

STANDING IN THE THICKET: RECONCILING DIFFERING STANDARDS OF JUSTICIABILITY IN INTELLECTUAL PROPERTY DISPUTES

KENDALL J. BRADY*

Introduction.....	130
I. Background.....	134
A. The Purposes and Legal Framework of Intellectual Property....	134
1. The Intellectual Property Clause of the Constitution.....	135
2. The Scope and Subject Matter of Intellectual Property Protections	135
B. Congressional Intent Underlying the Declaratory Judgment Act and its Procedural Effect.....	138
1. The Courts' Early Application and Interpretation of the Declaratory Judgment Act Embodies its Purpose and Intent	139
2. The Standards of Declaratory Judgment Justiciability Have Drifted Away from the Requirements of Article III	141
C. The Doctrine of Standing	144
D. The Prudential Doctrine of Mootness is a Necessary Component of this Jurisdictional Analysis	146
1. Events That Are Insufficient to Moot a Case.....	148
2. Events That Are Sufficient to Moot a Case	149

* Ken Brady graduated from the American University Washington College of Law, Summa Cum Laude in 2014 and works as a Trademark Examiner for the United States Patent and Trademark Office. The views expressed in this Article are those of the Author and not representative of the United States Patent and Trademark Office. Many thanks are owed to Professors Jonas Anderson, Christine Farley, and Peter Jaszi for their guidance and support in the study of intellectual property law.

II. The Basic Article III Case and Controversy Requirement is the Proper Standard in Evaluating Standing in Declaratory Judgment Actions and the Mootness of Counterclaims	151
A. The Proper Legal Framework for the Standard of Justiciability of a Declaratory Action in Intellectual Property Disputes is the Article III Minimum as Applied in Other Declaratory Actions	153
B. The Article III Standing Analysis Provides the Proper Standard for Assessing the Mootness of Counterclaims in Intellectual Property Disputes	155
Conclusion	158

*“If such a shoe exists, the parties have not pointed to it, there is no evidence that Already has dreamt of it, and we cannot conceive of it. It sits, as far as we can tell, on a shelf between Dorothy’s ruby slippers and Perseus’s winged sandals.”*¹

INTRODUCTION

Suppose you have developed an idea—made an intangible knowledge object.² Whether the idea is a work of art, a widget, or the very branding of your particular product or service, you have invested considerable energy and resources into this work and it has consumed much of your working life. Then, just as you are about to reap the fruits of your labor, someone says that your idea is actually theirs. Not only is it theirs, but you cannot use it because an intellectual property regime—be it patent,³ trademark,⁴ or

1. Already, LLC v. Nike, Inc., 133 S. Ct. 721, 728 (2013).

2. The term “intangible knowledge object” or “knowledge object” is used in this article to denote a discrete unit of intellectual property but is not limited to knowledge per se, but rather encompasses expressive works, source designators (marks), and inventions. The term is derived from the contrasting notion that property rights analogous to those relating to tangible objects—chattel or real property—may also relate to an intangible “object” such as knowledge. See LAWRENCE LESSIG, FREE CULTURE: HOW BIG MEDIA USES TECHNOLOGY AND THE LAW TO LOCK DOWN CULTURE AND CONTROL CREATIVITY 83–84 n.2, 285 (2004), available at <http://www.free-culture.cc/freeculture.pdf> (comparing physical and intangible types of property and characterizing works licensed under the creative commons as “objects”).

3. For the purposes of this Article the term “patent” will refer to utility patents, which protect inventions, see BLACK’S LAW DICTIONARY 1236 (9th ed. 2011), rather than design patents, which protect ornamental design that has no functional purpose, see *id.* at 1235.

