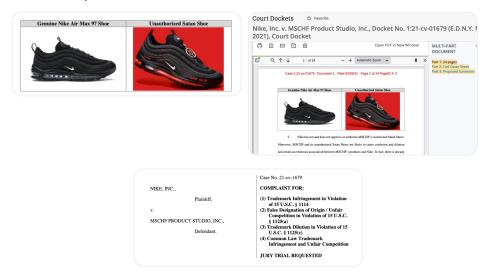


nike sues MSCHF over lil nas x "unauthorized satan shoe" for infringement, false designation of origin, & dilution (blurring & tarnishment); allegations of actual confusion backed by social media evidence

(i typed "nike satan" into the bloomberg search bar, so that's fun)



i'll live-tweet the complaint <u>@questauthority</u>-style even though i am supposed to be grading.

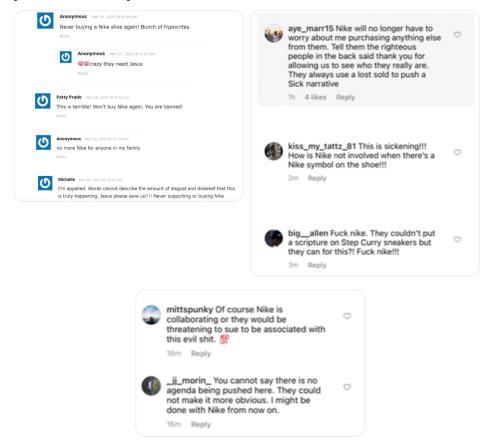
right out the gate--in literally the 1st sentence--nike characterizes the shoes as "materially altered to prominently feature a satanic theme."

this is key to rejecting a 1st sale defense, which protects ability to resell genuine branded goods but not "materially altered" ones.

in a 2020 case over maui jim sunglasses, a court held "an alteration is material if it changes something about a product...relevant to consumers' decision to purchase." does embroidering a bible reference, adding a pentagram, & injecting ACTUAL HUMAN BLOOD feel material or nah?

oh haha nike thinks some other changes are material too: "referring to the shoe as the Satan Shoe, adding red ink & human blood to the midsole, adding red embroidered satanic- themed detailing, adding a bronze pentagram to the laces, & adding a new sock liner."

nike alleges not only likelihood of confusion, but "significant" actual confusion already taking place, "incl. calls to boycott nike in response to the launch of MSCHF's Satan Shoes based on the mistaken belief that Nike has authorized or approved this product." it has receipts.



love us or hate us, only WE decide what our swoosh gets used on (basically)

3. Nike files this lawsuit to maintain control of its brand, to protect its intellectual property, and to clear the confusion and dilution in the marketplace by setting the record straight—Nike has not and does not approve or authorize MSCHF's customized Satan Shoes. As an innovative brand that strives to push the envelope and do the right thing, Nike knows it may not please everyone all of the time. But decisions about what products to put the SWOOSH on belong to Nike, not to third parties like MSCHF. Nike requests that the Court immediately and permanently stop MSCHF from fulfilling all orders for its unauthorized Satan Shoes.

with an assist from the 9th circuit court of appeals in one of my favorite cases, which once called the swoosh not only famous but "exalted"!

either way, the "famous among the general consuming public of the US" requirement for dilution claims will be handily met

18. The U.S. Court of Appeals for the Ninth Circuit has referenced the Nike Swoosh design as an example of a "famous trademark [that has] assumed an exalted status...Consumers sometimes buy products bearing marks such as the Nike Swoosh...for the appeal of the mark itself, without regard to whether it signifies the origin or sponsorship of the product." *Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062, 1067 (9th Cir. 2006).

me: how soon til they call it iconic nike:

25. The NIKE word mark and Swoosh design have received unsolicited publicity and praise among consumers and in the media. For example, in 2013, Nike's Swoosh design was ranked number one on Complex Magazine's list of the "Top 50 Most Iconic Brand Logos of All Time."1

so far nike has gone with the relatively chaste & understated "making changes to the midsole may pose safety risks for consumers" rather than "heads up, putting some rando's ACTUAL BLOOD inside the midsole of our sneakers is super sketch??? like we don't even know this guy?"

