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THE AWARD OF ATTORNEYS’ FEES IN EXCEPTIONAL CASES UNDER 15 U.S.C. § 1117(a) OF THE LANHAM ACT

By Bryan Wheelock,* Kara Fussner,** and Daisy Manning***

I. INTRODUCTION

A court in an “exceptional” trademark case brought under the Lanham Act has the discretion to award attorneys’ fees to the prevailing party.1 However, the Lanham Act does not define “exceptional case.” Over time, each circuit developed its own standard for determining whether a trademark case is exceptional and thus appropriate for fee shifting. In 2014, the U.S. Supreme Court in Octane Fitness, LLC. v. Icon Health & Fitness2 determined the meaning of “exceptional case” for purposes of a parallel attorneys’ fees provision in the Patent Act.3 This decision left many asking: does this new standard for determining whether a patent infringement case is exceptional under the Patent Act control, or at least affect, the determination of whether a trademark infringement case is “exceptional” under the Lanham Act?

This article outlines the Octane Fitness case and its rationale (Part II); evaluates whether Octane Fitness’s definition of “exceptional case” should apply to the Lanham Act (Part III); reviews whether Octane Fitness’s definition of “exceptional case” is currently being applied by the courts under the Lanham Act (Part IV); and examines whether Octane Fitness has affected fee shifting in trademark cases (Part V).

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** Partner at Harness, Dickey & Pierce, PLC. Kara Fussner represented the successful petitioner, Octane, in Octane Fitness v. Icon Health & Fitness, Inc.

*** Associate, Harness, Dickey & Pierce, PLC. Daisy Manning represented the successful petitioner, Octane, in Octane Fitness v. Icon Health & Fitness, Inc.

II. OCTANE FITNESS LLC v. ICON HEALTH & FITNESS

On April 29, 2014, the United States Supreme Court issued opinions in Octane Fitness\(^4\) and Highmark Inc. v. Allcare Health Management System, Inc.\(^5\) addressing the proper interpretation and the standard of review under the Patent Act, 35 U.S.C. § 285, which provides that “[t]he court in exceptional cases may award reasonable attorney fees to the prevailing party.”

Prior to Octane Fitness, in order to receive an award of attorneys’ fees in a patent case, the prevailing party had to show by clear and convincing evidence that “there has been some material inappropriate conduct,” or that the litigation was both “brought in subjective bad faith” and “objectively baseless” (quoting Brooks Furniture Manufacturing, Inc. v. Dutailier International, Inc.).\(^6\) Litigation was deemed objectively baseless only if it was “so unreasonable that no reasonable litigant could believe it would succeed,” and subjective bad faith was found only if the party “actually knows’ that [its position in the case] is objectively baseless.”\(^7\)

In Octane Fitness, however, the Supreme Court held that this standard developed by the Federal Circuit was “unduly rigid” and “impermissibly encumbers the statutory grant of discretion to district courts.”\(^8\) The Court articulated the proper standard for an “exceptional” case under the Patent Act as follows:

\[\text{An “exceptional” case is simply one that stands out from the others with respect to the substantive strength of a party’s litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated. District courts may determine whether a case is “exceptional” in the case-by-case exercise of their discretion, considering the totality of the circumstances.}\]

The Supreme Court also held that the proper burden of proof for an “exceptional” case is proof by a preponderance of the evidence, rather than proof by clear and convincing evidence.\(^10\) Because “there is no precise rule or formula for making these determinations,’ but instead equitable discretion should be

\(^4\) Octane Fitness, 134 S. Ct. at 1754 (quoting Brooks Furniture Mfg., Inc. v. Dutailier Int’l, Inc., 393 F.3d 1378, 1381-1382 (Fed. Cir. 2005)).

\(^5\) Id. at 1754 (quoting iLOR, LLC v. Google, Inc., 631 F.3d 1372, 1377-1378 (Fed. Cir. 2011)).

\(^6\) Id. at 1755.

\(^7\) Octane Fitness, 134 S. Ct. at 1756.

\(^8\) Id. at 1758.
exercised ‘in light of the considerations we have identified,’” the Supreme Court did not set forth a list of factors that must be considered by courts in determining whether a patent case is exceptional. The Court did, however, cite to its opinion in the copyright case *Fogerty v. Fantasy, Inc.* for a nonexclusive list of factors that courts could consider in making a fee award decision:

[W]e explained that in determining whether to award fees under a similar provision in the Copyright Act, district courts could consider a “nonexclusive” list of “factors,” including “frivolousness, motivation, objective unreasonableness (both in the factual and legal components of the case) and the need in particular circumstances to advance considerations of compensation and deterrence.”

Not surprisingly, the change in the definition of what qualifies as exceptional conduct has had a significant effect on attorneys’ fees awards in patent cases. In the sixteen months prior to the Supreme Court’s *Octane Fitness* decision, only 26% of requests for fee awards under the Patent Act were granted, while in the twenty months following *Octane Fitness*, 41% of such requests were granted.

### III. SHOULD OCTANE FITNESS’S DEFINITION OF “EXCEPTIONAL CASE” UNDER THE PATENT ACT APPLY TO THE LANHAM ACT?

Prior to *Octane Fitness*, the various circuits used different tests to assess whether a trademark case is “exceptional” under the Lanham Act. Some circuits even used different tests for prevailing plaintiffs as opposed to prevailing defendants. The pre-*Octane Fitness* standards are summarized in the chart below:

