

## Courtroom Strategies Key in \$2.3M Trademark Infringement Case Over Cigarette Papers

The plaintiff in the lawsuit, Republic Brands, said the purpose of the suit was to “safeguard the industry” by sending a message to other companies that distribute counterfeit products.

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Trademarks

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### What You Need to Know

- Plaintiffs and defense share their strategies for gaining ground in a rare trademark case that went to trial.
- Plaintiff attorney Maya Woodhouse says she overprepares pre-trial so she can be quick to respond and “wing it” in the courtroom.
- Defendants represented by Richard Robbins and James Johnson plan to motion for post-trial relief.

A jury in the U.S. District Court for the Northern District of Georgia has awarded plaintiffs a \$2.3M judgment in a counterfeit cigarette rolling papers dispute.

Plaintiff Republic Brands was represented by a team of litigants headed up by lead trial attorney Maia Woodhouse of Adams and Reese. Republic took Georgia companies ZCell, represented by James Johnson of Johnson Trial Law, and Star Importers & Wholesalers Inc., represented by **Richard Robbins of Robbins Ross Alloy Belinfante Littlefield**, to court, alleging they knowingly sold counterfeits of two of Republic’s trademarked cigarette rolling papers

**Robbins** said his team intends to file a motion in trial court to reduce the verdict. “In light of the jury’s finding of no willfulness, we do not believe the evidence in the record supports a verdict of more than the \$20,000-30,000 range,” Robbins said.

If the motion fails, Robbins said the team plans to appeal to the U.S. Court of Appeals for the Eleventh Circuit. However, he said the defense still saw wins in the case. “We believe the current verdict is still a victory in light of the huge, overreaching damages claim sought by the plaintiff (up to \$54 million) for a willfulness claim, which the jury soundly rejected,” **Robbins** said. “Our clients strongly believed they did not

knowingly buy or sell counterfeit products, and the jury agreed.”

Johnson and his client are in a similar camp and also plan to pursue post-trial relief

According to Woodhouse, anti-counterfeiting isn’t something that goes to trial very often. “There’s usually too much at stake, or the injunction is the goal, or the different things that the client wants to accomplish are not usually served by taking the case to trial,” Woodhouse said.

However, in this case, she said Republic wanted to send a message: deterrence.

“Republic has a lot of integrity in this area, and they really started to see that counterfeit products are an issue, not just for them, not just for rolling papers, but for all kinds of consumable goods that the end user would never imagine would be counterfeit,” Woodhouse said.

In Woodhouse’ view, the purpose of the suit was to “safeguard the industry” by sending a message to other companies that distribute counterfeit products. To do this, her team went after both the wholesalers distributing the products and their owners. She said that holding owners personally liable would keep them from starting up another business and repeating the same behavior her client wanted to discourage.

Robbins said he’s typically a plaintiffs’ lawyer—Star Importers & Wholesalers is only one of his regular clients—so he approached his defense argument by going on the offensive.

According to Robbins, the primary focus of the trial was willfulness. “We were confident that our clients did not knowingly purchase or sell counterfeit products,” Robbins said. “It’s helpful to believe strongly in your client’s position on this subject.”

To do this, **Robbins** said his team methodically went through each point of circumstantial evidence the plaintiffs argued showed Star Importers & Wholesalers should have known the product was counterfeit to debunk it. They also argued that the lawsuit wouldn’t have been necessary if Republic had notified their client that they’d bought a counterfeit product. “If they had done that, our client would have immediately removed it from the shelves,” **Robbins** said. “That’s typically what happens in these kinds of cases.”

Woodhouse said she anticipated this approach. Her trial strategy was anchored around knowing that the jury wouldn’t see the years of work her team did leading up to the trial, so she wanted to present a cohesive story that would give them a reason to care about the dispute years after the case was filed. Her challenge in this case was going up against two companies and two defense teams—a battle she met by “trying to be the most prepared party in the room.”

“The last thing I want to do at trial is be surprised by a fact, especially when dealing with good trial counsel, multiple parties and years of evidence,” Woodhouse said. “I think the best way to counter that is to try to anticipate those counterattacks as much as [we] can, understand what our burden is, understand what our proof is, understand why it matters for the jury and to try to package that in a way that isn’t too technical.”

For Woodhouse, this all boiled down to consumer trust. “Trademark laws are the only IP law that takes consumer trust, consumer confusion, into account as a reason for needing these laws,” Woodhouse said. “And that’s why counterfeiting can be really insidious—because it’s using that trademark, it’s exploiting that consumer trust on purpose.”

Though the defense also gained ground, they couldn't help but feel frustrated.

"I understand the need to preserve trademarks, but I do think this company could have and should have done a lot better in just letting a long-time customer know at the outset that it was in possession of a counterfeit product," Robbins said.

"Let's be clear—this was not a Republic win," Johnson wrote to the Daily Report in an email. "Maybe this will convince Republic that its litigation-heavy efforts to deal with purported trademark violations are not only counterproductive but weren't very appreciated by at least one Georgia jury."

The case is *Top Tobacco v. Star Importers & Wholesalers*, No. 1:19-cv-04939-MLB in the United States District Court for the Northern District of Georgia Atlanta Division, presided over by Judge Michael Brown.