

This Could Change Everything: Nike Appeals Fleet Feet Injunction on Basis of Free Speech

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Fleet Feet, Inc. is a national running equipment retail store chain and owner of the trademarks CHANGE EVERYTHING and RUNNING CHANGES EVERYTHING for retail sporting goods stores and athletic apparel and related goods and services. According to the company website, the company espouses the core belief that

“running changes lives,” and thus transforms everything else. Nike, Inc. adopted “Sport Changes Everything” in its 2019 advertising campaign highlighting youth, athletes with miraculous physical abilities in spite of obstacles, and the difference that sports can make in transforming lives. There was even a “Sport Changes Everything, Chicago-Style” commercial featuring grit, determination and, of course, mustard-only hot dogs. For Nike, it was a tearjerker campaign that resonated with many.

Fleet Feet took notice of Nike’s campaign and filed a trademark infringement lawsuit seeking damages and an injunction, based in large part on a theory of reverse likelihood of confusion. Reverse confusion occurs when consumers believe that a prior user of a mark is somehow connected to a later user, even though the later user is the interloper. In contrast, plain vanilla “forward” likelihood of confusion occurs when a later user’s good or services are confused as originating with or somehow connected to the prior user.

Reverse confusion can seem especially egregious because it causes a lesser-known

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prior user to become mixed up with a well-known later user of a mark simply because the later user's reputation and resources eclipse that of the lesser-known prior user. In this instance, Fleet Feet asserted that even though its marks had been in use exclusively since 2013, Nike's brand power and 2019 advertising campaign overpowered its use and would make consumers believe that Fleet Feet is somehow affiliated with Nike, when it is not. The U.S. District Court for the Middle District of North Carolina concluded that the marks were quite similar, and in light of Nike's advertising power, its use could, and indeed already had, eclipsed that of Fleet Feet's use of its marks such that there was a strong likelihood of reverse confusion and sufficient irreparable harm to warrant an injunction.

Nike recently appealed the decision to the Fourth Circuit on the basis that the injunction was a restraint on free speech. Nike asserts that its use of "Sport Changes Everything" was not as a trademark or tagline, but was merely descriptive, and thus a fair use. As contended in Nike's appeal, fair use of a trademark was established in the First Amendment to the Constitution, which in part prohibits Congress from making any law abridging the freedom of speech. In its fair use defense, Nike must prove that it used the phrase descriptively and in good faith. 15 U.S.C. § 1115(b)(4). Nike also asserted that advertising taglines are frequently short lived and therefore not always intended to become source indicating, though the relevant legal question is whether *consumers* thought the "Sport Changes Everything" phrase was source indicating—and if they did, were they likely to be confused as between Fleet Feet or Nike as the source of the products and services. We'll continue to keep you posted, as this appeal could change everything.