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11. *Id.* at 1756 (quoting *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 534 (1994)).
12. *Octane Fitness*, 134 S. Ct. at 1756 n.6 (quoting *Fogerty*, 510 U.S. at 534 n.19).
<table>
<thead>
<tr>
<th>Circuit</th>
<th>Pre-October Fitness Standard for Fee Awards</th>
<th>Exemplary Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Circuit</td>
<td><strong>Prevailing Plaintiff:</strong> if after reviewing the totality of the circumstances, the infringer's actions were “malicious, fraudulent, deliberate, or willful”</td>
<td><strong>Venture Tape Corp. v. McGillis Glass Warehouse, 540 F.3d 56, 64 (1st Cir. 2008)</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Prevailing Defendant:</strong> conduct that is “something less than … bad faith,” such as a plaintiff's use of groundless arguments, failure to cite controlling law and generally oppressive nature of the case</td>
<td><strong>Ji v. Bose Corp., 626 F.3d 116 (1st Cir. 2010)</strong></td>
</tr>
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<td>Second Circuit</td>
<td><strong>Prevailing Party:</strong> only on evidence of fraud or bad faith</td>
<td><strong>Louis Vuitton Malletier S.A. v. L.Y USA, Inc., 676 F.3d 83 (2d Cir. 2012)</strong></td>
</tr>
<tr>
<td>Third Circuit</td>
<td><strong>Prevailing Party:</strong> culpable conduct such as bad faith, fraud, malice, or knowing infringement</td>
<td><strong>Basketball Marketing Co., Inc. v. FX Digital Media, Inc., 257 Fed. App’x 492 (3d Cir. 2007)</strong></td>
</tr>
<tr>
<td>Fourth Circuit</td>
<td><strong>Prevailing Plaintiff:</strong> conduct was malicious, fraudulent, willful, or deliberate in nature</td>
<td><strong>Schwartz v. Rent A Wreck America Inc., 468 Fed. App’x 238 (4th Cir. 2012)</strong></td>
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<td></td>
<td><strong>Prevailing Defendant:</strong> conduct that is “something less than … bad faith”</td>
<td><strong>Bubba’s Bar-B-Q Oven, Inc. v. Holland Co., Inc., 175 F.3d 1013 (4th Cir. 1999)</strong></td>
</tr>
<tr>
<td>Circuit</td>
<td>Pre-Octane Fitness Standard for Fee Awards</td>
<td>Exemplary Case</td>
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</tr>
<tr>
<td>Fifth Circuit</td>
<td><strong>Prevailing Party:</strong> bad faith or “malicious, fraudulent, deliberate, or willful” acts</td>
<td><em>National Business Forms &amp; Printing, Inc. v. Ford Motor Co.</em>, 671 F.3d 526 (5th Cir. 2012)</td>
</tr>
<tr>
<td>Sixth Circuit</td>
<td><strong>Prevailing Plaintiff:</strong> infringement is “malicious, fraudulent, willful, or deliberate”</td>
<td><em>Eagles, Ltd. v. American Eagle Foundation</em>, 356 F.3d 724 (6th Cir. 2004)</td>
</tr>
<tr>
<td></td>
<td><strong>Prevailing Defendant:</strong> the plaintiff’s action was “oppressive”</td>
<td><em>Eagles, Ltd. v. American Eagle Foundation</em>, 356 F.3d 724 (6th Cir. 2004)</td>
</tr>
<tr>
<td>Sevent Circuit</td>
<td><strong>Prevailing Party:</strong> claim or defense was objectively unreasonable</td>
<td><em>Nightingale Home Healthcare, Inc. v. Anodyne Therapy, LLC</em>, 626 F.3d 958 (7th Cir. 2010)</td>
</tr>
<tr>
<td>Eighth Circuit</td>
<td><strong>Prevailing Party:</strong> one party’s behavior went beyond the pale of acceptable conduct; bad faith is not required</td>
<td><em>Aromatique, Inc. v. Gold Seal, Inc.</em>, 28 F.3d 863 (8th Cir. 1994)</td>
</tr>
<tr>
<td>Ninth Circuit</td>
<td><strong>Prevailing Party:</strong> malicious, fraudulent, deliberate, or willful conduct</td>
<td><em>Earthquake Sound Corp. v. Bumper Indus.</em>, 352 F.3d 1210, 1216 (9th Cir. 2003)</td>
</tr>
<tr>
<td>Circuit</td>
<td>Pre-Octane Fitness Standard for Fee Awards</td>
<td>Exemplary Case</td>
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<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Tenth Circuit</td>
<td><strong>Prevailing Plaintiff:</strong> bad faith and (1) lack of any foundation, (2) the plaintiff's bad faith in bringing the suit, (3) the unusually vexatious and oppressive manner in which it is prosecuted, or (4) other reasons as well</td>
<td><em>King v. PA Consulting Grp., Inc.</em>, 485 F.3d 577 (10th Cir. 2007)</td>
</tr>
<tr>
<td></td>
<td><strong>Prevailing Defendant:</strong> “something less than bad faith”</td>
<td><em>National Ass’n of Professional Baseball Leagues, Inc. v. Very Minor Leagues, Inc.</em>, 223 F.3d 1143 (10th Cir. 2000)</td>
</tr>
<tr>
<td>Eleventh Circuit</td>
<td><strong>Prevailing Party:</strong> “fraud or bad faith”</td>
<td><em>Lipscher v. LRP Publications, Inc.</em>, 266 F.3d 1305 (11th Cir. 2001)</td>
</tr>
<tr>
<td>D.C. Circuit</td>
<td><strong>Prevailing Party:</strong> “uncommon, not run-of-the-mill”</td>
<td><em>Noxell Corp. v. Firehouse No. 1 Bar-B-Que Restaurant</em>, 771 F.2d 521 (D.C. Cir. 1985)</td>
</tr>
<tr>
<td>Federal Circuit</td>
<td><strong>Follows the law of the regional circuit</strong></td>
<td><em>Waymark Corp. v. Porta Systems Corp.</em>, 334 F.3d 1358 (Fed. Cir. 2003)</td>
</tr>
</tbody>
</table>

As indicated above, the articulation of the standard varied considerably among the circuits. None precisely matched the Federal Circuit’s standard set forth in *Brooks Furniture* for an award of fees in patent cases, but some circuits, including the Second, Third, and Eleventh circuits, required a finding of bad faith before fees could be awarded. The tests used in these circuits were more akin to the heightened standard required in patent cases. On the other hand, other circuits, like the Eighth, Tenth,
and D.C. circuits, did not require bad faith, meaning the threshold for fees was lower in those circuits.

Post-\textit{Octane Fitness}, there are compelling reasons why the prior articulations of the Lanham Act fee standard listed above should be reconsidered, and why the Supreme Court’s definition of “exceptional case” should apply equally to trademark cases under the Lanham Act.

First, in defining an exceptional patent case, the Supreme Court looked to the ordinary meaning of “exceptional,” and not to some special meaning derived from the Patent Act or patent policy. This suggests that the analysis has application outside of the Patent Act, and, of course, the ordinary meaning of “exceptional” is the same whether appearing in the Patent Act or the Lanham Act.

Second, the Supreme Court supported its definition of “exceptional case” with reference to a trademark case from the Court of Appeals for the District of Columbia Circuit: \textit{Noxell Corp. v. Firehouse No. 1 Bar-B-Que Restaurant}.\footnote{771 F.2d 521, 526 (D.C. Cir. 1985).} \textit{Noxell}, written by then-Circuit Judge Ginsburg and joined by then-Circuit Judge Scalia, awarded fees to a trademark defendant based on litigation-related conduct that included the plaintiff’s bringing suit in an inconvenient venue in combination with “more than a hint of ‘economic coercion.”’\footnote{Id. at 526-27.} In doing so, the \textit{Noxell} court interpreted the term “exceptional” in the Lanham Act to mean “uncommon” or “not run-of-the-mill.”\footnote{Id.} By using a Lanham Act case as a basis for its Patent Act analysis, the Supreme Court in \textit{Octane Fitness} signaled a strong endorsement of the same test for Lanham Act fee awards.

