

University of Denver

From the Selected Works of Corey A Ciocchetti

2013

Article III: Cases & Controversies - Teaching the Already v. Nike Case

Corey A Ciocchetti, *University of Denver*



Available at: https://works.bepress.com/corey_ciocchetti/32/

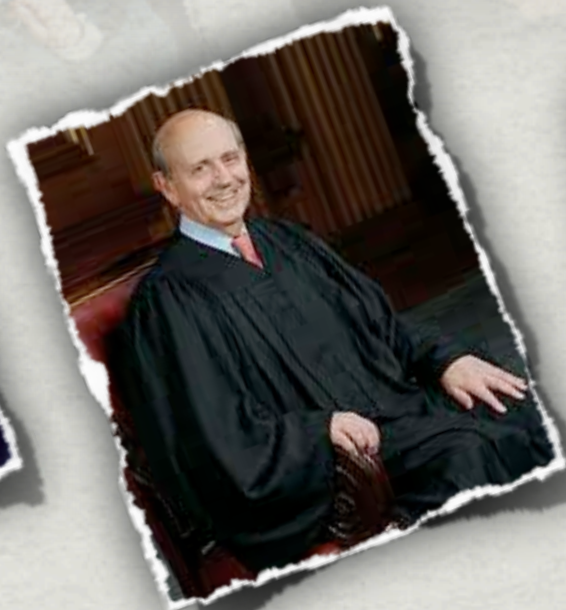


Article III: Cases & Controversies

Teaching the Already v. Nike case

Constitution & Business

FANTASY SCOTUS



Cases & Controversies

Constitution & Business

ARTICLE III: CASES & CONTROVERSIES

READ ARTICLE III

**PAY SPECIAL
ATTENTION TO
SECTION II**

JURISDICTION

PERSONAL JURISDICTION

OVER DEFENDANT

WHERE EVENT HAPPENED OR
WHERE D RESIDES

JUST STEP 1 | ALSO NEED SMJ

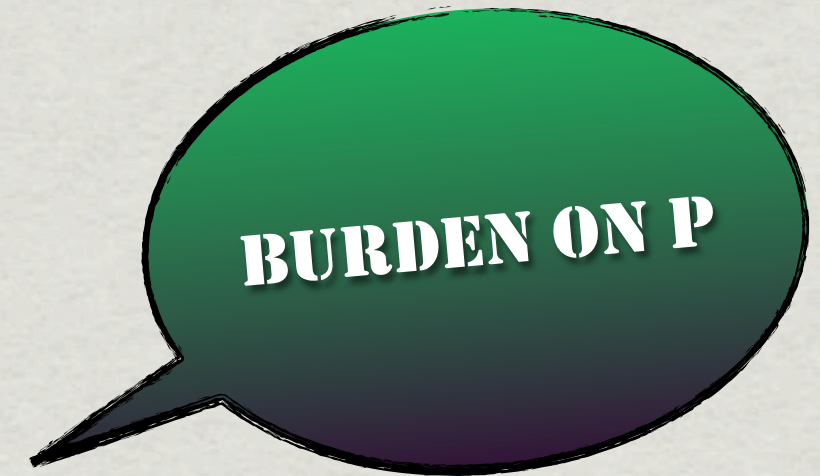
SUBJECT MATTER JURISDICTION

FEDERAL V. STATE COURTS

FEDERAL ISSUE &
DIVERSITY OF CITIZENSHIP

STANDING, RIPENESS, MOOTNESS

STANDING



#1 P SUFFERED INJURY IN FACT

**#2 CASUAL RELATIONSHIP BETWEEN INJURY & CHALLENGED
CONDUCT**

**#3 LIKELIHOOD THAT INJURY WILL BE REDRESSED BY A FAVORABLE
DECISION**

MOOTNESS

MOOTNESS

**BURDEN ON
PARTY ARGUING
MOOTNESS**

**VOLUNTARY CESSATION DOCTRINE -- ONE PARTY PROMISES TO STOP:
ABSOLUTELY CLEAR THAT CONDUCT NOT REASONABLY LIKELY TO RECUR**

