**ANNOTATIONS AND COMMENTS**

Under 15 U.S.C. § 1127 “counterfeit” is a spurious trademark which is identical with, or substantially indistinguishable from, a registered trademark.

15 U.S.C. § 1116(B) requires that a counterfeit trademark must be registered on the Principal Register of the Patent and Trademark Office. In many cases the ownership and validity of a trademark registration will not be at issue. In such cases, Special Interrogatory No. 1 should be omitted.

**Intentional and Knowing Use**

“In order for [Plaintiff] to prevail on its counterfeiting claim, it must demonstrate that [Defendant] infringed a registered trademark in violation of 15 U.S.C. § 1114.” *Babbit Elecs. v Dynascan Corp.*, 38 F.3d 1161, 1181 (11th Cir. 1994). For enhanced damages, the plaintiff must prove that the defendant intentionally used a mark, knowing such mark is a counterfeit mark. *See id.*; 15 U.S.C. § 1117. “The Court has determined that [Defendant] infringed registered marks in violation of 15 U.S.C. § 1114. The Court has also found that [Defendant] intentionally used the marks in question. ‘The analysis therefore focuses on whether [Defendant] used the marks knowing that they were counterfeit.’” *Babbit*, 38 F.3d at 1181.

“If the infringement is intentional… and the use of a counterfeit trademark has been proven, then § 1117 governs, and the Court is required to treble damages and award attorney’s fees unless the Court finds extenuating circumstances.” *Id*. at 1183.

**Statutory Damages**

Under 15 U.S.C. § 1117, in a case of trademark counterfeiting, a plaintiff may obtain statutory damages in lieu of actual damages and profits. Even though the statute suggests that statutory damages are awarded by the court, the Seventh Amendment requires that the determination, including the amount of such award, be made by the jury. *See Feltner v. Columbia Pictures Television, Inc.*, 523 U.S. 340, 353, 118 S. Ct. 1279, 1287, 140 L. Ed. 2d 438, 353 (1998). The jury should be provided with a special interrogatory form in order to report its findings on the issue of statutory damages. The minimum for statutory damages is $1,000 and the maximum is $200,000 per counterfeit trademark per type of goods or services sold, offered for sale, or distributed. 15 U.S.C. § 1117.

Because statutory damages serve both compensatory and punitive purposes, the plaintiff can recover statutory damages whether or not there is evidence of any actual damage suffered by the plaintiff or any profits reaped by the Defendant. *See F. W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 233, 73 S. Ct. 222, 225, 97 L. Ed. 2d 281 (1952) (“Even for uninjurious and unprofitable invasions of copyright the court may, if it deems just, impose a liability within statutory limits to sanction and vindicate the statutory policy” of discouraging infringement.). Although this was a copyright case, courts, including courts within the Eleventh Circuit, have recognized that statutory damages under the Lanham Act are similarly intended to deter wrongful conduct. *Coach Inc. v. Just A Boun, LLC*, No. 11-cv-797, 2011 U.S. Dist. LEXIS 144582 (M.D. Fla. Nov. 8, 2011). The statutory damages remedy was specifically intended to address the likelihood that counterfeiters are unlikely to maintain accurate records from which to accurately determine actual damages. *Id*.

**Increase for willful infringement**

If the trademark owner proves that use of the counterfeit was willful, the award may be increased to not more than $2,000,000 per counterfeit trademark per type of goods or services sold, offered for sale, or distributed. To establish willfulness, it is only necessary that the defendant knew that the trademark was a counterfeit. It is not necessary that the defendant knew that the trademark was registered by the plaintiff. *Babbit Elecs. v. DynaScan Corp.*, 38 F.3d 1161, 1181 (11th Cir. 1994).

**Notice requirements**

The Lanham Act requires marking or notice for a plaintiff to collect an award of damages. The statute is not clear as to whether a failure to mark precludes an award of statutory damages as well as compensatory damages, but there is no clear exemption from the marking requirement in the case of statutory damages.