Third, and perhaps most important, the attorneys’ fees language in both statutes is identical, and deliberately so, as Congress expressly copied the language from the Patent Act when writing the relevant provision in the Lanham Act.\footnote{See S. Rep. No. 93–1400, at 2 (1974), reprinted in 1974 U.S.C.C.A.N. 7132, 7133.} In light of these considerations, the rationale for applying the \textit{Octane Fitness} definition of exceptional case to the Lanham Act is strong, even though \textit{Octane Fitness} itself was a patent case and only expressly dealt with the fee-shifting provision of the Patent Act.

\textbf{IV. IS OCTANE FITNESS’S DEFINITION OF “EXCEPTIONAL CASE” BEING APPLIED TO THE LANHAM ACT?}

The short answer is yes. Less than five months after \textit{Octane Fitness}, the Third Circuit in \textit{Fair Wind Sailing, Inc. v. Dempster}\footnote{Fair Wind Sailing, Inc. v. Dempster, 764 F.3d 303 (3d Cir. 2014).}
was the first circuit to apply the new *Octane Fitness* definition of exceptional case in a trademark dispute. The Third Circuit held that *Octane Fitness* “controls our interpretation of §35(a) of the Lanham Act,” identifying three reasons for its decision: (1) “[n]ot only is §285 identical to §35(a), but Congress referenced §285 in passing §35(a)”;}^{19} (2) it has previously looked to the patent statute for guidance in interpreting §35(a);{ }^{20} and (3) the Supreme Court looked to a trademark case, *Noxell*, in reaching its definition of “exceptional case.”{ }^{21} The Third Circuit said:

We believe that the Court was sending a clear message that it was defining “exceptional” not just for the fee provision in the Patent Act, but for the fee provision in the Lanham Act as well.

Since *Fair Wind Sailing*, the Fourth, { }^{22} Fifth, { }^{23} and Ninth Circuits{ }^{24} have also held that *Octane Fitness* applies to Lanham Act cases. The Sixth Circuit has indicated that *Octane Fitness may* apply to trademark cases, and remanded the case for the district court to determine whether it does. The Second Circuit{ }^{25} declined to decide whether *Octane Fitness* applies to trademark cases. The issue has not yet arisen before the First, Seventh, Eighth, Federal, and D.C. Circuits. The D.C. Circuit will likely adopt *Octane Fitness* because it was based in part upon the circuit’s own *Noxell* decision. The Federal Circuit applies the law of the local circuit where the case originated to issues relating to the Lanham Act.

The below chart shows the current state of the law in each circuit as of November 30, 2016, and relevant cases are discussed thereafter:

<table>
<thead>
<tr>
<th>Circuit</th>
<th>Status of Whether <em>Octane Fitness</em> Standard Is Applied in Trademark Cases</th>
<th>Leading Case</th>
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</thead>
<tbody>
<tr>
<td>First</td>
<td>No decision</td>
<td>N/A</td>
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</tbody>
</table>

19. 764 F.3d 303, 315.
21. *Id.*
<table>
<thead>
<tr>
<th>Circuit</th>
<th>Status of Whether Octane Fitness Standard Is Applied in Trademark Cases</th>
<th>Leading Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second</td>
<td>Reserved judgment on whether Octane Fitness applies to § 1117(a)</td>
<td>Penshurst Trading Inc. v. Zodax LP, --- Fed. App’x ----, 2016 WL3249857 (2d Cir. 2016)</td>
</tr>
<tr>
<td>Third</td>
<td>Octane Fitness applies to § 1117(a)</td>
<td>Fair Wind Sailing, Inc. v. Dempster, 764 F. 3d 303 (3d Cir. 2014)</td>
</tr>
<tr>
<td>Fourth</td>
<td>Octane Fitness applies to § 1117(a)</td>
<td>Georgia-Pacific Consumer Prods. LP v. von Drehle Corp., 781 F.3d 710, 719 (4th Cir. 2015)</td>
</tr>
<tr>
<td>Fifth</td>
<td>Octane Fitness applies to § 1117(a)</td>
<td>Baker v. DeShong, 821 F.3d 620 (5th Cir. 2016)</td>
</tr>
<tr>
<td>Sixth</td>
<td>Octane Fitness may apply to § 1117(a), remanded for district court to determine applicability of Octane Fitness</td>
<td>Slep-tone Entertainment Corp., v. Karaoke Kandy Store, Inc., 782 F.3d 313 [114 U.S.P.Q.2d 1398] (6th Cir. 2015)</td>
</tr>
<tr>
<td>Seventh</td>
<td>No decision</td>
<td>N/A</td>
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<tr>
<td>Eighth</td>
<td>No decision</td>
<td>N/A</td>
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<tr>
<td>Circuit</td>
<td>Status of Whether <em>Octane Fitness</em> Standard Is Applied in Trademark Cases</td>
<td>Leading Case</td>
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<tr>
<td>Tenth</td>
<td>No decision</td>
<td>N/A</td>
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<tr>
<td>Eleventh</td>
<td>No decision</td>
<td>N/A</td>
</tr>
<tr>
<td>D.C.</td>
<td>No decision, although <em>Octane Fitness</em> relied upon the D.C. Circuit’s interpretation of 15 U.S.C. § 1117(a), suggesting that the existing D.C. Circuit standard is the same as the <em>Octane Fitness</em> standard</td>
<td><em>Noxell Corp. v. Firehouse No. 1 Bar-B-Que Restaurant</em>, 771 F.2d 521, 526 (D.C. Cir. 1985).</td>
</tr>
</tbody>
</table>

**A. The First Circuit**

Neither the First Circuit Court of Appeals nor any district court within the First Circuit has addressed the application of *Octane Fitness* to the Lanham Act.
B. The Second Circuit

The Second Circuit has not decided whether Octane Fitness applies to trademark cases. In Penshurst Trading Inc. v. Zodax LP, the Second Circuit affirmed the denial of attorneys’ fees under § 1117(a) to the defendant after the voluntary dismissal of claims by the plaintiff. After noting its preexisting rule that a case is exceptional only where it involves fraud, bad faith, or willfulness, and the intervening Octane Fitness decision by the Supreme Court, the Second Circuit declined to decide whether Octane Fitness applied to trademark cases in the Second Circuit:

We have not yet decided whether this rule applies in the context of the Lanham Act, but we need not do so here. Even assuming, without deciding, that Octane Fitness applies, we nonetheless affirm the district court’s denial of attorney’s fees.