33. On information and belief, MSCHF uses the website satan.shoes/product to promote its Satan Shoes. According to this website, the body of the Satan Shoe is a "NIKE AIR MAX 97." The website further states that each shoe "CONTAINS: 60CC INK AND 1 DROP HUMAN BLOOD." According to media reports, the red ink and drop of literal human blood is incorporated into the sole of each shoe. Making changes to the midsole may pose safety risks for consumers.

YOUR HONOR, LET THE RECORD SHOW a genuine nike air max 97 shoe does not contain any of these...shall we say.... "customized features"

39. As can be seen from the back view of the shoe, the left shoe displays the letters "MSCHF" and the right shoe displays the letters "LIL NAS X," a rap artist who apparently collaborated with MSCHF on the Satan Shoes. The air bladder in the sole of each shoe appears to be filled with a red liquid.

40. A genuine Nike Air Max 97 shoe does not contain any of these customized features.

in case you're curious, lil nas x is not only not a named defendant, he barely warrants a mention--the complaint notes that the shoes say "lil nas x" & identifies him as "a rap artist who apparently collaborated with MSCHF on the Satan Shoes."

most trademark infringement cases: "plaintiff has suffered harm to its goodwill, including among consumers who believe it is endorsing defendant's product."

this case: "nike has suffered harm to its goodwill, including among consumers who believe it is endorsing satanism."

42. In the short time since the announcement of the Satan Shoes, Nike has suffered significant harm to its goodwill, including among consumers who believe that Nike is endorsing satanism. Examples of online consumer commentary are reproduced below.

trademark law students may enjoy the fact that nike here alleges ALL the confusions. point of sale! post-sale! initial interest! secondary markets!

not to mention all the dilutions: by tarnishment! & by blurring!

48. Unless stopped, MSCHF's Satan Shoes and MSCHF's use of Nike's Asserted Marks will continue to cause confusion in the marketplace, including but not limited to initial interest confusion, post-sale confusion, confusion in the secondary sneakers markets, and dilution by blurring and tarnishment.

"any defects, objections, or faults...w/ the satan shoes will negatively reflect upon & injure the reputation that nike has established," such as for example if any of the human blood were to escape the air bladder (not to make it weird or anything)

for the newbies, there are 2 kinds of dilution: tarnishment (harming reputation by association w/ something tawdry or bad, like sex, drugs, etc.) & blurring (harming the strength of the famous mark by associating it w/ a different source). neither requires confusion.

anyway i'm a little surprised nike didn't hit the tarnishment harder, because satan! but i appreciate a light touch--it's classy. it says "we're all adults here, even governor kristi noem."

70. MSCHF's use of the Nike Asserted Marks and/or confusingly similar marks has caused, continues to cause, and/or is likely to cause irreparable injury to and dilution of the distinctive quality of the Nike Asserted Marks in violation of Nike's rights under 15 U.S.C. § 1125(c). MSCHF's wrongful use of the Nike Asserted Marks is likely to cause dilution by blurring and the whittling away of the distinctiveness and fame of the Nike Asserted Marks. In addition, MSCHF's wrongful use of the Nike Asserted Marks in connection with satanic imagery is likely to cause dilution by tarnishment.

nike wants injunctive relief, destruction of all the shoes, an order affirming nike's TM rights, pre-judgment interest, costs & attorneys' fees, & ALL the kinds of damages (statutory, punitive, profits, treble).

