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Minn. R. Civ. App. P. 136.01, subd. 1(c).*

**STATE OF MINNESOTA
IN COURT OF APPEALS
A22-1394**

All-American Ice L.L.C., d/b/a All-American Arena Products,
Respondent,

vs.

American Arena, L.L.C.,
Appellant.

**Filed April 17, 2023
Affirmed in part, reversed in part, and remanded
Jesson, Judge**

Dakota County District Court
File No. 19HA-CV-20-3431

Timothy C. Matson, Michael T. Burke, Fox Rothschild LLP, Minneapolis, Minnesota (for respondent)

Mark R. Bradford, Kevin P. Hickey, J. Scott Andresen, Peggah Navab, Bassford Remele, P.A., Minneapolis, Minnesota (for appellant)

Considered and decided by Bjorkman, Presiding Judge; Jesson, Judge; and Frisch, Judge.

NONPRECEDENTIAL OPINION

JESSON, Judge

In May 2020, appellant American Arena, L.L.C. (American Arena) adopted its current name, replacing its former name of Minnesota Ice, to reflect its foray into selling ice-arena accessories along with its original line of business in ice-rink construction. Already existing ice-arena accessories vendor and respondent All-American Ice L.L.C.,

d/b/a All-American Arena Products (All-American Arena) sued, alleging trademark infringement under Minnesota law. After a jury trial and verdict for All-American Arena, American Arena requested judgment as a matter of law, or in the alternative, a new trial. And after the district court denied its motion, American Arena appealed, arguing, in part, that because All-American Arena's trademark was merely a descriptive mark—not distinctive—it could not be registered as a trademark. As a result, it could not be infringed as a matter of law.

Because American Arena did not challenge the descriptiveness of All-American Arena's mark before submission to the jury and sufficient evidence supported the likelihood-of-confusion prong of All-American Arena's trademark-infringement claim, the district court did not err by denying American Arena's motion for judgment as a matter of law or, in the alternative, for a new trial. We also affirm the start date of the prejudgment-interest award because American Arena could have determined its potential liability from All-American Arena's cease-and-desist letter. And since American Arena did not carry its burden to refute profit damages, we affirm the district court's decision on profit damages.¹ But given the lack of evidence to support the jury's award for actual damages, we reverse this damages award and remand for further consideration of attorney fees and treble damages in light of the reduced damages. Finally, given the lack of findings

¹ Minnesota law permits two types of damages for successful trademark-infringement claims. This opinion will refer to the first type of damages as profit damages and the second type as actual damages.

supporting the district court’s grant of an injunction, we remand for additional findings but do not reverse the injunction. Accordingly, we affirm in part, reverse in part, and remand.

FACTS

All-American Arena is a Minnesota-based company, founded in 2012, that sells ice-arena accessories, such as goal frames, netting, and rubber flooring for ice-skating rinks.² American Arena is the new name of a Minnesota-based company—formerly known as Minnesota Ice—that builds ice rinks across the United States, offers design services, and sells ice-arena accessories. Minnesota Ice was founded in October 2013. In May 2020, American Arena emailed over 1,400 ice-arena operators announcing its name change and that it was expanding its business to include the sale of ice-rink accessories.

One month later, after receiving multiple emails from customers confused between the two companies due to the name change, All-American Arena sent a cease-and-desist letter to American Arena, alleging trademark infringement and unfair competition. The letter demanded that American Arena cease any further use of the mark American Arena.³ And the letter demanded that American Arena fully account to All-American Arena with regard to its use of the mark “American Arena” and stated that, once it had, All-American Arena would “determine if any settlement remuneration is in order.” When American

² These facts are derived from the evidence at trial, which on a motion for judgment as a matter of law we view in the light most favorable to the nonmoving party. *Jerry’s Enters., Inc. v. Larkin, Hoffman, Daly & Lindgren, Ltd.*, 711 N.W.2d 811, 816 (Minn. 2006).

³ The parties use the terms trademark and mark interchangeably. Mark is a generic term that incorporates trademarks, service marks, certification marks, and collective marks. Minn. Stat. § 333.18 (2022). Neither party alleges that the mark in question is anything other than a trademark. This opinion uses the terms interchangeably as well.