4. Trademarks can be protected under both state and federal laws and may be protected without registration. 15 U.S.C. § 1125 (2014); D C Comics, Inc. v. Powers, 465 F. Supp.

copyright⁵—protects it.⁶ If, for reasons of price, principle, or possibility, you refuse to abandon your work or license the right to use it, then you have two remaining courses of action: (1) proceed with your work, await a lawsuit, and then counterclaim for invalidity and non-infringement; or (2) file for a declaratory judgment of invalidity and non-infringement before continuing too far. The latter option is far preferable to a putative defendant. Beyond the exhausting costs of litigation, the pendency of an infringement suit hangs like a Damoclean Sword.⁷ Having placed the would-be defendant on notice of their alleged infringement, the intellectual property holder is free to let the putative infringer “run up [the] bill.”⁸ In the event of finding infringement wherein the infringer had notice of his infringement, a court could find the infringement willful thereby allowing the plaintiff to reap up to treble damages.⁹ Instead, it may be better to attack the claim head-on and adjudicate the rights of the parties before damages can pile up. But whether you, a putative infringer, can get into court depends on your accuser’s actions.

“Trolls” are a common phenomenon that plagues the intellectual property sphere.¹⁰ Like storybook villains exacting tolls from unwary passersby for use of a bridge that is rightly open to the public, these entities file costly

843 (S.D.N.Y. 1978). For the purposes of this Article, trademarks will refer to those registered with the federal government and protected under the Lanham Act.

5. Although copyright protection is obtained at the moment of fixation of an original work of authorship, 17 U.S.C. § 102(a); *see, e.g.*, *Goldstein v. California*, 412 U.S. 546, 561 (1973) (interpreting the fixation requirement to pertain to “any physical rendering of the fruits of creative intellectual or aesthetic labor”), the registration of a work, within certain time constraints, permits the copyright holder to seek statutory damages and attorney’s fees. 17 U.S.C. § 412. For the purposes of this Article, works characterized as “copyrighted” will refer to a work that is registered and certified by the Copyright Office.

6. Trade secret protections will not be addressed in this Article because trade secret rights neither confer a monopoly nor is independent discovery, creation, or invention by a second party actionable. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 43 cmt. a-b (1995).

7. Although the Sword of Damocles originally represented the great danger that accompanies a life of great power and apparent comfort, the term has come to mean, and in this Article is used to indicate, impending doom. *‘Sword Of Damocles’ Reference Sometimes Misused*, NATIONAL PUBLIC RADIO (Aug. 19, 2011), <http://www.npr.org/2011/08/19/139799434/sword-of-damocles-reference-sometimes-misused>.

8. *Declaratory Judgments: Hearings Before a Subcomm. of the Comm. on the Judiciary on H.R. 5623*, 70th Cong. 35 (1928) (statement of Prof. E. R. Sunderland).

9. 15 U.S.C. § 1117(b) (2006); 17 U.S.C. § 504; 35 U.S.C. § 284.

10. *See, e.g.*, David Segal, *Has Patent, Will Sue: An Alert to Corporate America*, NEW YORK TIMES (Jul. 13, 2013), <http://www.nytimes.com/2013/07/14/business/has-patent-will-sue-an-alert-to-corporate-america.html>.

suits against putative infringers, often wielding weak claims and seeking a quick payout.¹¹ This method is so effective at obtaining settlements and licensing agreements that the plaintiffs are often neither originators nor practitioners of the relevant intellectual property, but merely entities formed to acquire patents and wield them as swords in litigation.¹² When challenged by a defendant with a counterclaim for invalidity, the practice is commonly to execute a covenant not to sue whereby the defendant is relieved of liability for their infringement, mooted the defendant's counterclaim of invalidity, and leaving the weaponized intellectual property right intact and thus available for use in subsequent litigation.¹³ This is not to say that every intellectual property right is invalid, or the accused technology, work, or mark is not an infringement. Although this litigation strategy is identified widely with mercenary practices in the intellectual property sphere, "legitimate" intellectual property holders also use it to great success.¹⁴ But even in cases of "legitimate," as opposed to troll, litigation, these practices undermine the purposes of the Declaratory Judgment Act,¹⁵ warp the case and controversy requirement, and leave intellectual property disputes that are appropriate and ripe for adjudication unresolved.¹⁶

The case of *Already v. Nike*¹⁷ exemplifies the problems that the practice of adopting covenants that moot any counterclaims for invalidity pose to litigants and industries dependent on intellectual property rights, and, more importantly, illuminates the structural defects in how courts treat these questions—a treatment that permits and incentivizes this strategy. In this

11. See e.g., Brad A. Greenberg, *Copyright Trolls and Presumptively Fair Uses*, 85 U. COLO. L. REV. 53, 59 (2014); *This American Life: When Patents Attack!*, CHICAGO PUBLIC RADIO (July 22, 2011), <http://www.thisamericanlife.org/radio-archives/episode/441/when-patents-attack>.