REGULAR MOOTNESS TEST:

**#1 NO REASONABLE EXPECTATION THAT CONDUCT WILL RECUR; AND
#2 EFFECTS OF ALLEGED VIOLATION COMPLETELY & IRREVOCABLY
ERADICATED**

ERADICATED

ARTICLE III: THE JUDICIAL BRANCH

"THE JUDICIAL POWER
SHALL EXTEND TO ALL CASES . . .
ARISING UNDER THIS CONSTITUTION,
THE LAWS OF THE UNITED STATES,
AND TREATIES MADE, OR WHICH SHALL
BE MADE,
UNDER THEIR AUTHORITY . . ."

28 U.S.C. § 1331: FEDERAL QUESTION

"THE DISTRICT COURTS
SHALL HAVE
ORIGINAL JURISDICTION OF
ALL CIVIL ACTIONS ARISING
UNDER THE CONSTITUTION,
LAWS, OR TREATIES
OF THE UNITED STATES."

28 U.S.C. § 1367: COUNTERCLAIMS

"IN ANY CIVIL ACTION . . .
THE DISTRICT COURTS SHALL HAVE
SUPPLEMENTAL JURISDICTION OVER
ALL OTHER CLAIMS
THAT ARE SO RELATED TO CLAIMS
IN THE ACTION THAT . . .
THEY FORM PART OF THE SAME
CASE OR CONTROVERSY UNDER
ARTICLE III . . ."

15 U.S.C. § 1119: MARK CANCELLATION

"IN ANY ACTION INVOLVING A REGISTERED
MARK THE COURT MAY

(1) DETERMINE THE RIGHT TO REGISTRATION,

(2) ORDER THE CANCELATION OF

REGISTRATIONS, IN WHOLE OR IN PART, (3)

RESTORE CANCELED REGISTRATIONS, AND (4)

OTHERWISE RECTIFY THE REGISTER WITH

RESPECT TO THE REGISTRATIONS OF ANY

PARTY TO THE ACTION."

Just the Facts

Constitution & Business

NIKE AIR FORCE IS & POP CULTURE



IMPORTANT DATES

ALREADY

“SWEET” SHOE LINE

**DESIGN PATENT APPLICATION:
AUGUST 20, 2007**

GRANTED

NIKE

AIR FORCE 1

**TRADEMARK APPLICATION:
DECEMBER 1, 2006
GRANTED**

NO DESIGN PATENT FILED

THE REST OF THE STORY

**HERE'S
WHAT
HAPPENED**

- (1) AIR FORCE 1S ARE FAMOUS (SECONDARY MEANING)
- (2) TRADE DRESS WITH SECONDARY MEANING GETS TRADEMARK PROTECTION (COKE BOTTLE & IPHONE)
- (3) PTO ISSUED NIKE A TRADEMARK
- (4) 25 YEARS LATER NIKE LEARNED THAT ALREADY WAS ITS MAIN INFRINGER
- (5) NIKE WROTE CEASE & DESIST LETTER TO ALREADY
- (6) ALREADY DECLINED & PROVIDED NO INFO AS TO WHY ITS SHOES WERE NOT A THREAT TO NIKE
- (7) SO . . . NIKE SUED IN JULY 2009

THE REST OF THE STORY



- (1) ALREADY: CLOTHING DESIGN CANNOT BE TRADEMARK & TRADEMARKS ARE SYMBOLS USED ON OR IN CONNECTION WITH GOODS
- (2) THEREFORE . . . DESIGN FEATURES OF SHOES ARE INTEGRAL FEATURES OF GOODS AS OPPOSED TO SYMBOL
- (3) ALREADY INFORMED NIKE THAT MAJOR STORES DID NOT CARRY ITS SHOES | NIKE DEEMED IT NOT A THREAT
- (4) NIKE DEEMED IT WOULD BE TOO EXPENSIVE TO CONTINUE | COST/BENEFIT ANALYSIS
- (5) SO . . . NIKE DELIVERED THE COVENANT