Arena did not acquiesce to these demands, All-American Arena filed a complaint in October 2020, alleging trademark infringement under Minnesota law.⁴

In November 2021, All-American Arena filed a motion for partial summary judgment, requesting judgment in its favor on liability and a permanent injunction, but reserving the issue of damages for trial. The district court denied All-American Arena's motion. It stated that because a genuine issue of material fact existed as to the third requirement of trademark infringement—likelihood of confusion—it would grant neither summary judgment nor injunctive relief.

Before the jury trial, the parties disagreed over a few of the proposed jury instructions and the admissibility of an email from the United States Patent and Trademark Office (USPTO) to American Arena. American Arena proposed two jury instructions that asked the jury to consider the descriptiveness of *its own mark*. This request relied upon an email from the USPTO stating that, when American Arena attempted to federally trademark its logo, it had to disclaim the words “American Arena” because they were descriptive, and thus not protectable.⁵ But American Arena did not request a jury instruction with regard to the descriptiveness of *All-American Arena's mark*. The district court did not include American Arena's requested descriptiveness instruction in the final

⁴ The complaint also alleged unfair competition in violation of state and federal law, unfair and deceptive trade practices, and common-law trademark infringement. Because these claims did not reach trial, we do not discuss them further.

⁵ This email would show, according to American Arena, that since it was only using descriptive words in its new name, it could not infringe a protected mark.

jury instructions. Nor did the district court admit the USPTO email, ruling that it did not constitute a final decision.

At the outset of the three-day jury trial, the district court offered preliminary instructions about trademark law. One instruction explained that to obtain a trademark, the trademark owner registers the trademark with the Minnesota Secretary of State, and after registration, it may exclude others from using that trademark by bringing an action for infringement. The district court stated:

[T]he owner [of a trademark] may obtain a Certificate of Registration issued by the Minnesota Secretary of State. Thereafter, when the owner brings an action for infringement the owner *may rely solely on the registration certificate to prove that the owner has the right to exclude others from using the trademark* or a similar mark that is likely to cause confusion in the marketplace[.]

(Emphasis added.) American Arena did not object to the form or substance of this jury instruction.

At trial, All-American Arena's CEO, Sean Passingham, testified about the origin of his company, its growth in sales, the importance of the name of his brand, and his business's reputation. Through his testimony, All-American Arena introduced evidence of customer confusion, including emails from customers asking if All-American Arena and American Arena were the same company, an invoice for American Arena that was accidentally sent to All-American Arena, and a quote for a product that All-American Arena did not ask for, but presumably American Arena had. Passingham also testified about a business deal in Mason City, Iowa, that All-American Arena lost because the potential customer had been told by a representative of American Arena that the timing for

the project would not work, and the customer thought the representative worked for All-American Arena. And Passingham testified that the company spends an average of \$33,700 on advertising per year.

All-American Arena also called five witnesses to testify about All-American Arena's reputation in the ice-arena-accessories field and their confusion between All-American Arena and American Arena after American Arena changed its name and began sending out newsletters and cold-calling ice-arena managers using the new name. Each admitted on cross-examination that they had never purchased anything from the wrong company by mistake. All-American Arena also elicited testimony from American Arena's CEO Michael McDevitt, who testified that the total revenue American Arena made from ice-arena accessories in 2021 and the first quarter of 2022 was \$415,414. And further testimony from an American Arena sales associate revealed that American Arena sold one set of dasher boards⁶ over the past two years—an approximately \$200,000 sale.

After All-American Arena rested its case, American Arena—without moving for a directed verdict—called three of its sales representatives and its CEO to discuss the type of work American Arena does, the lack of confusion between its company and All-American Arena, and the nature of its ice-arena-accessory sales. American Arena never asserted during testimony, nor before the verdict, that All-American Arena's mark was descriptive.

⁶ Dasher boards make up the bottom part of the barrier that surrounds an ice-skating rink, separating the rink from spectators and providing the base for the glass shielding.

In its closing argument, All-American Arena asked the jury to award both actual damages and profit damages for the harm it suffered. The actual damages requested included damages for injury to All-American Arena's reputation and goodwill, along with the profits All-American Arena would have earned but for American Arena's infringement. All-American Arena asked for damages equal to at least three years of its advertising budget to deal with the confusion created by American Arena's infringement. For the other forms of actual damage, All-American Arena stated: "I leave it to the jury to decide . . . what measure of actual damages" it wants to award. To support profit damages, All-American Arena pointed to the revenue American Arena made in ice-arena-accessory sales in 2021 and the first quarter of 2022—\$615,414—and asked to be awarded that amount because American Arena did not prove that this revenue was due to factors other than the trademark infringement.