The Second Circuit pointed to evidence in the record suggesting that the plaintiff’s trademark claims were “something more than frivolous or a mere ‘shakedown,’” and held that the district court did not abuse its discretion in finding that the claims were not exceptional.

In the first lower court trademark case in the Second Circuit to address Octane Fitness, Microban Products Co. v. API Industries, Inc., Judge Failla in the Southern District of New York awarded attorneys’ fees to the prevailing plaintiff, applying the Second Circuit’s definition of “exceptional,” which required a finding of willfulness, fraud, or bad faith. The court noted the Octane Fitness decision in a footnote, finding that the analysis, “while not specifically applicable to Lanham Act cases, dovetails noticeably with the Second Circuit cases discussed in the text.”

In awarding fees, the court noted that the defendant’s claims in the litigation “bordered on the specious, and evidence little more than an effort to delay its day of reckoning,” and that the defendant had presented “untenable business and litigation positions ... before and during this lawsuit.”

A few months later in Romag Fasteners, Inc. v. Fossil, Inc., Judge Arterton of the District of Connecticut awarded fees to the plaintiff on the patent claim under Octane Fitness, but denied fees for the trademark portion of the case under pre-existing Second

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27. Id. at *1.
29. Id. at *23, n.28.
30. Id. at *24.
31. 2014 WL 4073204 (D. Conn. 2014). (This case was affirmed on the merits on appeal, without appeal of the fee decision. See Romag Fasteners, Inc. v. Fossil, Inc., 817 F.3d 782, 791 (Fed. Cir. 2016) and a certiorari petition is pending on other grounds).
Circuit precedent, finding a lack of the required “willfulness, fraud, or bad faith.” The court rejected the plaintiff’s argument that it should apply Octane Fitness to the trademark claims, noting that “the Supreme Court was interpreting only the Patent Act and not the Lanham Act.” Thus, the court concluded that “the Second Circuit cases interpreting the fee provision of the Lanham Act remain good law and represent binding precedent on this Court.”

Notably, while the case was found to be exceptional under “the more lenient Patent Act standard announced in Octane Fitness,” because the defendants did not act fraudulently or in bad faith with respect to trademark infringement, the case was not found to be exceptional within the meaning of the Lanham Act.

In Beastie Boys v. Monster Energy Co., Judge Engelmayer of the Southern District of New York noted the Second Circuit definition of “exceptional cases” under the Lanham Act as involving fraud, bad faith, or willfulness, and then discussed Octane Fitness. The court also noted two prior cases where the trademark infringement had been found to be willful but fees were not awarded because the plaintiff had not prevailed on all issues, the litigation presented a number of close and contested issues, and the outcome was by no means a foregone conclusion. Without explaining which standard it was applying, the court concluded that “notwithstanding the jury’s findings of intentional deception and bad faith, a fee award under the Lanham Act is not merited here.” Fees were awarded to the plaintiffs under the Copyright Act with the court finding that the defendant’s pretrial denial of copyright liability was unreasonable. However, the court did not perceive any unreasonableness to the defendant’s arguments or litigation positions as to the Lanham Act claim of false endorsement, noting that the defendant made “responsible” arguments opposing that claim, and the jury’s verdict for the plaintiff on the false endorsement claim was “no foregone conclusion.”

In Cross Commerce Media, Inc. v. Collective, Inc., Judge Forrest of the Southern District of New York awarded attorneys’ fees to a prevailing declaratory judgment plaintiff, referencing

32. Id. at *5.
33. Id.
34. Id.
37. Id.
both the pre-existing Second Circuit standard requiring willfulness, bad faith, or fraud, as well as the “lower” standard announced by the Supreme Court in *Octane Fitness*, but refusing to pick between the two, finding:

[T]his was an exceptional case within the standard articulated in this district, as well as within the more lenient standard set forth by the Supreme Court in Octane, to the extent it is applicable.

(emphasis added).

In *River Light V, L.P. v. Lin & J International, Inc.*, Judge Cote of the Southern District of New York awarded attorneys’ fees to the prevailing plaintiff under § 1117(a) (as well as under 15 U.S.C. § 1116(b)). The court found a definition of “exceptional” in the Second Circuit lacking but found “guidance” in the Supreme Court’s construction of the identically worded statute in *Octane Fitness*, concluding that “[b]y these or indeed any measures this case is exceptional.” The case involved a defendant selling knock-off TORY BURCH products who also filed spurious counterclaims and engaged in fraud and spoliation by fabricating and altering documents, as well as repeated instances of perjury and other dishonest conduct.

In *Innovation Ventures, LLC v. Ultimate One Distributing Corp.*, Judge Matsumoto of the Eastern District of New York awarded attorneys’ fees to the prevailing plaintiff in a case involving sales of counterfeit 5 HOUR ENERGY products. In doing so, the court discussed both Second Circuit precedent and *Octane Fitness*. Without specifically applying either standard, the court awarded attorneys’ fees against those defendants who were found to be willful infringers.

After some initial disagreement as to the applicable standard in the absence of guidance from their court of appeals, lower courts in the Second Circuit now appear to be adopting *Octane Fitness*. Most recently in *Fresh Del Monte Produce, Inc. v. del Monte Foods, Inc.* and *VIDIVIXI, LLC v. Grattan*, two judges in the Southern District of New York applied *Octane Fitness* to awards of attorneys’ fees under the Lanham Act. In *Fresh Del Monte*, Judge Oetken found that *Octane Fitness* “provides the governing standard” on a motion for fees pursuant to the Lanham Act. In *Vidivixi*, Judge Koeltl stated, “[u]nder the *Octane* standard, considering the

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totality of circumstances, this case is ‘exceptional’ and warrants the award of attorneys’ fees.”

C. The Third Circuit

The Third Circuit was the first circuit to expressly hold that Octane Fitness applies to awards of fees in trademark cases in Fair Wind Sailing, Inc. v. Dempster. Since Fair Wind Sailing, five district courts in the Third Circuit have applied Octane Fitness to the award of fees under § 1117(a). Renna v. County of Union was an action for declaratory judgment of non-infringement with respect to the plaintiff’s use of the Seal of the County of Union in New Jersey in connection with the plaintiff’s public access television show critical of county officials. The plaintiff prevailed, and, in awarding attorneys’ fees to the plaintiff, Judge McNulty of the District of New Jersey relied upon Fair Wind’s reference to “an unusual discrepancy in the merits of the positions taken by the parties.” The court noted that a party’s position need not be “wholly meritless or frivolous,” and said that “a case that is of exceptionally little merit may expose a party to an award of attorney’s fees.” The county had argued that its mark (the county seal) was registrable, a position deemed by the court to be “plainly incorrect.” The county also argued that the seal could nevertheless be protectable as an unregistered mark, and, while the court ruled otherwise, the court also noted that this later argument “at least had a tinge of plausibility.” However, the court held that a party cannot avoid attorneys’ fees merely because its argument has “a sliver of merit.”

