark was willful, then you may, but are not required to, increase the statutory damage award to a maximum of $2,000,000 per type of goods sold, offered for sale, or distributed.]

Counterfeiting

**Special Interrogatories to the Jury**

**Do you find by a preponderance of the evidence that:**

 [Name of plaintiff] has a registered trademark?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer to this question is “Yes,” go to Question No. 2. If your answer is “No,” then your foreperson should sign and date the last page of this verdict form.

 [Name of plaintiff] gave permission for [his/her/its] trademark to be affixed to [name of defendant]’s products?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer is “No,” go to Question No. 3. If your answer to this question is “Yes,” then your foreperson should sign and date the last page of this verdict form.

 [Name of defendant] used a trademark which is identical or substantially indistinguishable from [name of plaintiff]’s registered trademark on goods that are covered by the registration?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer to this question is “Yes,” go to Question No. 4. If your answer to this question is “No,” then your foreperson should sign and date the last page of this verdict form.

 [Name of defendant] used the counterfeit trademark in the sale, offering for sale, distribution, or advertising of goods?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer to this question is “Yes,” go to Question No. 5. If your answer to this question is “No,” then your foreperson should sign and date the last page of this verdict form.

**[This special interrogatory should be used if plaintiff seeks actual damages for counterfeiting:**

 [Name of plaintiff] has suffered actual damages?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer to this question is “Yes,” in what amount?

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**[These interrogatories should be given if plaintiff seeks an Accounting of defendant’s profits for counterfeiting:**

 [Name of defendant]’s conduct was willful and deliberate, [name of defendant] was unjustly enriched, or an award of [name of defendant]’s profits is necessary to deter future conduct?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer to this question is “Yes,” then go to Question No. 7. If your answer to this question is “No,” then go to Question No. 8.

 [Name of plaintiff]is awarded [name of defendant]’s profits?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer to this question is “Yes,” in what amount?

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**[These special interrogatories should be used if plaintiff seeks statutory damages for counterfeiting:**

 At the time of the counterfeiting activity, [name of defendant] knew that the trademark [he/she/it] used was a counterfeit?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer to this question is “No,” then you may award statutory damages between $1,000 and $200,000 per counterfeit mark, per type of goods sold, offered for sale, or distributed. If your answer to this question is “Yes,” then you may award statutory damages to a maximum of $2,000,000 per counterfeit mark per type of goods sold, offered for sale, or distributed.

 [Name of plaintiff] is awarded statutory damages?

Answer Yes or No \_\_\_\_\_\_\_\_\_\_\_\_\_

If your answer to this question is “Yes,” in what amount?

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So Say We All.

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Foreperson’s Signature

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_