12. *Id.*

13. Brief of Intellectual Property Professors as Amici Curiae in Support of Petitioner at 17-18, *Already, LLC v. Nike, Inc.*, 133 S. Ct. 721 (2013) (No. 11-982).

14. See Matthew Sag, *Copyright Trolling, an Empirical Study*, 100 IOWA L. REV. 1105, 1114-15 (2014); Lisa A. Dolak, *Power or Prudence: Toward a Better Standard for Evaluating Patent Litigants' Access to the Declaratory Judgment Remedy*, 41 U.S.F. L. REV. 407, 426 n.98 (2006) (discussing a variety of cases mooted by various covenants).

15. 28 U.S.C. §§ 2201-2202; see Vangelis Economou, *Sacking Super Sack: Using Existing Rules to Prevent Patentees from Fleeing an Improvident Patent Infringement Lawsuit*, 8 J. MARSHALL REV. INTELL. PROP. L. 90, 120 n.292 (2009) (discussing the persistence of an actual controversy beyond a covenant not to sue and the variation of courts' exercise of jurisdiction).

16. See Lorelei Ritchie de Larena, *Re-evaluating Declaratory Judgment Jurisdiction in Intellectual Property Disputes*, 83 IND. L. J. 957, 959 (2008) (observing that a warped jurisdictional analysis in intellectual property disputes has the effect of under-including cases).

17. 133 S. Ct. 721 (2013).

case, Nike filed suit alleging that shoes produced by Already infringed on Nike's "Air Force 1" registered trademark.¹⁸ Approximately four months later, Already counterclaimed that the registration was invalid and, four months after that, the parties signed a covenant not to sue for any past, present, or planned acts which may have been infringing.¹⁹ Already pressed on with their counterclaim for invalidity asserting that, in the absence of a total covenant, the issue of the mark's validity was not moot.²⁰ The Supreme Court unanimously disagreed, essentially construing the covenant to have only failed to cover an impossible shoe of which the Court could not conceive.²¹ The Court extended the tests that form the basis of courts' declaratory judgment jurisdictional analysis and determined that, despite the covenant's explicit exception regarding future acts, the counterclaimant could have no reasonable basis to be apprehensive of future litigation.²²

This restrictive reading of what constitutes a live case and controversy echoes the evolution of courts' tests when considering jurisdiction over declaratory judgment actions. This evolution has steadily undermined the purpose of declaratory judgments since the enactment of the Declaratory Judgment Act in 1934.²³ Over time, courts' interpretations of the requirements of the statute, and the application of the Article III "case and controversy" requirement, regarding intellectual property disputes has grown more stringent, thwarting the purpose of the act and impermissibly restricting standing under Article III.²⁴ This Article will argue that, in intellectual property disputes, the courts have imposed jurisdictional barriers to a declaratory-plaintiff, or a counterclaimant, that impermissibly and improperly construe the requirements of Article III. These requirements further contravene the express will of Congress in passing the Declaratory Judgment Act—the proper standard in such cases is the irreducible case and controversy requirement.

To better understand the origins of the courts' misapplication of the case and controversy requirement in this context, Part 0 explicates the goals and

18. *Id.* at 725.

19. *Id.*

20. *See id.* at 725–26 (reciting the history of the case before the Court).

21. *Id.* at 728.

22. *Id.* at 732.

23. *See de Larena, supra* note 16, at 959 (characterizing the situations before the Declaratory Judgment Act and under the Federal Circuit's declaratory jurisdiction tests as a "danse macabre").