The jury returned a verdict for All-American Arena. Through a special-verdict form, the jury found that (1) All-American Arena owns a protectable interest in the registered mark "All-American Arena Products," (2) American Arena's use of the trademark American Arena created a likelihood of confusion or mistake on the part of ice-arena operators and vendors, and (3) All-American Arena suffered actual monetary damages as a result of American Arena's wrongful use of the trademark American Arena. The jury awarded \$340,000 in actual damages. The jury also found that American Arena derived profits from its wrongful use of the trademark American Arena, and it awarded All-American Arena an additional \$50,000 in profit damages. Finally, the jury found that

American Arena's wrongful use of the trademark was done with knowledge of All-American Arena's trademark and in bad faith.

After trial, the district court orally granted All-American Arena's motion for a permanent injunction against American Arena's use of its name. The subsequent written order states that American Arena is "hereby permanently enjoined and restrained from any and all direct or indirect use, adoption or employment of the words American Arena as a trademark, tradename, domain name or otherwise in connection with its business operations, advertising, marketing, promotion or sale of products or services." The district court included no further analysis on the injunction on the record at trial or in the written order.

All-American Arena then filed a motion for treble damages, attorney fees, and prejudgment interest. The district court denied All-American Arena's motion for treble damages, stating that doing so "based on the facts of this case would be punitive rather than compensatory." The district court also denied All-American Arena's motion for attorney fees, explaining that attorney fees are only awarded in the rare case that a party's conduct is so unreasonable as to justify such an award and American Arena's conduct here was not exceptional enough for this remedy. But the district court granted prejudgment interest at the statutory rate of 10% from the date of the cease-and-desist letter on the damages award of \$390,000. American Arena filed a motion for judgment as a matter of law, or in the alternative, for a new trial, alleging several trial errors including the exclusion of the USPTO email and erroneous jury instructions. The district court denied the motion.

American Arena appeals.

DECISION

I. The district court did not err by denying American Arena’s motion for judgment as a matter of law or a new trial on liability.

In arguing that the district court erred by denying its motion for judgment as a matter of law, American Arena asserts that the central legal issue before this court is whether the claimed mark “All-American Arena Products” is a descriptive, as opposed to distinctive, mark. The classification of this mark matters because a descriptive mark is not registrable under Minnesota law, so it cannot be infringed. Minn. Stat. § 333.19, subd. 1(5)(i) (2022). We review this issue de novo. *In re Est. of Butler*, 803 N.W.2d 393, 399 (Minn. 2011) (stating that appellate courts review de novo a district court’s decision to deny a motion for judgment as a matter of law, applying the same standard used by the district court and viewing the evidence in the light most favorable to the nonmoving party). To address this argument, we first explain the legal backdrop, then turn to how this issue was addressed below. Finally, we evaluate whether the district court erred in denying American Arena’s motion for judgment in this regard.

Minnesota’s trademark statutes were adopted in 1959 and patterned closely after relevant provisions of the federal Lanham Trademark Act. *Minneapolis Co. v. Normandin*, 338 N.W.2d 18, 22 n.5 (Minn. 1983); *see also* 15 U.S.C. §§ 1051-1127 (2018). Where these provisions overlap, Minnesota courts often refer to federal caselaw for guidance. *See Minneapolis*, 338 N.W.2d at 22 n.5. Under Minnesota law, the holder of a registered trademark can bring a civil action against anyone who infringes on its trademark. Minn. Stat. § 333.28 (2022). Infringement includes use of a mark so similar to a registered

mark that it is likely to cause confusion or mistake on the part of a purchaser of goods or services. *Id.* Here, to succeed in a trademark-infringement claim, All-American Arena must prove to the jury (1) the existence of a registered mark, (2) that All-American Arena owns the mark, and (3) that American Arena’s use of the mark without All-American Arena’s consent is likely to cause confusion among ordinary consumers. *Id.*

However, Minnesota law states that a mark “must not be registered if it . . . consists of a mark which . . . when applied to the goods or used to identify the services of the applicant, is *merely descriptive* or *deceptively misdescriptive* of them.” Minn. Stat. § 333.19, subd. 1(5)(ii) (2022) (emphasis added). Applying this statutory directive, the Minnesota Supreme Court in *Imported Auto Parts* held that because Imported Auto Parts was a “common descriptive name,” it was not registrable under Minnesota trademark law, and therefore no infringement claim could arise. *Imp. Auto Parts Corp. v. R.B. Shaller & Sons, Inc.*, 258 N.W.2d 797, 801 (Minn. 1977).