IMPORTANT LEGAL EVENTS

NIKE SUES

COLORABLE IMITATIONS

**UNLAWFUL USE OF
SYMBOL**

**UNFAIR COMPETITION &
DILUTION UNDER NY LAW**

FAMOUS MARK DILUTION

ALREADY COUNTERCLAIMS

**DENIED ALLEGATIONS
THAT SHOES INFRINGED**

**NIKE HAS NO VALID
TRADEMARKS FOR SHOE**

**NIKE'S PATENT SHOULD
BE CANCELLED**

NIKE DELIVERS COVENANT

UNILATERAL COVENANT

**PAST/CURRENT/FUTURE
SHOES ARE SAFE**

**NIKE CLAIMED
TRADEMARK**

**NOT WORTH TIME & \$\$ TO
DEFEND IT**

YUMS PATENT

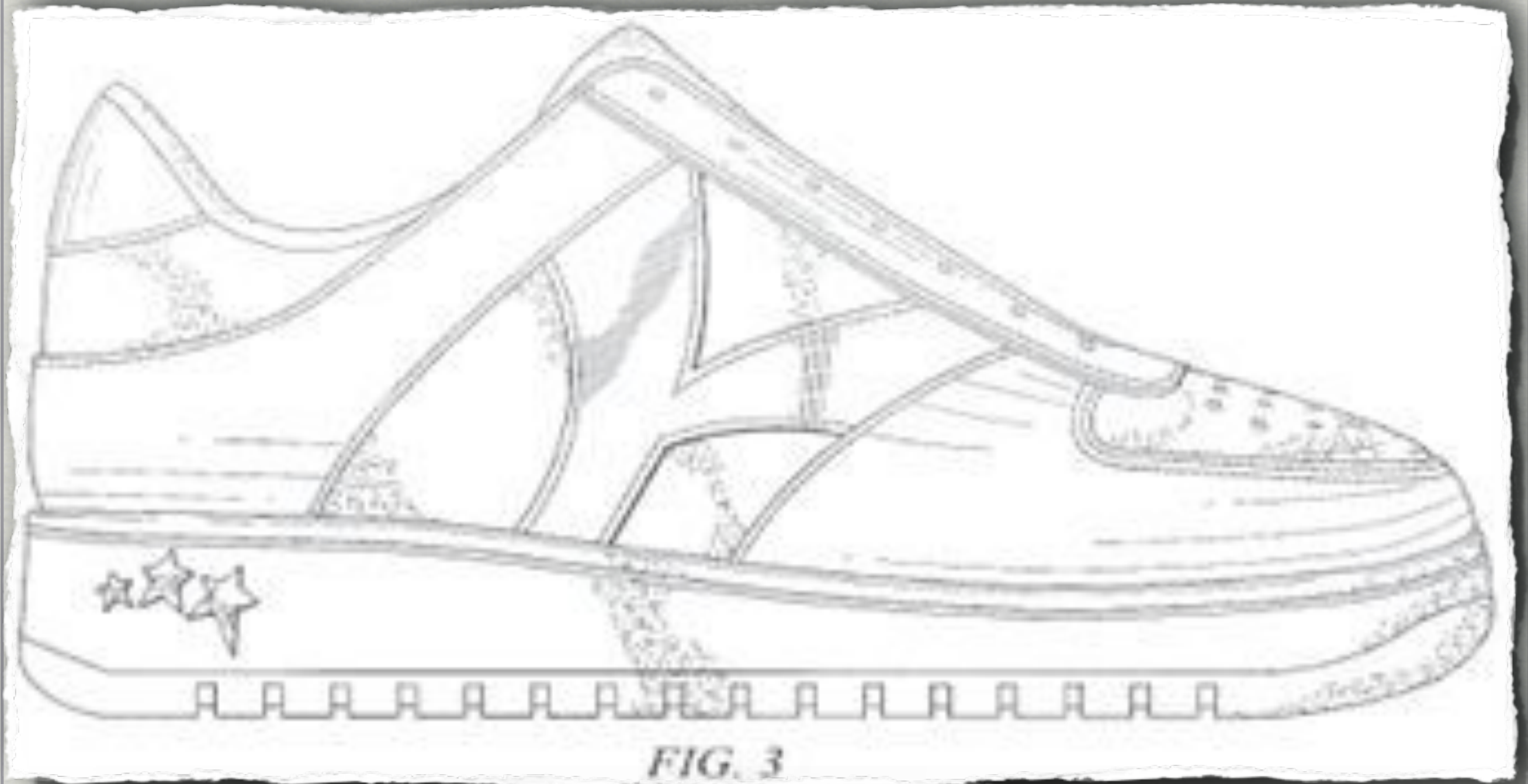


FIG. 3

FIG. 3

COMPARE & CONTRAST



Already



Nike

YUMS V. NIKE: FINAL PRODUCT



Arguments

- ★ Petitioner's Arguments
- ★ Respondent's Arguments

Constitution & Business

CASE FOR/AGAINST MOOTNESS

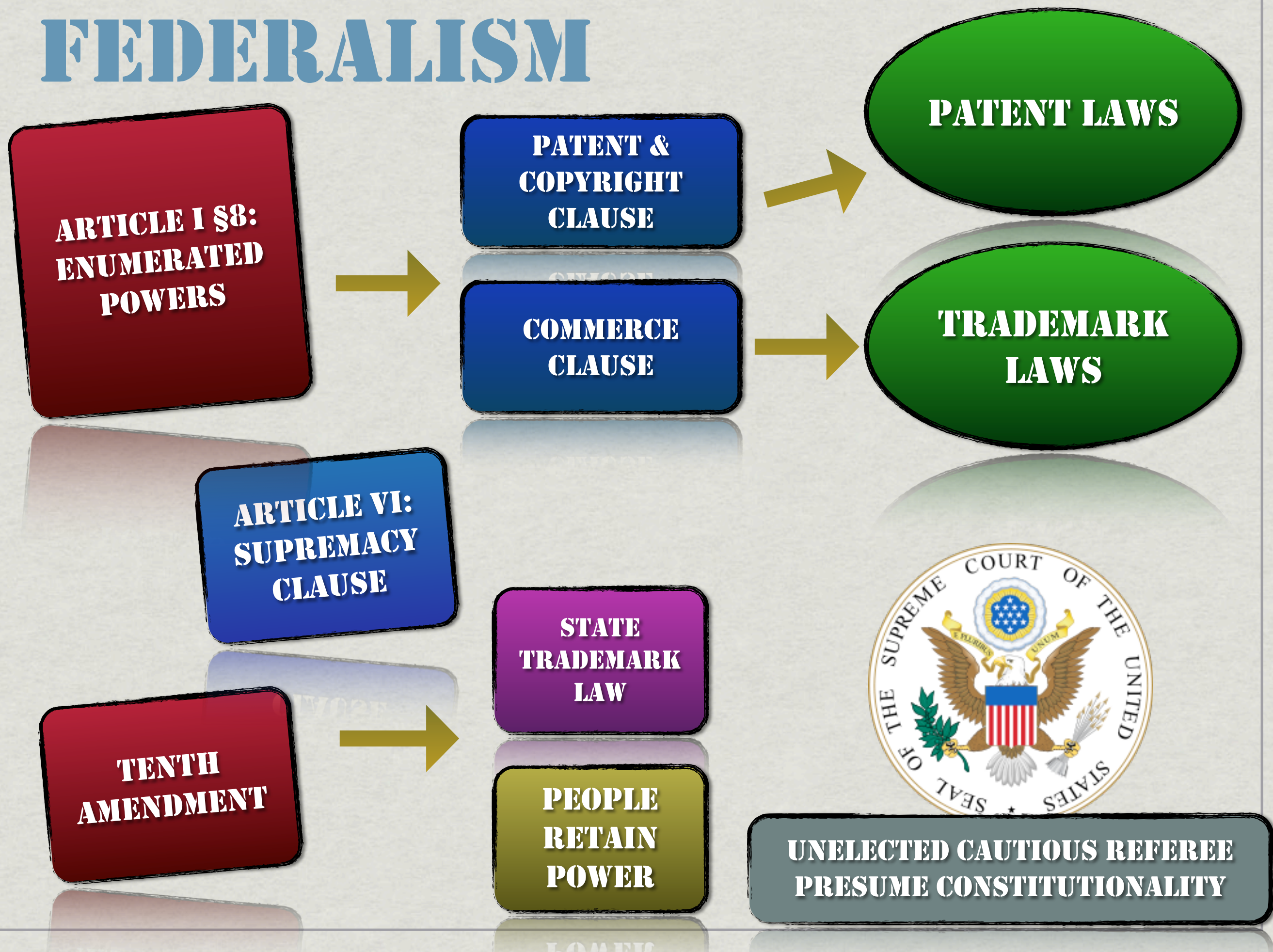


- (1) NIKE MUST PROVE ALREADY WILL NEVER BE HURT BY NIKE'S FALSE CLAIM OF TRADEMARK OWNERSHIP
- (2) AND . . . NIKE MUST PROVE THAT PAST EFFECTS OF ITS ACTIONS ERADICATED
- (3) NIKE'S FALSE TRADEMARK HURTS INVESTMENT, COMPETITION & NIKE STILL CLAIMS IT OWNS MARK
- (4) CAN'T GET TRADEMARK FOR SHOE DESIGN
- (5) SHOE DESIGN SHOULD BE IN PUBLIC DOMAIN
- (6) COURTS NOW LIMITED IN HEARING IP CASES



- (1) CASE IS MOOT
- (2) ALREADY CANNOT PRODUCE FUTURE SHOE THAT MIGHT INFRINGE NIKE'S MARK
- (3) ALREADY CANNOT SHOW THREAT OF INJURY
- (4) MARKET PARTICIPANTS DON'T HAVE RIGHT TO CHALLENGE IP RIGHTS WITHOUT UNDERLYING CLAIM