In Ateliers de la Haute v. Broetje Automation, a combined patent and trade dress case, the patentee prevailed at jury trial, but the court found no support for the jury’s verdict of willfulness and denied fees under both the Patent Act and the Lanham Act because there was no willfulness or malicious infringement. The court noted that the defendant’s claim construction positions and invalidity defenses were not unfounded and any improper conduct

47. 2015 WL 1815498 at *1.
48. Id. at *3.
49. Id. at *3.
50. Id.
51. Id.
52. 85 F. Supp. 3d 768 (D. Del. 2015).
at trial (relating to violating a court order before the jury, using a
translator excessively in a witness cross-examination, and
resisting discovery of a redesigned cassette) was dealt with by
various orders and sanctions at trial.

In *U.S. Soo Bahk Do Moo Duk Kwan Federation, Inc. v. International Tang Soo Do Moo duk Kwan Association*, the court
ruled in favor of the plaintiff but denied attorneys’ fees because
“there was at least a colorable basis in law for each of Defendants’
counterclaims” for cancellation of the marks. The court added that
it “[did] not see fit to penalize Defendants for trying to make the
strongest arguments they could with the facts and law available to
them,” and noted that there was no assertion that the defendant
litigated in an unreasonable manner.

In *Covertech Fabricating, Inc. v. TVM Building Products*, the
court found intentional use of a counterfeit mark and awarded
treble damages to the plaintiff, finding the case exceptional: “[T]he
manner in which [the defendant] benefitted from the reputation of
[the plaintiff’s] marks in the marketplace in order to promote its
own mark makes this case stand out from others.”

In *G6 Hospitality Franchising v. Hi Hotel Group*, a former
Motel 6 franchisee continued to use the trademark without
permission and then transferred property in a sham transaction to
operators that continued to use the mark. This conduct only lasted
for three months, but protracted litigation ensued “largely owing to
Defendants’ conduct” in, for example, repeatedly changing defense
counsel and securing continuances of trial at the last minute. The
jury found willful infringement. In turn, the judge found the case
to be exceptional based on the totality of the circumstances,
including the willful infringement finding and the defendants’
litigation conduct, and awarded attorneys’ fees.

**D. The Fourth Circuit**

Following the reasoning of the Third Circuit in *Fair Wind Sailing*, the Fourth Circuit adopted *Octane Fitness* as the standard
for “exceptional” cases under the Lanham Act in *Georgia-Pacific
Consumer Products, LP v. von Drehle Corp.* The Fourth Circuit
vacated an award of $2,225,782.35 in attorneys’ fees under the pre-
*Octane Fitness* Fourth Circuit standard requiring “malicious,
fraudulent, willful or deliberate conduct,” and remanded the case
to the lower court to apply the *Octane Fitness* standard. Noting

55. *Id.* at *3.
57. 781 F.3d 710, 720 (4th Cir. 2015).
that that language of 35 U.S.C. § 285 and 15 U.S.C. § 1117(a) is identical, the Fourth Circuit concluded that “there is no reason not to apply the Octane Fitness standard when considering the award of attorney’s fees under § 1117(a).”

Prior to Georgia-Pacific, the district court in Teal Bay Alliances, LLC v. Southbound One, Inc. correctly predicted that the Fourth Circuit would adopt Octane Fitness, and utilized Octane Fitness’s definition of “exceptional case.” The court, considering “the totality of the circumstances,” found that the case was “exceptional” as that term is used in 15 U.S.C. § 1117(a). Also before Georgia-Pacific, the district court in Monster Daddy v. Monster Cable Products, Inc. denied the prevailing defendant’s motion for attorneys’ fees “even applying the more flexible standard set forth in Octane.”

After Georgia-Pacific, the district court in First Data Merchant Services Corp. v. SecurityMetrics, Inc. applied an Octane Fitness-based analysis to determine that the case was not exceptional. The court in First Mariner Bank v. The Resolution Law Group, P.C. also followed Georgia-Pacific and applied the “lowered burden for proving that a case was exceptional” from Octane Fitness to award $318,597.50 in attorneys’ fees. The court in Gravelle v. Kaba Ilco Corp. similarly followed Georgia-Pacific and applied an Octane Fitness-based standard in granting the prevailing defendant’s motion for attorneys’ fees.

In Reynolds Consumer Products, Inc. v. Handi-Foil Corp., Judge O’Grady of the Eastern District of Virginia, without comment, applied the Supreme Court’s recent “clarification” of what constitutes an exceptional case but rejected the prevailing plaintiff’s request for attorneys’ fees. Judge O’Grady did not explain why the case, under the clarified standard, was not exceptional, but the case involved a mixed jury verdict, partially in favor of the plaintiff and partially in favor of the defendant.

Most recently, in Design Resources v. Inc. v. Leather Industries of America, Judge Osteen of the Middle District of North Carolina applied Octane Fitness in a trademark case and found the case exceptional, warranting a fee award. In a lengthy analysis the court noted that while the claims were not unreasonable at the start of the litigation, a plaintiff has a continuing obligation to

58. Id. at 721.
assess the strength of its claims, and when discovery did not bear out certain facts, the plaintiff's continued assertion moved “more into the realm of the exceptional.” The court also separately analyzed arguments relating to “economic coercion, compensation and deterrence” and concluded that “the importance of deterring litigants from pursuing their claims even when the claim has fallen apart following discovery due to a lack of supporting evidence” “reinforce[d]” the decision to award fees.

E. The Fifth Circuit

The Fifth Circuit applied Octane Fitness to trademark cases in Baker v. DeShong, finding that although Octane Fitness “directly concerns the scope of a district court’s discretion to award fees for an ‘exceptional’ case under § 285 of the Patent Act, the case guides our interpretation of § 1117(a) of the Lanham Act.” The Baker court reasoned that “[b]ecause § 285 and § 1117(a) are clear ‘statutory equivalents,’ we read their nearly identical language to reflect the fact that the Court ‘think[s] it clear that Congress intended the same language to have the same meaning in both statutes’.”67 The Fifth Circuit, thus, “merge[d]” the Octane Fitness definition of “exceptional case” into its trademark fee statute jurisprudence, and remanded the case for the district court to determine whether the case was exceptional under Octane’s definition of an “exceptional case.”