24. *See* Lisa A. Dolak, *Declaratory Judgment Jurisdiction in Patent Cases: Restoring the Balance between the Patentee and the Accused Infringer*, 38 B.C. L. REV. 903, 925 (1997) (marking the divergence in courts' treatment of the jurisdictional tests of patent cases).

legal framework of the United States' intellectual property protection regime. The operations and purposes of the rights granted under these schemes gave rise to a series of incentives for patent, trademark, and copyright holders, the effects of which inform the purpose and intended function of the Declaratory Judgment Act. Part 0 addresses the purpose of the Declaratory Judgment Act and demonstrates the departure of courts from that intent. The fundamental principles of standing and mootness, which the above subjects directly implicate, are discussed in Parts 0 and 0 respectively and, in so doing, this Article demonstrates that courts should understand the tests of declaratory standing and counterclaim mootness to be intimately linked. Taken together, the case and controversy requirement, the purposes of the Declaratory Judgment Act, the mootness inquiry, and the nature of intellectual property rights form a framework to analyze courts' treatment of standing and mootness in intellectual property disputes. Part 0 draws a comparison between courts' practices in more traditional avenues of litigation and intellectual property disputes. This comparison reveals the disparate application of the standing analysis between these subject matters. Parts 0 and 0 argue that the differences in these inquiries are improper constructions of the Declaratory Judgment Act and impermissible readings of the Article III requirements. Furthermore, Parts II.A and II.B propose that courts should inquire into the standing of parties and the mootness of counterclaims in intellectual property disputes using the framework developed above, thereby resolving the issue.

I. BACKGROUND

A. The Purposes and Legal Framework of Intellectual Property

Although the world of intellectual property is often divided into four parts—patent, trademark, copyright, and trade secret—this Article deals only with the first three because, although all four receive certain legal protections, unlike trade secrets, the rights at issue under the first three regimes can be registered and the government affirmatively grants monopolistic property rights.²⁵

25. See, e.g., CORPORATE COUNSEL'S GUIDE TO INTELLECTUAL PROPERTY: PATENTS, COPYRIGHTS, TRADEMARKS, & TRADE SECRETS § 10:1 (Thomson Reuters ed., 2013); ALLAN J. STERNSTEIN ET AL., CORPORATE COMPLIANCE SERIES: DESIGNING AN EFFECTIVE INTELLECTUAL PROPERTY COMPLIANCE PROGRAM § 1:117 (2013) (noting that unlike with patents and trademarks, "[w]hether the information is a trade secret or not is really 'decided' for the first time in court").

1. *The Intellectual Property Clause of the Constitution*

American intellectual property rights date back to the founding; intellectual property's security was considered instrumental in the development and stability of the national economy.²⁶ In crafting the powers of the federal government, the founders explicitly granted Congress the power to provide federal protection for intellectual property, even going so far as to explain the provision in its wording.²⁷ To wit, patents and copyrights are granted “by securing for limited [t]imes to [a]uthors and [i]nventors the exclusive [r]ight to their respective [w]ritings and [d]iscoveries”²⁸ That is, to incentivize the creation of new intangible knowledge objects, the Constitution authorizes Congress to grant a temporary monopoly such that, at the end of that time, the intellectual property enters into the public domain.²⁹

2. *The Scope and Subject Matter of Intellectual Property Protections*

Although trademark does not fall under the umbrella of the Intellectual Property Clause of the Constitution,³⁰ all regimes of intellectual property protection call for a “quid pro quo”—a trade between society and the grantee such that each party benefits by the creation and protection of the knowledge object.³¹ To obtain protection, a prospective intellectual property holder must demonstrate that the knowledge object he seeks to protect falls within the scope of the relevant subject matter.³² Though the terms of art vary, whether within or without the Intellectual Property Clause of the Constitution, each scheme requires that the knowledge object contain some characteristic that sets it apart from preceding intellectual property.³³ Then,

26. See U.S. CONST. Art. I, § 8, cl. 8.

27. *Id.* (“To promote the Progress of Science and useful Arts”); JAMES MADISON, THE FEDERALIST NO. 43 271 (Clinton Rossiter ed., 1961).

28. U.S. CONST. art. I, § 8, cl. 8.

29. See 17 U.S.C. §§ 302–304 (2014) (providing varying durations for the term of a copyright based upon the relevant date of creation, publication, and compliance with formalities); 35 U.S.C. § 154(a)(2) (limiting a utility patent to a term of twenty years).

30. See generally *In re Trade-Mark Cases*, 100 U.S. 82 (1879) (holding that the Intellectual Property Clause does not authorize federal regulation of trademarks).