In general, the strength of trademark protection increases as a mark’s conceptual strength increases. *JL Beverage Co., LLC v. Jim Beam Brands Co.*, 828 F.3d 1098, 1106 (9th Cir. 2016). In other words, the more unique a mark is, the more trademark protection to which it is entitled. *See Ironhawk Techs., Inc. v. Dropbox, Inc.*, 2 F.4th 1150, 1162 (9th Cir. 2021). To determine whether a mark is conceptually strong and thus entitled to trademark protection, courts first categorize it along a spectrum from generic to descriptive to suggestive to arbitrary.⁷ *Schwan’s IP, LLC v. Kraft Pizza Co.*, 460 F.3d 971, 974

⁷ A federal district court in Nevada recently provided a helpful example of each category:

(8th Cir. 2006). Caselaw often refers to generic and descriptive marks collectively as descriptive, while marks that deserve stronger protection—suggestive and arbitrary marks—are collectively termed distinctive. *Imp. Auto Parts*, 258 N.W.2d at 799-800 (explaining that the difference between a generic and a descriptive mark is a matter of degree, stating, “[i]n a sense, a generic designation is the ultimate in descriptiveness”).

The question of the classification of All-American Arena’s mark was not presented to the district court or the jury. American Arena requested neither a preliminary nor a final jury instruction in this regard. Nor did it make this argument in opposition to All-American Arena’s summary-judgment motion. In fact, the district court’s preliminary instruction is directly at odds with American Arena’s position on appeal. Yet American Arena did not object at trial. The preliminary instruction stated that *registration alone* may be used to exclude another from using the same mark. While this is true, it is also incomplete, as a mark may not be registered under Minnesota trademark law when it is merely descriptive.

Generic marks—like “Light Beer”—are not eligible for trademark protection. Descriptive marks—like “speedy,” “friendly,” or “green”—are not entitled to trademark protection unless they have acquired secondary meaning. Suggestive marks—like “Roach Motel” insect trap—suggest a product’s features and require consumers to exercise some imagination to associate the suggestive mark with the product. They are thus often entitled to trademark protection. Arbitrary marks—like “Black and White” scotch whiskey—are made up of words commonly used in the English language but are entitled to federal trademark protection because they serve to identify a particular source of a product.

Great W. Air, LLC v. Cirrus Design Corp., ___ F.Supp.3d ___, 2023 WL 121432, at *5 (D. Nev. Jan. 6, 2023).

Minn. Stat. § 333.19, subd. 1(5)(i). But American Arena did not raise this argument until after the jury had rendered its verdict.

In its posttrial order, the district court sidestepped the question of whether American Arena had properly raised this issue and determined that, because All-American Arena's mark suggested something of high quality, distinction, and excellence, it was inherently distinctive and deserving of protection.⁸

Because American Arena did not raise this issue until after the jury verdict, we need not decide whether All-American Arena's mark was descriptive rather than distinctive. This was a question, to the extent it required an answer, for either the district court on summary judgment or the jury at trial. And if, as American Arena asserts, error exists in not having the question answered, the error was invited by American Arena. *See Eisenschenk v. Eisenschenk*, 668 N.W.2d 235, 243 (Minn. App. 2003), *rev. denied* (Minn. Nov. 25, 2003) (explaining that a party cannot complain about a district court's failure to rule in its favor when one of the reasons it did not do so is because of the party's own error). It cannot now ask us to fix its own mistake.