Prior to Baker, two district court cases in the Fifth Circuit also analyzed Octane Fitness. Rolex Watch U.S.A., Inc. v. Zolotukhin was a trademark counterfeiting case in which the court found Octane Fitness “controls the court’s analysis” and awarded attorneys’ fees under 15 U.S.C. §§ 1117(a) and (b). TWTB, Inc. v. Rampick was a complex trademark and licensing case in which the prevailing plaintiff requested attorneys’ fees, citing Octane Fitness. The court, applying the prior Fifth Circuit definition of an “exceptional” case as “malicious, fraudulent, deliberate or willful” infringement, denied an award of attorneys’ fees.

Since Baker, two district courts from within the Fifth Circuit—both from the Southern District of Texas—have applied Octane Fitness in a trademark case and both awarded fees. In the first case, the court noted the application of Octane Fitness, but went on to restate the pre-Octane Fitness standard of “malicious, fraudulent, deliberate or willful” and the pre-Octane Fitness clear

66. 821 F.3d 620, 622 (5th Cir. 2016) (“We adopt the Supreme Court’s construction of “exceptional” according to its ordinary meaning”).
and convincing standard of proof. Yet even with this mixed articulation of the law, the court awarded fees, finding that the case was exceptional by virtue of the defendants’ default and continued infringement despite three separate cease and desist letters. In the second case, the court correctly noted the standard and burden of proof from Octane Fitness, and concluded that “[t]he substantive weakness of the Plaintiff’s trade dress claim causes this case to stand out from other trade dress cases.”

**F. The Sixth Circuit**

Shortly after Octane Fitness, the Sixth Circuit considered fees in a combined patent and trademark case, Premium Balloon Accessories, Inc. v. Creative Balloons Manufacturing, Inc. The court cited Octane Fitness to assess the request for fees under the Patent Act, but maintained the pre-Octane Fitness Sixth Circuit Eagles test to assess the request for fees under the Lanham Act without comment or analysis. Subsequently, a district court from the Southern District of Ohio noted that Octane Fitness “bears at least some relevance” to the prior test but cited Premium Balloons in concluding that Eagles is still the test in the Sixth Circuit.

In a more recent trademark case, the Sixth Circuit noted Octane Fitness and stated that “statutes using the same language should generally be interpreted consistently,” then remanded the case, stating the district court “should … assess the applicability of Octane Fitness before determining whether it is necessary to reassess if this case qualifies an extraordinary under §1117(a).” After that case, at least one district court case from within the Sixth Circuit has considered the issue, noting the Sixth Circuit’s statements about the identical statutory language. However, in that case from the Western District of Kentucky, the judge found that it was unnecessary to decide whether Octane Fitness applied to Lanham Act cases, as “even under the lower Octane Fitness standard, [the plaintiff] has not shown that this is an exceptional case sufficient to support a discretionary award of attorney fees.”

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72. 573 F. App’x 547 (6th Cir. 2014).


**G. The Seventh Circuit**

The Seventh Circuit has yet to decide whether *Octane Fitness* applies to the award of attorneys’ fees under the Lanham Act. However, one district court within the Seventh Circuit recognized *Octane Fitness* as having elaborated on the definition of “exceptional case” in awarding attorneys’ fees in intellectual property cases and purported to apply *Octane Fitness* in analyzing fees in trademark dispute. The court then denied fees finding the defenses were not “frivolous” and there was no “bad faith.”\(^{76}\) Thus, while the court indicated it was applying *Octane Fitness*, it did not use *Octane Fitness*’s definition of “exceptional”—which does not require evidence of “frivolous” or “bad faith” conduct—in denying fees.

**H. The Eighth Circuit**

The Eighth Circuit has yet to decide whether *Octane Fitness* applies to the award of attorneys’ fees under the Lanham Act. However, one district court within the Eighth Circuit at least discussed the issue. In *Mountain Marketing Group, LLC v. Heimerl & Lammers LLC*,\(^ {77}\) the court noted the Eighth Circuit standard for exceptionality under the Lanham Act was whether the plaintiff’s case is “groundless, unreasonable, vexatious, or pursued in bad faith.”\(^ {78}\) Put another way, an exceptional case “is one in which one party’s behavior went beyond the pale of acceptable conduct.”\(^ {79}\) The court acknowledged the *Octane Fitness* decision and its adoption in trademark cases by several other circuits but ultimately concluded that it need not resolve whether *Octane Fitness* applies to trademark cases in the Eighth Circuit because “the standard is substantively similar to the one currently applied by the Eight Circuit.”\(^ {80}\) The court concluded that the case before it—a jury verdict for the defendant—was not exceptional under either standard. In reaching this determination, the court noted that there was no evidence that the plaintiff brought its claims in bad faith, and the plaintiff’s claims had survived a summary judgment motion, meaning that while the plaintiff misjudged the strength of its claims, the case was not exceptional warranting fees.

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76. 2014 WL 6613342.
78. *Id.* at *2*, citing Scott Fetzer Co. v. Williamson, 101 F.3d 549, 555 (8th Cir. 1996).
80. *Id.* at *3*.
I. The Ninth Circuit

In SunEarth, Inc. v. Sun Earth Solar Power Co., Ltd., the Ninth Circuit Court of Appeals issued an en banc opinion joining the majority of its sister circuits and adopting the “exceptional” case standard set forth in Octane Fitness and specifically overruling its precedent that a prevailing plaintiff must show that a defendant’s infringement was “malicious, fraudulent, deliberate, or willful” to establish entitlement to attorneys’ fees under the Lanham Act.81 The court also adopted the preponderance of evidence burden of proof established by Highmark Inc. v. Allcare Health Management Systems, Inc.82

This was the first Ninth Circuit decision to directly address the issue. Prior to SunEarth, the Ninth Circuit declined to explicitly adopt or reject the Octane Fitness standard, instead determining that the district courts had not erred in finding the cases unexceptional under either the Ninth Circuit standard or Octane Fitness.83 As a result of the Ninth Circuit’s ambiguity on the issue prior to SunEarth, most district courts applied both the Ninth Circuit and Octane Fitness standards in their fee determinations. For example, in Apple, Inc. v. Samsung Electronics Co., Ltd.,84 the court set forth the Octane Fitness standard, indicating this was the appropriate standard, and then noted that “Ninth Circuit law surrounding the meaning of ‘exceptional’ in the Lanham Act also provides further authority.”85 The court explained that because Octane Fitness overturned the “overly rigid formulation” of the Federal Circuit’s “exceptional case” Patent Act standard as expressed in Brooks Furniture, “the Ninth Circuit’s more flexible formulation of determining what constitutes an ‘exceptional case’ in Lanham Act cases still applies after Octane Fitness.”86

