

## Not Just One Size Fits All in Brandy Melville Decision: Ninth Circuit Opines on a Trio of Trademark First Impressions

*Y.Y.G.M. SA v. Redbubble, Inc. (July 24, 2023)*

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Addressing not one but three matters of first impression, the Ninth Circuit held that willful blindness giving rise to contributory trademark infringement requires a defendant to have specific knowledge of specific infringers or acts of infringement and without specific knowledge there is not a duty to search whether third parties are using the defendant’s property for infringement. The Court also held that the Lanham Act does not authorize prejudgment interest for statutory damages awards. Finally, the Court held that the District Court abused its discretion in deciding that prelitigation delay alone rebutted the statutory presumption of irreparable injury. The Court remanded the case back to the Central District of California on the issues of contributory infringement and whether to grant a permanent injunction, while affirming denial of prejudgment interest.

Italian clothing seller Y.Y.G.M. SA d/b/a Brandy Melville – known for selling clothes in only one size – sued Redbubble, Inc. – an online marketplace where artists can upload images and have them printed on various products to be sold. Redbubble collects payment, sends orders to third parties who print images on (for example) t-shirts, arranges shipping, and handles refunds; it does not inspect or take possession of any goods before they are shipped to customers in Redbubble packaging. In 2018, Brandy Melville notified Redbubble that items on Redbubble infringed Brandy Melville’s heart and lightning trademarks. Redbubble took those items down. One year later, Brandy Melville filed suit under the Lanham Act. A jury found Redbubble liable for (among other things) willful contributory trademark infringement for the sale by third parties on its site of goods bearing plaintiff’s marks; the District Court then denied a permanent injunction and denied prejudgment interest. Both parties appealed.

The Ninth Circuit agreed with case law from other Circuits in reaching its contributory infringement decision regarding specific knowledge and willful blindness. As for question of delay and how it impacts irreparable harm in the context of a request for permanent, as opposed to a preliminary, injunction, this is one of the few Circuit Court decisions to examine that issue since the Trademark Modernization Act of 2020. Because the Court held delay alone was insufficient, the Ninth Circuit directed the lower court to consider what other evidence might be present to rebut the statutory presumption of irreparable harm. The lower court decision will be one to watch for defendants considering how to argue against permanent injunctions. Lastly, the Court’s holding that there is no prejudgment interest available on a statutory damages award is notable given that other courts, such as the Second Circuit, have held otherwise. Plaintiffs seeking statutory damages for trademark counterfeiting may want to avoid the Ninth Circuit and file where the question of such monetary enhancement is left to the discretion of the court.