At oral argument before this court, American Arena claimed that by pointing to the descriptiveness of its own mark, it was also calling into question the descriptiveness of All-American Arena's mark. But these are two distinct theories and two separate legal arguments. In sum, American Arena's theory of the case presented to the jury was distinct

⁸ Recall that a suggestive mark, the third category of trademark distinctiveness, requires imagination to reach a conclusion as to the nature of the goods. *Co-Rect Prods., Inc. v. Marvy! Advert. Photography, Inc.*, 780 F.2d 1324, 1329 (8th Cir. 1985).

from the theory it argues before this court. It cannot now, having lost that case, suddenly change course. *See Germann v. F.L. Smithe Mach. Co.*, 381 N.W.2d 503, 509-10 (Minn. App. 1986) (holding that when a party fails to object to jury instructions until its motion for a new trial or request a jury instruction of its own, it forfeits its right to a jury trial of those questions), *aff'd* 395 N.W.2d 922 (Minn. 1986); *see also Thielbar v. Juenke*, 189 N.W.2d 493, 498 (Minn. 1971) (stating that failure to object to a special-verdict form prior to submission to the jury constitutes a forfeiture of any objection which a party may have). Asking for a jury instruction on the descriptiveness of American Arena's own mark is not the same as asking a jury to consider whether All-American Arena's mark is descriptive. American Arena has forfeited this argument.⁹

We are not persuaded otherwise by the fact that the district court addressed the descriptiveness issue—in All-American Arena's favor—in its order denying judgment as a matter of law. Though we do not necessarily disagree with the district court's ruling, we decline to review this holding given that the issue was raised *after* the verdict. We acknowledge that we can address a legal issue raised in a motion for judgment as a matter of law that was not raised before the jury rendered its verdict if there is an error in fundamental law or controlling principle. *Palatine Nat. Bank of Palatine, IL. v. Olson*,

⁹ American Arena further argues that the jury-instruction error, combined with the district court's decision not to admit the USPTO email amounted to grounds for a new trial. But even if it were error to exclude the email, which we do not decide here, the exclusion of the email was harmless. *Doe 136 v. Liebsch*, 872 N.W.2d 875, 879 (Minn. 2015) (explaining that erroneous exclusion of evidence is not grounds for a new trial if the exclusion was harmless). The email could not support American Arena's defense that All-American Arena's trademark was descriptive because American Arena did not raise this argument before the district court.

366 N.W.2d 726, 731 (Minn. App. 1985). But this high standard is not met here because the jury instruction was not incorrect, just—at most—incomplete.¹⁰ Because the district court’s decision to deny American Arena’s motion for judgment as a matter of law was not in error and we decline to weigh in on this issue given that American Arena has not demonstrated a fundamental error of law, we affirm the district court’s decision here.

II. The district court did not err in finding that sufficient evidence supported the likelihood-of-confusion prong of All-American Arena’s trademark-infringement claim.

American Arena contends that, because no consumers testified that they accidentally made a purchase from the wrong company as a result of the confusion, the confusion did not rise to the level required by law. But actual purchases are not a required element of Minnesota trademark law. Nor are they required by federal law, which lists six factors to consider in determining whether a plaintiff has established likelihood of confusion. *J & B Wholesale Distrib., Inc. v. Redux Beverages, LLC*, 621 F.Supp.2d 678, 684 (D. Minn. 2007). The six factors include:

- (1) the strength of the plaintiff’s mark;
- (2) the similarity between the plaintiff’s and defendant’s marks;
- (3) the degree to which the allegedly infringing product competes with the plaintiff’s goods;
- (4) the alleged infringer’s intent to confuse the public;

¹⁰ This case is distinguishable from *Sturgis*, where the Eighth Circuit reviewed a question of whether there was sufficient evidence for a jury to decide the validity of a mark, even though the jury was not presented with this issue, because the appellant objected on these grounds *before* the jury received the case. *Sturgis Motorcycle Rally, Inc. v. Rushmore Photo & Gifts, Inc.*, 908 F.3d 313, 323 (8th Cir. 2018). Here, because American Arena objected to neither the jury instruction about descriptiveness nor the preliminary jury instructions, it did not preserve this issue for appeal in the same way.

- (5) the degree of care reasonably expected of potential customers; and
- (6) evidence of actual confusion.

Id.

The jury instructions here included these six factors, and the evidence supports the jury's determination in this regard. The jury heard testimony about All-American Arena's longstanding reputation in the ice-arena community, saw images of both marks, which include similar words and colors, and heard testimony about instances of actual confusion from customers and vendors. Thus the district court did not err in denying American Arena's motion for judgment as a matter of law on this argument.