FEDERALISM



INTELLECTUAL PROPERTY: TRADEMARKS

**WORD | PHRASE |
LOGO**

**IDENTIFIES
SOURCE OF
GOODS OR
SERVICES**

**PROTECT
BRANDS**

**AVOID
CUSTOMER
CONFUSION**

**FEDERAL
LANHAM ACT**

**STATE
COMMON LAW
PROTECTION
WHEN USED IN
COMMERCE**

**LAWSUITS
AVAILABLE TO
MARK OWNERS**

INFRINGEMENT

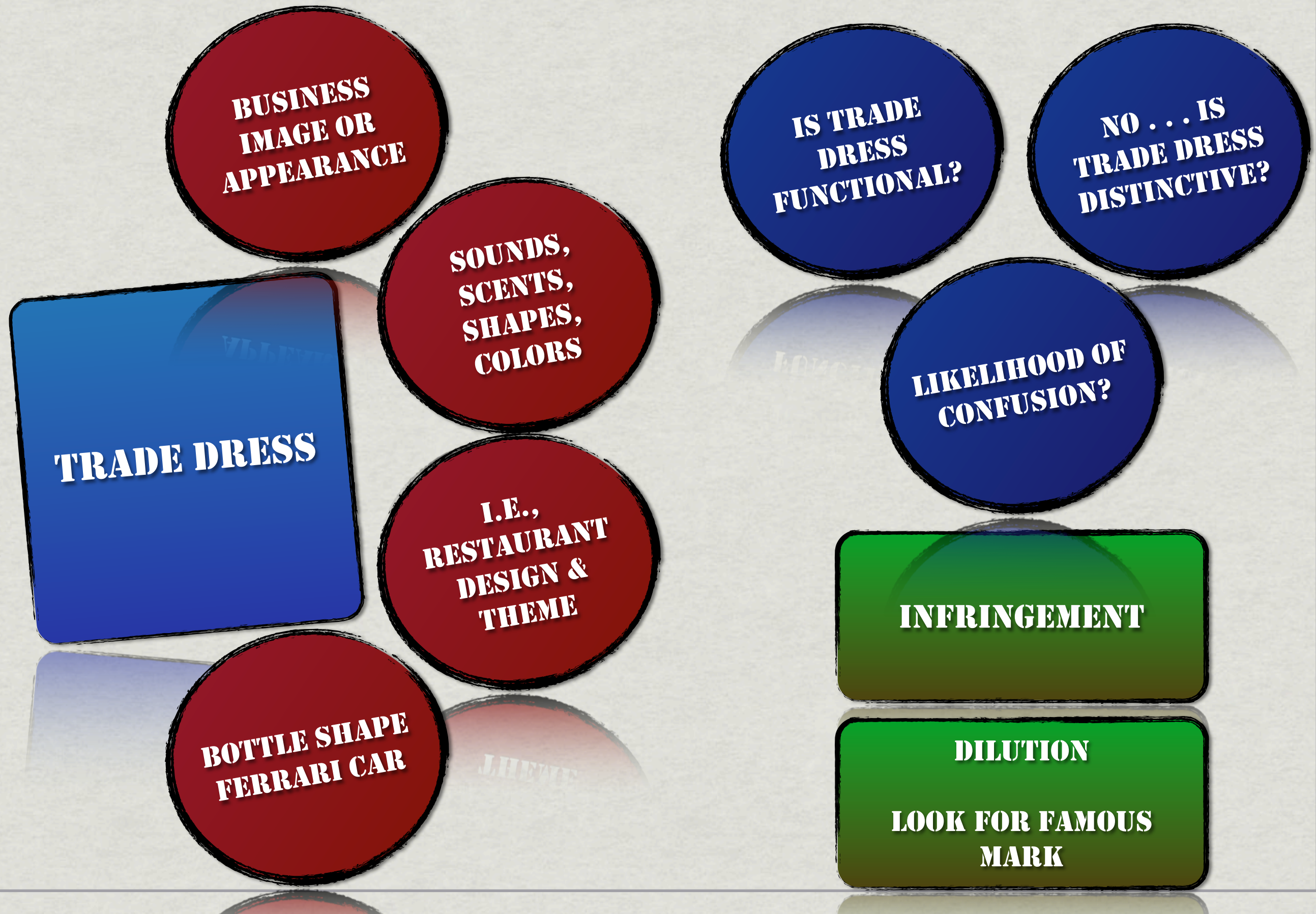
DILUTION

LOOK FOR FAMOUS

TRADEMARKS

® | ™

INTELLECTUAL PROPERTY: TRADE DRESS



IS NIKE'S MARK VALID?

TRADE DRESS

- COKE BOTTLE
- SHAPE/DESIGN OF IPHONE
- CLOTHING DESIGN



**TRADE DRESS WITH SECONDARY
MEANING THAT DIRECTLY
ASSOCIATES THE SHOE WITH
NIKE IN THE MINDS OF THE
PUBLIC**

PUBLIC

**ENTITLED TO TRADEMARK
PROTECTION**

IMPORTANCE OF ORAL ARGUMENT

COUNSEL FOR ALREADY

**DISCUSSION OF THE “REAL
WORLD” TO JUSTICE BREYER**

**STRUGGLED TO EXPLAIN WHY
ALREADY COULD NOT PRODUCE
NEW PRODUCTS**

**DID THIS ARGUMENT HAVE AN
EFFECT ON THE OPINION?**

Already v. Nike

- ★ Petitioner's Brief
- ★ Respondent's Brief
- ★ Oral Argument
- ★ Lower Court Opinions
- ★ Supreme Court Opinion