81. No. 13-17622, 15-16096, 2016 WL 6156039 (9th Cir. Oct. 24, 2016) (en banc). Before the en banc decision, the Ninth Circuit panel in the SunEarth case rejected the appellant’s argument that the district court erred in not applying Octane Fitness, holding that the panel was “bound by a post-Octane Fitness panel’s decision applying our definition of exceptional.” SunEarth, Inc. v. Sun Earth Solar Power Co., Ltd., 2016 WL 2993958, 650 Fed. App’x 473, 475 (May 24, 2016), citing Fifty-Six Hope Road Music, Ltd. v. A.V.E.L.A., Inc., 778 F.3d 1059 (9th Cir. 2015) (applying Ninth Circuit precedent without addressing Octane Fitness’ applicability to § 1117).
82. Id. at *2, citing Highmark, 134 S. Ct. 1744, 1748-49 (2014).
85. Id. at *6.
J. The Tenth Circuit

The Tenth Circuit has not yet addressed the application of Octane Fitness to the Lanham Act. However, two district courts within the Tenth Circuit have addressed the issue, both holding that the standard pronounced in Octane Fitness applies to trademark cases.

First, in Orbit Irrigation Products, Inc. v. Sunhills International, LLC,87 the Utah district court entered terminating sanctions and subsequently entered default judgment against one defendant. Relying on the Fourth Circuit’s opinion in Georgia-Pacific Consumer Products LP v. von Drehle Corp.,88 and the Third Circuit’s opinion in Fair Wind Sailing, Inc. v. Dempster,89 the court analyzed the plaintiff’s motion for attorneys’ fees under Octane Fitness, and held that the defendant’s litigation misconduct warranted a fee award.90 In awarding fees, the court rejected the defendant’s argument that sanctionable conduct is not the appropriate benchmark for awarding fees under Octane Fitness, because “the [Octane Fitness] Court expanded, rather than restricted, the ability of courts to award attorney’s fees, even in cases where the parties engaged in conduct that was not independently sanctionable.”91

The second case, Marten Transport Ltd. v. Plattform Advertising, Inc.,92 provided a more detailed analysis of its reasons for applying Octane Fitness to § 1117 of the Lanham Act. Noting that the Tenth Circuit had not yet analyzed its “exceptional” case standard under the Lanham Act in light of Octane Fitness, the court analyzed the Third Circuit’s reasoning in Fair Wind for adopting the Octane Fitness standard.93 The court also cited the Fourth and Fifth Circuits’ explicit adoption of Octane Fitness, and the Sixth and Ninth Circuits’ indication that Octane Fitness may apply to Lanham Act cases, concluding that “[n]o federal appellate court to have considered the question has failed to apply the Octane Fitness standard to the Lanham Act’s fee provision.”94

88. 781 F.3d 710, 720-21 (4th Cir. 2015).
89. 764 F.3d 303, 314-315 (3d Cir. 2014).
90. Case No. 1:10-CV-113 TS, 2015 WL 7740405 at *3 n.7 (D. Utah Nov. 30, 2015).
91. Id. at *3.
93. Id. at *20 (referring to the identical language of the statutes, Congress’s reference to 35 U.S.C. § 285 in amending the Lanham Act to allow for fee awards, and the Supreme Court’s reliance in Octane Fitness on Noxell Corp. v. Firehouse No. 1 Bar-B-Que Rest., 771 F.2d 521 (D.C. Cir. 1985)).
94. Id.
Thus, the court was “confident ... that when that opportunity arises, the Tenth Circuit will join its sibling circuits and adopt the Supreme Court’s standard from Octane Fitness for use in applying the Lanham Act’s attorney fee provision.” Applying Octane Fitness, the court ultimately denied fees to the plaintiff because the defendant’s positions on the merits were not so weak as to make the case uncommon (the defendant prevailed on summary judgment on some issues and the jury awarded the plaintiff damages in an amount far less than sought), and the defendant did not litigate the case in an unusual manner.

K. The Eleventh Circuit

Although the Eleventh Circuit has not yet addressed the issue of whether the Octane Fitness definition of “exceptional case” applies to the Lanham Act, almost all district courts within the Eleventh Circuit addressing the issue have held Octane Fitness applies to the Lanham Act’s fee provision. The one notable exception is the recent case of Herstal S.A. v. Clyde Armory, Inc., in which Judge Royal of the Middle District of Georgia reasoned that “[t]hough other circuits, as well as district courts within this Circuit, adopted the Octane Fitness standard in trademark cases, neither the Supreme Court nor the Eleventh Circuit has addressed whether Octane Fitness applies to the Lanham Act. Thus, the Court is bound by the Eleventh Circuit’s standard for exceptional cases.”

The first district court within the Eleventh Circuit to consider the issue determined that, based on the identical language of the Patent Act fee-shifting statute, the ordinary meaning of “exceptional,” and the Supreme Court’s reliance on Noxell, “the Octane analysis [is] applicable in interpreting the identical provision at issue here,” and the Eleventh Circuit’s standard “appears to be modified by Octane.” However, when it came to application of the standard, the magistrate judge, in a report adopted by the district court in the Middle District of Florida, determined that fees should be denied under both the pre-Octane Fitness Eleventh Circuit and the Octane Fitness standards. In doing so, the court rejected the plaintiff’s argument that the Octane Fitness standard makes it “easier” to recover attorneys’

95. Id.
96. Id. at 21.
Rather, exercising its discretion, the court declined to award fees where the court had entered default judgment against the defendant in a “routine” trademark infringement case; the defendant did not litigate the case in an unreasonable manner because it “did not litigate the case at all.” The court reasoned “[a]ssuming that a Defendant had no legitimate defense to offer, confessing judgment by default is far more appropriate than filing a baseless answer and litigating the suit in bad faith.”

At least one case in the Middle District of Florida implicitly rejected the reasoning of Cuhadar as it relates to default judgment and the award of fees under Octane Fitness. In High Tech Pet Products, Inc. v. Shenzhen Jianfeng Electronic Pet Product Co., Judge Conway found that although the case terminated upon default judgment, it was clear from the complaint that there was a “significant disparity” in the parties’ litigating positions and this was enough to award fees under Octane Fitness.

An additional district court decision in the Middle District of Florida addressed a Magistrate’s Report and Recommendation denying fees using the Eleventh Circuit’s old standard, and determined that the Octane Fitness standard should be applied instead, but that fees should still be denied. After determining the Eleventh Circuit’s standard under § 1117 “is no longer good law” in light of Octane Fitness, the court went on to find that while the totality of the evidence supporting the validity of the plaintiff’s marks was weak, “[p]laintiffs’ overall case was at least colorable.” Moreover, while the plaintiffs and their counsel’s conduct during the litigation “left much to be desired” (they were previously sanctioned for particular discovery violations), there was no evidence their delays prejudiced defendant, and the manner of litigation was not unreasonable.