nike & i both love a good specific injunction

- A judgment and order enjoining MSCHF and MSCHF's affiliates, officers, agents, employees, attorneys, and all other persons acting in concert with MSCHF, during the pendency of this action and permanently thereafter from:
 - a. Manufacturing, transporting, promoting, advertising, publicizing, distributing, offering for sale, or selling any products (including but not limited to the Satan Shoes) under Nike's Asserted Marks, any marks substantially indistinguishable therefrom, or any other marks, names, symbols, or logos which are likely to cause confusion or to cause mistake or to deceive persons into the erroneous belief that any products that MSCHF caused to enter the stream of commerce or any of MSCHF's commercial activities are sponsored or licensed by Nike, are authorized by Nike, or are connected or affiliated in some way with Nike or Nike's Asserted Marks:
- b. Manufacturing, transporting, promoting, advertising, publicizing, distributing, offering for sale, or selling any products (including but not limited to the Satan Shoes) under Nike's Asserted Marks, any marks substantially indistinguishable therefrom. and/or confusingly similar marks;
- c. Implying Nike's approval, endorsement, or sponsorship of, or affiliation or connection with, MSCHF's products, services, or commercial activities, passing off MSCHF's business as that of Nike, or engaging in any act or series of acts which, either alone or in combination, constitutes unfair methods of competition with Nike and from otherwise interfering with or injuring Nike's Asserted Marks or the goodwill associated therewith;
- Engaging in any act which is likely to dilute the distinctive quality of the Nike Asserted Marks and/or injures Nike's business reputation;
- Representing or implying that MSCHF is in any way sponsored by, currently affiliated with, or licensed by Nike; or
- f. Knowingly assisting, inducing, aiding, or abetting any other person or business entity in engaging in or performing any of the activities referred to in paragraphs 2(a) to (e) above.
- An order that Nike is the exclusive owners of the Nike Asserted Marks and that such marks are valid and protectable;
- 4. An order that MSCHF be required to deliver to Nike for destruction any and all shoes, apparel, digital files, packaging, printed graphics, promotional materials, business cards, signs, labels, advertisements, flyers, circulars, and any other items in any of their possession,

also interesting to note that the (registered, incontestable, famous) marks nike alleges MSCHF infringes & dilutes are the NIKE word mark & the swoosh--no allegation of trade dress rights in the air max '97, which keeps things simpler.





Reg. No.	Reg. Date	Goods
0,978,952	Jan. 31, 1972	Athletic shoes with or without spikes
1,214,930	Nov. 2, 1982	Footwear
1,243,248	Jun. 21, 1983	Retail footwear and apparel store services
6,124,779	Aug. 11, 2020	Retail store services and on-line retail store services featuring apparel, footwear, sporting goods and equipment, and sports and fitness products and accessories

folks have asked about defenses—they include 1st sale/exhaustion, fair use, parody/expressive use, & simply no likelihood of confusion at point of sale.

i think this is going to be a fun one to watch, w/ broad implications, & isn't a slam dunk for either party. strap in, satan!



update! initial conference scheduled for june 29.

the thing is, <u>#satanshoes</u> purchasers are going to expect to receive their shoes before then. will MSCHF ship them out, settle, or wait & see?

SCHEDULING ORDER: A Telephone Initial Conference will be held in this case on June 29, 2021 at 10:30 a.m. before Peggy Kuo, United States Magistrate Judge. All counsel are required to attend. The parties are directed to call toll free (877) 336-1274 and input the Access Code 1453850 at the time of the Conference. No additional security code is needed. Once all parties are on the line, the call will be connected. (The parties are reminded that, pursuant to Local Civil Rule 1.8, they may not independently record any court proceedings. A transcript of the proceedings may be ordered from the Clerk's Office.)Counsel are directed to the annexed Initial Conference Order for instructions. By June 24, 2021, the parties must file a joint and completed copy of the Proposed Discovery Plan, a PDF version of which may be found at: https://img.nyed.uscourts.gov/files/forms/PKdiscovplan.pdf Any request for adjournment of this or any other conference must be made in writing on notice to opposing parties, and must disclose whether or not all parties consent. No request for adjournment will be considered unless made at least two (2) business days before the scheduled conference, except in the event of an emergency. Counsel with knowledge and authority must be present. Per diem counsel may not appear without prior permission of the Court. Plaintiff's counsel is directed to ensure that Defendant is aware of this conference. Ordered by Magistrate Judge Peggy Kuo on 3/29/2021. (O'Neil-Berven, Ryan) (Entered: 03/29/2021)