31. See *Eldred v. Ashcroft*, 537 U.S. 186, 216–17 (2003) (discussing and contrasting the purposes of granting protections under patent and copyright systems in exchange for contributions to the respective fields of invention and authorship); Bruce Day & Mike Martinez, *The Roots of Intellectual Property: Trade Secrets, Patents, Trademarks and Copyrights*, 62 J. KAN. B.A. 30, 36 (1993) (discussing the purposes of granting protection for trademarks which function as indicia of source to consumers thus benefitting society).

32. 15 U.S.C. § 1052; 17 U.S.C. §§ 102–104A; 35 U.S.C. §§ 100–103.

33. See 15 U.S.C. § 1052 (requiring that a registerable word, symbol, or device meet certain specifications; chiefly that the mark be used in commerce, identify the source of the

presuming that all the appropriate formalities are met, the right is conferred.³⁴ This monopoly right is presumed to place the relevant parties, within and without the United States, on notice and designate the work, invention, or mark³⁵ as outside the public domain.³⁶

The Intellectual Property Clause of the Constitution specifies that the monopoly rights conferred on an intellectual property holder are limited by time.³⁷ Though these durations are subject to change, they are definite.³⁸ Moreover, the duration of each monopoly's term is determined with respect to the nature of the knowledge object that it protects.³⁹

By contrast, trademarks exist outside the scope of the Intellectual Property Clause and are not limited by time.⁴⁰ Instead, they are limited by use in commerce⁴¹ and utility.⁴² Thus, even when a mark has been in constant use in commerce, if it ever fails to perform its indicative function, it falls into the public domain. In some cases, the trademark is lost irreparably such

product or service to the relevant consumer, and not engender confusion with a prior registration); 17 U.S.C. § 102 (requiring that copyrightable works be original works of authorship fixed in a medium); 35 U.S.C. §§ 100–103 (laying out the requirements of utility, novelty, non-obviousness, and being of eligible subject matter for patentability).

34. 15 U.S.C. § 1052; 17 U.S.C. § 102; 35 U.S.C. § 151.

35. Knowledge objects which are protected by copyright are known as “works,” 17 U.S.C. § 102, those protected by trademark are known as “marks,” 15 U.S.C. § 1051, and those which are protected by utility patents are known as “inventions,” 35 U.S.C. § 102.

36. See 15 U.S.C. § 1072 (“Registration of a mark . . . shall be constructive notice of the registrant’s claim of ownership thereof.”); 17 U.S.C. § 501 (providing for liability for infringement of a copyrighted work without a requirement of actual knowledge); 35 U.S.C. § 271 (providing that the monopoly right applies to all, regardless of actual notice).

37. U.S. CONST. art. I, § 8, cl. 8.

38. See generally *Eldred v. Ashcroft*, 537 U.S. 186 (2003) (holding that the constitutional requirement of a temporally limited monopoly is satisfied even if the duration is extended so long as the monopoly does end).

39. See 17 U.S.C. §§ 301–305 (establishing that a work is protected by copyright for seventy years beyond the duration of the author’s life or, in the case of anonymous or pseudonymous works or those made for hire, a work is protected by copyright for ninety-five years from the date of publication or 120 years from the date of fixation, whichever is shorter. Further providing that works will receive varying lengths of protection depending on their date of creation and/or publication); 35 U.S.C. § 154 (providing that the term of a utility patent runs from the date of issue until twenty years after the date of application).

40. See *In re Trade-Mark Cases*, 100 U.S. 82, 93–94 (1879) (observing that the differences between marks, inventions, and works are insurmountable to place them all under the Intellectual Property Clause).

41. See 15 U.S.C. § 1051 (prescribing the requirements for registration of a mark).

42. See e.g., *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412 (1916). In the context of trademarks, “utility” is used to mean the intended function of trademarks as indicia of source and is distinct from the notion of “utility” in patent law and “functionality” as understood in the context of trademarks and copyrights.

that the word, symbol, or device can never be used exclusively again.⁴³ Thus, when a mark no longer indicates the source of the relevant product, but instead identifies the product itself, it has become generic and therefore loses protection.⁴⁴