Still, American Arena maintains that this court should take the same course the *Minneapolis* court did and conduct an independent analysis of the two logos and decide for itself if they are similar enough to cause confusion. 338 N.W.2d at 22. An appellate court will only undertake this analysis if the critical evidence is documentary. *Id.* And the jury's decision here was based on more than written evidence. The jury heard testimony from five witnesses about their confusion between All-American Arena and American Arena and additional testimony from All-American Arena's CEO about invoices, quotes, and bids that accidentally went to the wrong company. This evidence is clearly more than documentary, and as a result, we decline to independently review the two logos for their level of similarity. We conclude that the district court did not err in finding that sufficient evidence supported the likelihood-of-confusion prong of All-American Arena's trademark-infringement claim.

III. We affirm the district court’s decision on profit damages because American Arena did not carry its burden to rebut these damages, but we reverse the district court’s decision on actual damages, given the lack of evidence to support the jury’s award, and we remand for reconsideration of attorney fees and treble damages.

American Arena asks this court to reverse the damages award because the damages were speculative and were not proven to a reasonable certainty. We will not set aside a jury verdict on damages unless it is manifestly and palpably contrary to the evidence viewed as a whole and in the light most favorable to the verdict. *Raze v. Mueller*, 587 N.W.2d 645, 648 (Minn. 1999) (quotation omitted). Proof of the amount of damages to an absolute certainty is not required—the loss need only be established to a reasonable certainty. *Bonhiver v. Graff*, 248 N.W.2d 291, 304 (Minn. 1976).

The owner of a mark registered under Minnesota law, who succeeds in a trademark-infringement lawsuit, may receive a damages award requiring a defendant to pay either or both of the following: (1) all profits derived from the wrongful manufacture, use, display, or sale; or (2) all damages suffered because of the wrongful manufacture, use, display, or sale. Minn. Stat. § 333.29, subd. 1 (2022). The district court, in its discretion, may also award treble damages and reasonable attorney fees if the court finds the defendant “committed the wrongful acts with knowledge or in bad faith or otherwise as according to the circumstances of the case.” *Id.* These damages largely mirror the damages available under federal trademark law. 15 U.S.C. § 1117(a) (explaining that a plaintiff whose federal trademark rights are violated may recover (1) defendant’s profits (2) any damages sustained by the plaintiff, and (3) the costs of the action). Here, the jury awarded All-American Arena \$340,000 in actual damages as a result of the wrongful use of its

trademark and \$50,000 for profits derived from the wrongful use of its trademark. We address each type of damages in turn.

Actual Damages

To determine the amount of actual damages, the jury instructions told the jury to consider six categories of damages: (1) the injury to the plaintiff's reputation; (2) the injury to the plaintiff's goodwill, including injury to the plaintiff's general business reputation; (3) the lost profits that the plaintiff would have earned but for defendant's infringement, with profit determined by deducting all expenses from gross revenue; (4) the expense of preventing customers from being deceived; (5) the cost of future corrective advertising reasonably required to correct any public confusion caused by the infringement; and, (6) any other factors that bear on plaintiff's actual damages. In its closing argument, All-American Arena asked for damages worth at least three years of its advertising budget to deal with the problems created by American Arena's infringement. For the other forms of actual damages, All-American Arena stated: "I leave it to the jury to decide . . . what measure of actual damages" it wants to award. This vague request, even in combination with scant evidence from trial, is not enough to support the jury's award.

Under federal trademark law, to which we may look for guidance, to receive an award of damages sustained by the plaintiff, that plaintiff must prove both the fact and the amount of damage. *Survivor Media, Inc. v. Survivor Prods.*, 406 F.3d 625, 634 n.4 (9th Cir. 2005). And plaintiff must prove a causal link between the violation and those damages. *United Indus. Corp. v. Clorox Co.*, 140 F.3d 1175, 1180 (8th Cir. 1998). All-American Arena proved neither for each of the six categories of actual damages. There

was no testimony at trial about All-American Arena's reputation or goodwill being damaged, only the strength of its reputation overall. All-American Arena presented evidence of one potential lost sale in Mason City but no evidence as to whether they would have made that sale without American Arena's infringement. And, while the advertising budget was discussed as a past expense, there was no explanation of why the confusion in market led to necessary future corrective advertising. And to justify corrective advertising damages, a plaintiff must show that the confusion caused by the defendant's mark injured the plaintiff and that repair of the old trademark, rather than adoption of a new one, is the least expensive way to proceed. *Zazú Designs v. L'Oréal, S.A.*, 979 F.2d 499, 506 (7th Cir. 1992).

Because All-American Arena did not submit enough evidence to support this award, we reverse the district court's award of actual damages.