a lot of people in the replies have been asking about how nike can sue MSCHF over the satan shoes while recently declining to sue over the same company's jesus shoes.

i don't think that inconsistency hurts them.





this drop was far bigger & the use more tarnishing & more materially altered. evidence of actual confusion (folks believing nike was on board w/ satan shoes) is widespread & unmissable. so i think this case is more winnable & falls further outside the bounds of 1st sale.

1 more twist: you can work w/ nike to customize your own nike air max's! does that increase or decrease the likelihood consumers will believe nike authorized these? could you build satan shoes on the nike website?

(this teal is more my style personally)

https://www.nike.com/nike-by-you? fbclid=IwARo907qNNp_cwsFqlMt9neVdtIbjLouv44oJoBcLYqWIcsE3hasWFR3FU Ws

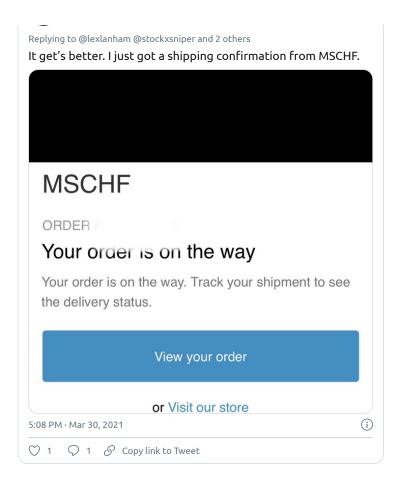


given the docket, i've been wondering whether MSCHF would cancel the sales, ship out the shoes, or wait & see.

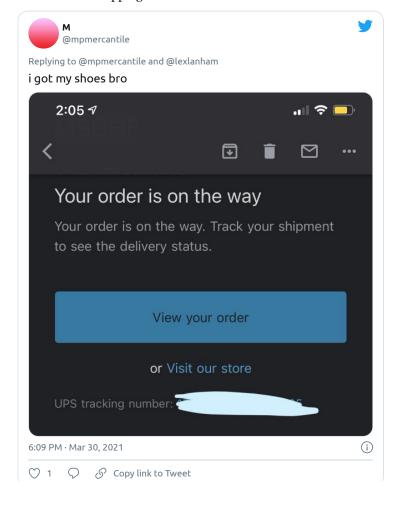
at least one twitter user says their <u>#satanshoes</u> just shipped, suggesting MSCHF isn't going down without a fight...



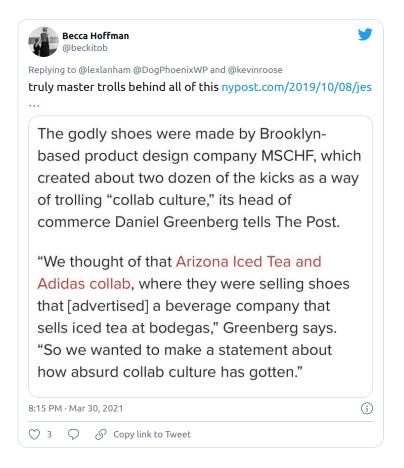




& this one makes three shipping confirmations I've heard about.



for a successful trademark parody defense, defendant must show it used the mark to parody the mark owner or at least the consumers/culture around it, not some unrelated 3rd thing. MSCHF shd have plenty of ammo to argue #satanshoes send up collab culture.



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