Other district courts within the Eleventh Circuit have awarded attorneys’ fees using the Octane Fitness standard. In Donut Joe’s, Inc. v. Interveston Food Services, LLC, after noting that no Circuit Courts of Appeals had held that Octane Fitness does not govern the interpretation of “exceptional case” under the Lanham Act, Judge Hopkins in the Northern District of Alabama awarded fees using the Octane Fitness standard, stating “[w]e

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99. Id. at *3.
100. Id. at *5.
101. Id.
104. Id. at *3.
105. Id.
believe that the [Supreme] Court was sending a clear message that it was defining 'exceptional' not just for the fee provision in the Patent Act, but for the fee provision in the Lanham Act as well.”  

The plaintiff relied solely on the Eleventh Circuit’s pre-

Octane Fitness standard to argue its case was not “malicious, fraudulent, deliberate or willful, and that no evidence of fraud or bad faith existed.” However, the court noted that this standard does not relate to the first factor of Octane Fitness—the strength of the party’s litigating positions. The plaintiff’s litigation position was found to be exceptionally weak because the plaintiff failed to raise questions of material fact on each of the first two elements of a trademark infringement action—the possession of a protectable mark and a likelihood of consumer confusion.  

L. The D.C. Circuit

As noted, in developing the Octane Fitness standard, the Supreme Court relied upon the D.C. Circuit’s 1985 decision Noxell Corp. v. Firehouse No. 1 Bar-B-Que Restaurant, interpreting “exceptional” in the Lanham Act to mean “uncommon” or “not run-of-the-mill.” Presumably, the Supreme Court’s implicit endorsement of this construction means that the D.C. Circuit will continue to refer to Noxell.

There has been one district court case in the D.C. Circuit on attorneys’ fees in Lanham cases since Octane Fitness. In Green v. Brown, the court did not reach the question of whether the case represents exceptional circumstances, finding an award of attorneys’ fees appropriate under the Lanham Act in view of the defendant’s default on the plaintiff’s counterfeiting claim.

M. The Federal Circuit

The Federal Circuit has not had a case involving the award of attorneys’ fees under the Lanham Act since Octane Fitness. Previously, in Waymark Corp. v. Porta Systems Corp., the

107. Id. at 1293.
108. Id. at 1293-94. See also Tobinick v. Novella, Case No. 9:14-cv-80781, 2016 WL 4704945 (S.D. Fla. Sept. 8, 2016) (fees awarded where plaintiff on notice that speech at issue was not commercial speech after one defendant prevailed on summary judgment, but plaintiff nevertheless continued to pursue the same theory against the other defendant); CarMax Auto Superstores, Inc. v. StarMax Finance, Inc., Case No. 6:15-cv-898-Orl-37TBS, 2016 WL 3406425 (M.D. Fla. June 21, 2016) (side-by-side comparison of marks revealed strength of plaintiff’s position, court could not conceive of any “non-meritless defense” available to defendant, and defendant’s indifference to plaintiff’s two years of extra-judicial efforts to resolve the issue, made the case “exceptional”).
Federal Circuit found that the award of attorneys’ fees under § 1117(a) was not “intimately related to patent law,” and thus it applied the law of the appropriate regional circuit. In that case, after stating the standards for “exceptional case” under Federal Circuit’s pre-\textit{Octane Fitness} interpretation of the Patent Act and the Eleventh Circuit’s pre-\textit{Octane Fitness} standard that a court should only award attorney fees in cases characterized as malicious, fraudulent, deliberate, and willful, the district court’s award of fees was reversed as a result of the court’s misunderstanding of the governing law on a standing issue relevant to the patent claims and on an improper requirement that that the plaintiff’s mark had not been registered when the complaint was filed.

V. DOES \textsc{Octane Fitness} MAKE A DIFFERENCE IN THE AWARD OF FEES IN TRADEMARK CASES?

In some circuits, \textit{Octane Fitness} will make less of a difference because the circuit’s pre-\textit{Octane Fitness} standard and burden of proof was similar to the Supreme Court’s holdings in \textit{Octane Fitness} and \textit{Highmark}. For example, the Supreme Court implicitly endorsed the D.C. Circuit’s definition by relying upon \textit{Noxell}. Similarly, in the Eighth Circuit, a district court found that the \textit{Octane Fitness} standard is “substantively similar to the one currently applied by the Eight Circuit.”\textsuperscript{112} In these circuits fee awards may not significantly increase.

In other circuits, however, and particularly those that previously required bad faith, fee awards are likely to increase, just as they have increased in patent cases. There is at least an intuitive recognition that the \textit{Octane Fitness} definition of “exceptional case” makes it easier to obtain a fee award. Courts have referred to the “lowered” standard,\textsuperscript{113} “lowered burden”\textsuperscript{114} or “more flexible” approach\textsuperscript{115} under \textit{Octane Fitness}. Cases like \textit{Premium Balloon Accessories, Inc. v. Creative Balloons Manufacturing, Inc.}\textsuperscript{116} also suggest that fee awards are more likely under \textit{Octane Fitness}: the Sixth Circuit applied \textit{Octane Fitness} to award fees under the Patent Act, but applied pre-\textit{Octane Fitness} law and denied fees under the Lanham Act. As reflected in the


\textsuperscript{116} 573 F. App’x 547 (6th Cir. 2014).
cases above, however, this trend toward more fee awards may take some time to materialize, as courts adjust to the new definition and move away from prior requirements of frivolousness and bad faith.

When filing a motion for fees in a Lanham Act case in these circuits, it may help to remind the court that the Supreme Court rejected a requirement that the case be baseless or frivolous before fees could be awarded. Instead, the Supreme Court held that an “exceptional” case “is simply one that stands out from the others with respect to the substantive strength of a party’s litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated.”\(^\text{117}\) On this latter point, the conduct need not rise to the level of sanctionable conduct in order to justify a fee award. Instead, the focus is on the totality of the conduct—for example, whether there was an aspect of “shakedown” or economic coercion in the case, or whether a party knowingly asserted weak positions or took steps to deliberately increase the costs of litigation, or whether the party persisted in presenting arguments that discovery had proven to be unfounded, and whether the case resolved on summary judgment. No one factor is determinative, so it is important to paint a picture of an exceptional case as a whole. Of course, any evidence of bad faith, frivolous arguments, or malicious conduct should be highlighted in a fee application regardless of where the case is pending.