Profit Damages

Under Minnesota law, a trademark-infringement plaintiff may receive as damages all of defendant's profits derived from the wrongful manufacture, use, display, or sale of infringing goods. Minn. Stat. § 333.29, subd. 1. Under the equivalent provision of federal¹¹ trademark law, the plaintiff is required to prove defendant's sales only, and the burden is on the defendant to demonstrate that its profits were not related to its infringement. 15 U.S.C. § 1117(a). This remedy is an equitable remedy and is considered compensation for the plaintiff, not a penalty for defendant. *Id.*

¹¹ Because neither party challenges the application of this federal burden-shifting statute to a Minnesota trademark-infringement claim, we apply the same law the district court used.

To support profit damages, All-American Arena pointed to the revenue American Arena made in ice-arena-accessory sales for the past year and asked to be awarded that amount if American Arena did not meet its burden of proving that this revenue was due to factors other than the trademark infringement. All-American Arena offered evidence to support the amount of profits it requested—\$615,414—including testimony from American Arena’s CEO, its Chief Financial Officer, sales associates, and corresponding financial documents to demonstrate that American Arena had sold \$615,414 worth of ice-arena accessories in 2021 and the first quarter of 2022. And American Arena did not object to the jury instruction¹² that gave American Arena the burden to refute this evidence, although it did offer some evidence that its profits were attributable to factors other than use of the trademark. One sales associate at American Arena testified that he only had one or two discussions about ice-arena accessories in the year since American Arena changed its name, and another American Arena sales associate testified that the company usually only sells ice-arena accessories as part of their construction projects, not as a stand-alone offering.

Here, the jury found that American Arena did not entirely carry its burden and awarded All-American Arena \$50,000, a much smaller amount than it requested. Because All-American Arena put forth sufficient evidence to establish the profits that American Arena made after infringing on its trademark, and there is evidence to support

¹² The jury instruction stated, “[u]nless you find that a portion of the profit from the sale of the goods using the trademark is attributable to factors other than the use of the trademark, you must find that the total profit is attributable to the infringement.”

the jury's finding that American Arena did not completely meet its burden to refute the profit-damages evidence, we affirm this award.

Accordingly, we reverse the district court's actual-damages award and affirm the district court's profit-damages award. But we are mindful that when the district court denied treble damages and attorney fees, it stated that treble damages would be punitive, rather than compensatory, and that American Arena's conduct had not risen to the level necessary to justify attorney fees. Thus we remand to allow the district court, in its discretion, to reevaluate its treble-damages and attorney-fee decision in light of our reversal of the actual-damages award, keeping in mind that damages in trademark-infringement cases are meant to be compensatory, not punitive. 15 U.S.C. § 1117(a). We do not direct the district court to take any course of action. Rather, we leave the reevaluation of treble damages and attorney fees to the district court's discretion.

IV. Because there are not sufficient factual findings to facilitate effective appellate review, we remand for additional findings on the injunction.

American Arena argues that All-American Arena is not entitled to a permanent injunction because it cannot establish liability under the trademark statute and, further, that the injunction is so broad as to enjoin American Arena's behavior worldwide, which it asserts a Minnesota court cannot do under Minnesota trademark law. The decision on whether to issue an injunction generally rests within the sound discretion of the district court, and its choice will not be disturbed on appeal unless, based upon the whole record, it has abused its discretion. *St. Jude Med., Inc. v. Carter*, 913 N.W.2d 678, 684 (Minn. 2018).

Here, the district court orally granted All-American Arena’s motion for an injunction—with no analysis—after the jury returned its verdict. It memorialized this decision in a written order, but it included no additional analysis. The written order simply states that American Arena is “hereby permanently enjoined and restrained from any and all direct or indirect use, adoption or employment of the words American Arena as a trademark, tradename, domain name or otherwise in connection with its business operations, advertising, marketing, promotion, or sale of products or services.”¹³

Because we affirm the jury’s decision that American Arena is liable for trademark infringement, the district court was authorized by statute to issue an injunction at its discretion. Minn. Stat. § 333.29, subd. 1 (explaining that an owner of a mark registered under Minnesota trademark law may sue to enjoin the manufacture, use, display, or sale of any counterfeits or imitations of the mark, and a court of competent jurisdiction may grant injunctions to restrain the manufacture, use, display, or sale as the court considers just and reasonable). But given the lack of any explanation or findings by the district court regarding the scope of the injunction, there is not enough analysis for this court to conduct a proper appellate review and determine whether the district court has abused its discretion in the breadth of its injunctive relief.¹⁴ *Crowley Co., Inc. v. Metro. Airports Comm’n*,

¹³ All-American Arena posits that, because American Arena never moved to vacate the permanent injunction, the issue is not properly before our court. But because American Arena challenged the injunction in its posttrial motion, this issue is properly before this court.

