

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

<b>BODUM USA, INC.,</b>	)	
	)	
<b>Plaintiff,</b>	)	
	)	
<b>vs.</b>	)	<b>Case No 16 C 2916</b>
	)	
<b>A TOP NEW CASTING INC.,</b>	)	
	)	
<b>Defendant.</b>	)	

**ORDER ON PLAINTIFF'S MOTIONS FOR AN INJUNCTION,  
TREBLE DAMAGES, PREJUDGMENT INTEREST, AND ATTORNEY'S FEES**

After a trial, a jury found in favor of plaintiff Bodum USA, Inc. and against defendant A Top New Casting Inc. on Bodum's claim of trade dress infringement under the Lanham Act. The jury also found that A Top's infringement was willful. It awarded Bodum \$2 million, which it found to be A Top's profits gained from the trade dress infringement. In early June 2018, the Court denied A Top's motion for judgment as a matter of law and its motion for a new trial. In the present order, the Court considers Bodum's requests to add prejudgment interest; treble the damage award; award attorney's fees; and issue an injunction.

**1. Prejudgment interest**

Prejudgment interest is presumptively available to victims of violations of federal law, to ensure full compensation for the plaintiff and prevent the defendant from being unjustly enriched. See, e.g., *Gorenstein Enters., Inc. v. Quality Care-USA, Inc.*, 874 F.2d 431, 436 (7th Cir. 1989). Prejudgment interest is particularly appropriate when the violation is intentional, as the jury found in this case. *Id.*

The Court overrules A Top's contention that there should be no interest award because damages were not a liquidated amount. That is not a barrier to an award of interest in a case involving a violation of a federal statute, and Bodum has proposed a reasonably certain and conservative calculation for determining interest. See Mem. in Support of Pl.'s Post-Trial Mot. for Prejudgment Interest, Ex. 1. The Court adopts this calculation and awards \$153,806 in prejudgment interest.

## **2. Enhancement of damage award**

Under the Lanham Act, a plaintiff is entitled to recover the defendant's profits and any damages the plaintiff sustained. 15 U.S.C. § 1117(a). In this case, the jury's award was based on A Top's profits. The governing statute also says that "[i]f the court shall find that the amount of recovery based on profits is enter 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 . . . shall constitute compensation and not a penalty." *Id.*

The statutory authorization to enhance an award of damages and the accompanying prohibition on imposing a penalty is arguably somewhat internally inconsistent. "It is anomalous to say that an enhancement of damages, which implies an award exceeding the amount found compensatory, must be compensatory and not punitive." *Sands, Taylor & Wood v. Quaker Oats Co.*, 34 F.3d 1340, 1347 (7th Cir. 1994) (internal quotation marks omitted) (quoting *Taco Cabana Int'l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1127 (5th Cir. 1991), *aff'd*, 505 U.S. 763 (1992)). The Seventh Circuit has, however, "identified several significant guideposts." *Sands, Taylor & Wood*, 34 F.3d at 1347. First, the final remedy must "provide a sufficient deterrent to ensure

that the guilty party will not return to its former ways and once again pollute the marketplace." *Id.* at 1348. Second, enhancement is properly invoked "when . . . the infringement is deliberate." *Id.* at 1349 (quoting *Gorenstein Enters., Inc.*, 874 F.3d at 436). Third, "the monetary relief granted by the district court must be great enough to further the statute's goal of discouraging trademark infringement but must not be so large as to constitute a penalty." *Id.* (quoting *Otis Clap & Son, Inc. v. Filmore Vitamin Co.*, 754 F.2d 738, 744 (7th Cir. 1985)). And fourth, enhancement is "a method by which a fair recovery might be approximated when damages and profits are not easily ascertainable." *Id.* at 1349-50.

Having taken these considerations into account, the Court finds it appropriate to double the damage award, to \$4 million. In doing so, the Court does *not* adopt Bodum's contention that the jury's award of \$2 million in profits, rather than the \$3 million Bodum requested, is a basis to increase the award. That suggests the jury found Bodum's evidence wanting, not that the award was objectively inadequate. But that aside, the jury made a specific finding of willfulness, which was amply supported by, among other things, evidence of deliberate copying by A Top. And as Bodum notes, the information that A Top produced regarding its revenues and expenses was incomplete and complicated by the company's insertion, later during the relevant period, of a related company (owned by the wife of A Top's principal) as its "supplier." The Court finds that an enhanced award is needed to fairly compensate Bodum and appropriately deter A Top, and that doubling the jury's award (rather than trebling it as Bodum requests) does not run afoul of the statute's prohibition of a penalty.

### **3. Attorney's fees**

The Lanham Act says that "[t]he court in exceptional cases may award reasonable attorney fees to the prevailing party." 15 U.S.C. § 1117(a). An exceptional case is one that "stands out from others with respect to the substantive strength of a party's litigating position (considering both the governing laws and the facts of the case) or the unreasonable manner in which the case was litigated." *Octane Fitness, LLC v. Icon Health & Fitness, Inc.*, 134 S. Ct. 1749, 1756 (2014) (concerning an identical provision in the Patent Act, 35 U.S.C. § 285). There was no litigation misconduct here; Bodum does not argue otherwise. Rather, it relies on the jury's willfulness finding. In the Court's view, in this case that is insufficient, without more, to support a finding that the case was exceptional. On the other side of the ledger is the fact that A Top had a straight-faced, though losing, argument that Bodum's trade dress was not protectable under the Lanham Act. Given these circumstances, A Top's willful copying—the only factor cited by Bodum to support a fee award—is insufficient to make the case exceptional within the meaning of section 1117(a). The Court therefore denies Bodum's request for an award of attorney's fees.

### **4. Injunction**

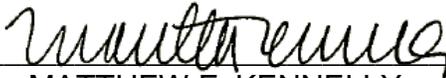
Finally, the Court grants Bodum's request for a permanent injunction. Bodum has shown an irreparable injury for which it lacks an adequate remedy at law; the balance of hardships does not weigh against an injunction; and an injunction will serve, not disserve, the public interest. The damages awarded by the jury and the Court only compensate Bodum for past harm. Were A Top permitted to continue selling infringing products, Bodum would suffer ongoing harm to its goodwill arising from the fact that A

Top can sell its knock-off products at a lower price and the ongoing confusion among consumers regarding the origin of its products. There is no basis to believe that A Top will stop selling absent an injunction. And given A Top's intervening filing of a bankruptcy petition, there is no basis to believe that Bodum will be able to recover any future damages for infringement via a lawsuit. Though A Top will suffer financial harm from an injunction, it lacks any legal entitlement to make money from selling products that infringe Bodum's trade dress. And the public interest favors enforcement of intellectual property rights.

Finally, the Court rejects A Top's argument that the jury was confused or that it found that only one of A Top's models infringed. As Bodum argues, A Top sold its products only via the Internet, and from the photographs that typically accompanied the on-line offer of its products, a consumer cannot tell whether the coffee maker has three legs or four. Nothing about the jury's deliberations or verdict suggested that it found that only one of A Top's models infringed Bodum's trade dress.

For these reasons, the Court will enter an injunction in the form accompanying Bodum's motion as Exhibit 2 and will, at the same time, enter an amended final judgment reflecting the enhanced damages and prejudgment interest. Bodum's counsel is directed to promptly provide a Word version of its draft injunction order via Judge Kennelly's proposed order e-mail address. The status hearing set for August 22, 2018 is vacated.

Date: August 21, 2018

  
MATTHEW F. KENNELLY  
United States District Judge