

## 15.22 Derivative Liability—Contributory Infringement

A person is liable for trademark infringement by another if the person [[sells] [supplies]] [[goods] [services]] to another knowing or having reason to know that the other person will use the [goods] [services] to infringe the plaintiff [name]'s trademark.

The plaintiff [name] has the burden of proving each of the following by a preponderance of the evidence:

First, the defendant [name] [[sold] [supplied]] [[goods] [services]] to [name of direct infringer];

Second, [name of direct infringer] used the [goods] [services] the defendant [name] [sold] [supplied] to infringe the plaintiff [name]'s trademark;

Third, the defendant [name] knew or had reason to know [name of direct infringer] [would use the goods to infringe the plaintiff [name]'s trademark] [was infringing the plaintiff [name]'s trademark and continued to supply its services]; [and]

[Fourth, the defendant [name] providing the services to [name of direct infringer] had direct control and monitoring of the instrumentality used by [name of direct infringer] to infringe; and]

[Fourth] [Fifth], the plaintiff [name] was damaged by the infringement.

If you find that the plaintiff [name] has proved all these elements, your verdict should be for the plaintiff [name]. If, on the other hand, the plaintiff [name] has failed to prove any of these elements, your verdict should be for the defendant [name].

### Comment

See Comment to Instruction 15.21 (Derivative Liability—Inducing Infringement) and 4 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 25.17 (5th ed. 2019) (discussing contributory infringement).

Regarding the elements of contributory infringement, see *Lockheed Martin Corp. v. Network Sols., Inc.*, 194 F.3d 980, 984-85 (9th Cir. 1999) (discussing elements of contributory infringement); *Rolex Watch, U.S.A., Inc. v. Michel Co.*, 179 F.3d 704, 712-13 (9th Cir. 1999) (discussing intent element of contributory infringement). See also *Mini Maid Servs. Co. v. Maid Brigade Sys.*, 967 F.2d 1516, 1521 (11th Cir.1992) (noting that although *Inwood Labs. Inc. v. Ives Labs., Inc.*, 456 U.S. 844 (1982), involved relationship between manufacturers and retailers, its analysis is equally applicable to relationship between franchisor and franchisees).

*Willful Blindness.* A party meets the “knows or has reason to know” standard for contributory infringement if it is willfully blind to the infringement by a direct

infringer. *Y.Y.G.M. SA v. Redbubble, Inc.*, 75 F.4th 995, 1001 (9th Cir. 2023) (citing *Fonovisa, Inc. v. Cherry Auction, Inc.*, 76 F.3d 259, 265 (9th Cir. 1996)), *cert. denied*, (U.S. Feb. 20, 2024). Willful blindness requires both subjective belief that trademark infringement was likely occurring and deliberate actions to avoid learning about the infringement. *Id.* (citing *Luvdarts, LLC v. AT&T Mobility, LLC*, 710 F.3d 1068, 1073 (9th Cir. 2013)). Willful blindness also requires more than general awareness of trademark infringement—the defendant must have specific knowledge of infringers or instances of infringement. *Id.* at 1002 (holding that an online marketplace need not search for trademark infringement on its website because contributory infringement based on a willful blindness theory requires the defendant to be aware of specific instances of infringement or specific infringers).

*Services.* When a defendant provides services to a direct infringer, a plaintiff may prevail on a claim of contributory trademark infringement if the defendant “continued to supply its services to one who it knew or had reason to know was engaging in trademark infringement” and the defendant had “[d]irect control and monitoring of the instrumentality used by a third party to infringe.” *Louis Vuitton Malletier, S.A. v. Akanoc Sols., Inc.*, 658 F.3d 936, 942 (9th Cir. 2011) (citation omitted). This applies to defendants providing servers or other Internet services. *Id.* In addition, there is no requirement that contributory infringement be intentional for liability to arise; it is sufficient if the defendants provided their services “with actual or constructive knowledge that the users of their services were engaging in trademark infringement.” *Id.* at 943 (“An express finding of intent is not required.”).

*Statutory Damages.* Statutory damages may be awarded against contributory infringers. *Id.* at 944-45.

*Revised March 2024*