Constitution & Business

PROCEDURE: UP THE CHAIN

FEDERAL DISTRICT COURT

**NIKE'S CLAIMS:
ALREADY COULD NOT
SHOW FUTURE INJURY**

**NO ACTUAL
CONTROVERSY |
DISMISSED WITH
PREJUDICE**

**ALREADY'S
COUNTERCLAIMS**

**DISMISSED | ALREADY
SHOULD GO TO PTO**

ATTORNEY FEES

**DENIED | NIKE SHOWED NO
BAD FAITH**

**2ND CIRCUIT COURT OF
APPEALS**

AFFIRMED

**IMPROBABILITY OF
FUTURE INFRINGEMENT | NO
GEAR TO SHOW**

**PATENT
CANCELLATION CANNOT
HAPPEN WITHOUT
UNDERLYING CASE**

PROCEDURE: THE ISSUE

ISSUE

**DOES COVENANT NOT TO ENFORCE
TRADEMARK AGAINST COMPETITOR'S
EXISTING PRODUCTS AND ANY FUTURE
COLORABLE IMITATIONS MOOT
COMPETITOR'S ACTION TO HAVE MARK
INVALIDED?**

YES

INVALIDED;

COMPETITOR'S ACTION TO HAVE MARK

THE OPINION



NIKE WINS | CASE IS MOOT BECAUSE OF COVENANT



CONCUR | THIS TACTIC SHOULD BE
SCRUTINIZED CAREFULLY BY COURTS

OPINION STRUCTURE

BLUE = LAW | RED = DICTA

INTRODUCTION

PART I

PART II

PART III

PART IV-A

PART IV-B

PART V

ISSUE

FACTS

ARTICLE III

**VOLUNTARY
CESSATION**

MOOTNESS

**ALTERNATIVE
INJURIES**

**SG'S
REQUEST**

VERY BRIEF

**PROCEDURAL
HISTORY**

**CASE &
CONTROVERSY**

**DOCTRINE
APPLIES**

CASE IS MOOT

**CASE STILL
MOOT**

NO REMAND

THE OPINION

NIKE WINS

**PARTY ASKING FOR VOLUNTARY
CESSATION BEARS BURDEN**

**COVENANT WAS BROAD AND
COVERED ALL OF ALREADY'S PAST,
CURRENT & FUTURE SHOES THAT
ARE COLORABLE IMITATIONS OF
CURRENT SHOES**

**CASE IS MOOT | ALREADY CANNOT
PRODUCE ANY PRODUCTS THAT
WOULD CAUSE NIKE TO SUE AGAIN**

PUBLIC POLICY: THE MERITS

PROS

CONS

TOUGH QUESTIONS W/ PROF. C

**THINK
DEEPLY**

(1) DID NIKE ACT LEGALLY HERE? ETHICALLY?

A. GREATEST GOOD FOR THE GREATEST #?

B. DO YOU WANT TO WORK IN SUCH A WORLD?

C. DID NIKE STRAY FROM THE GOLDEN MEAN OF ANY VIRTUES?

(2) SHOULD THE OTHER SIDE HAVE TO APPROVE A COVENANT NOT TO SUE OR CAN IT JUST BE UNILATERALLY SUBMITTED TO THE COURT?

(3) HOW DID NIKE COME UP WITH THIS PLAN?

(4) DO YOU THINK NIKE'S MARK WAS VULNERABLE? DOES THE FACT THAT IT WAS APPROVED BY THE GOV'T MATTER? WHY WOULD THE PTO APPROVE SOMETHING THAT SEEMS TO HAVE BEEN PATENT-WORTHY?

TOUGH QUESTIONS W/ PROF. C

**THINK
DEEPLY**

- (5) WHO SHOULD BEAR THE BURDEN TO SHOW THAT THE INFRINGING CONDUCT WILL NOT RECUR UNDER THE VOLUNTARY CESSATION DOCTRINE?
- (6) WHY DIDN'T ALREADY PRODUCE SOMETHING THAT IT WAS GOING TO MARKET (ESPECIALLY ON APPEAL/ORAL ARGUMENT)?
- (7) WHY DOESN'T ALREADY MAKE ATHLETIC SHOES ANYMORE?
- (8) WHAT IS JUDICIAL NOTICE? DOES THE CONCEPT OF JUDICIAL NOTICE WORRY YOU?
- (9) WAS THIS AN IP CASE?
- (10) WHY DIDN'T ALREADY JUST GO TO THE PTO TO INVALIDATE NIKE'S MARK?

JUST DO IT.



next: Article IV (U.S. v. Windsor)

Constitution & Business