¹⁴ American Arena contends that the district court’s injunction was improper because it failed to consider the *Dahlberg* factors, as required by Minnesota law. *Dahlberg Bros. v. Ford Motor Co.*, 137 N.W.2d 314, 314-15 (Minn. 1965). While the

394 N.W.2d 542, 545 (Minn. App. 1986) (stating that when a district court did not analyze the *Dahlberg* factors, this court could not determine whether the district court abused its discretion); *see also In re Amitad, Inc.*, 397 N.W.2d 594, 596 (Minn. App. 1986) (“Where the trial court has broad discretion, the Minnesota Supreme Court has demonstrated persistence in demanding findings to explain the trial court’s exercise of discretion.”). Accordingly, we remand for additional findings without reversing the injunction.

V. Because American Arena could have determined its potential liability from the cease-and-desist letter, we affirm the date of the prejudgment-interest award.

American Arena argues that All-American Arena is not entitled to prejudgment interest from the date of the cease-and-desist letter because there was not sufficient notice of the damage All-American Arena would claim to allow American Arena to assess its liability from the cease-and-desist letter.¹⁵ Here, the district court awarded prejudgment interest at the statutory rate of 10% from the date of the cease-and-desist letter. Interest awards under Minnesota Statutes section 549.09 (2022) are reviewed de novo. *Duxbury v. Spex Feeds, Inc.*, 681 N.W.2d 380, 390-91 (Minn. App. 2004), *rev. denied* (Minn. Aug. 25, 2004).

Dahlberg factors relate to preliminary injunctions, federal courts have held that once a plaintiff has success on the merits of a federal trademark infringement claim, the standard for obtaining a permanent injunction is essentially the same as the standard for obtaining a preliminary injunction. *Bank One, Utah v. Guttau*, 190 F.3d 844, 847 (8th Cir. 1999). We do not apply the *Dahlberg* standard here, but find it instructive in that there must be factual findings when a district court adopts an injunction.

¹⁵ American Arena also contends that prejudgment interest is unavailable under federal trademark law, but because All-American Arena sued under Minnesota trademark law, this argument misses the mark.

A party can petition the district court for an award of prejudgment interest under Minnesota Statutes section 549.09. The date the interest is measured from is the date that the party suing gave written notice of the claim to the defendant. Minn. Stat. § 549.09, subd. 1(b). Written notice of claim need not identify a specific amount of damages sought to trigger prejudgment interest; rather, the issue is whether the defendant could have determined its potential liability from a generally recognized objective standard of measurement. *Blehr v. Anderson*, 955 N.W.2d 613, 619 (Minn. App. 2021). Written notice must, at a minimum, indicate the existence of a claim and the extent of damages. *Id.* at 620.

Here, the cease-and-desist letter claimed that American Arena infringed All-American Arena's trademark, created unfair competition, and broke federal and state laws by doing so. It requested that American Arena take a number of steps and once those steps were completed, All-American Arena would "determine if any settlement remuneration is in order." The cease-and-desist letter provided American Arena with sufficient information about potential legal claims and the extent of damages, given the trademark context. The information in the letter met the low bar of indicating the existence of a claim and the extent of potential damages. As a result, we affirm the district court's award of prejudgment interest.

In sum, we affirm most aspects of this case on appeal. The district court did not err by denying American Arena's motion for judgment as a matter of law on liability, nor did it err by determining that sufficient evidence supported the likelihood-of-confusion prong of All-American Arena's trademark-infringement claim. We also affirm the start date of

the prejudgment-interest award because the cease-and-desist letter gave American Arena sufficient notice of the potential liability it would face. And we affirm the district court's decision on profit damages because American Arena did not meet its burden to entirely refute them. But we reverse the district court's decision on actual damages. We remand to allow the district court to reconsider an award of attorney fees and treble damages. Finally, we remand for additional findings on the injunction given the lack of findings supporting it.

Affirmed in part, reversed in part, and remanded.