However, even when under the protective veil of a patent, copyright, or federal trademark registration, the monopoly, though intact, is not absolute.⁴⁵ Though an intellectual property holder may exclude others from certain activities with regard to the relevant knowledge object, the law recognizes that absolute exclusion renders the exchange unfair to society at large, hampers “the [p]rogress of [s]cience and useful [a]rts,” and thereby confounds the purposes of the Intellectual Property Clause as well as the Lanham Act.⁴⁶ Thus, each protection scheme provides that there are certain uses which, though facially infringing, are lawful, and the limitations on the monopoly right differ based on the strength and purpose of the protection.⁴⁷

43. See generally *Bayer Co. v. United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921) (holding that the term “aspirin” no longer signified a product produced by Bayer, but rather the chemical compound acetyl salicylic acid, and thus could no longer receive protection as a mark); see 15 U.S.C. § 1064.

44. See *Bayer*, 272 F. 505.

45. Cf. 15 U.S.C. §§ 1115, 1125 (permitting limited fair use defenses to infringement and dilution claims); 17 U.S.C. § 107 (providing for a fair use defense to infringement and a four factor test of the accused use). In patent law there is no statutory provision for non-infringing uses, but courts have recognized a common law “experimental use” which is analogous but more constrained. *Madey v. Duke Univ.*, 307 F.3d 1351, 1361 (Fed. Cir. 2002) (“[T]he experimental use defense persists albeit in [a] very narrow form . . .”).

46. U.S. CONT. art. I, § 8, cl. 8. The Lanham Act, codified in title fifteen, chapter twenty-two of the United States Code, is the framework for national trademark registration. Lanham Act, Pub. L. No 79-489, 60 Stat. 427 (1946) (codified as amended at 15 U.S.C. §§ 1051 et seq.). Trademarks have several purposes, but the fundamental and historical rationale is to provide consumers with a way to quickly and efficiently gauge the value of a product or service. See *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 16364 (1995) (discussing the theoretical market purposes that trademark law serves). For example, by creating an association between a mark and a specific product, line of products, or service (e.g. the golden arches and McDonald’s) a consumer could quickly and easily determine whether the product was what they wanted. *Id.*

A second function of trademarks is to allow sellers to capture the good will of consumers that they have invested in and cultivated. See *id.* at 164 (quoting and discussing 1 J. MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2.01 (3d ed. 1994)). That is, because McDonalds has invested considerably in tying the golden arches with a uniform service, a predictable product, and a consistent experience, Congress provided for trademark protection so that no other company, regardless of the quality of their product or service, could use the golden arches and thereby evoke the same good will in consumers to its commercial advantage. *Id.*

47. See 15 U.S.C. §§ 1115, 1125 (limiting fair use to non-commercial uses or where

The price that society pays in this exchange—granting a monopoly—is large and calculated to incentivize and reward creating intangible knowledge objects that benefit society. Thus, it is fundamental to these schemes that, when a right is granted improperly, each relevant protection is stripped, in whole or in part, if it is shown that the knowledge object is fatally deficient because it does not confer the required benefit to society.⁴⁸

B. Congressional Intent Underlying the Declaratory Judgment Act and its Procedural Effect

As described above, the monopoly rights that the intellectual property regimes grant are capable of weaponization in litigation such that a party may be subject to staggering damages or otherwise frightened into settlement.⁴⁹ Indeed, damages in patent, trademark, and copyright law are amenable to being “run up” by a plaintiff who is content to let the trespass continue and exercise the attendant leverage at his or her leisure.⁵⁰ It was precisely this “sad and saddening scenario,” particularly with regard to patent owners, that motivated Congress to pass the Federal Declaratory Judgment Act of June 14, 1934 (the “Declaratory Judgment Act” or the “Act”).⁵¹ The Declaratory Judgment Act provides:

In a case of actual controversy within its jurisdiction . . . any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought. Any such declaration shall have the force and effect of a final judgment or decree and shall be reviewable as such.⁵²

Prior to the passage of the Act, only a party alleging an infringement of their own intellectual property, or any other legal right, could bring a suit.⁵³ Under the Declaratory Judgment Act, those parties with sufficiently con-

the infringement is for legitimate competitive purposes such as the comparison of products); 17 U.S.C. § 107 (balancing the “purpose and character” of the infringing work, the nature of the infringed work, the amount of the infringed work used, and the effect of the infringement on the market); *see Madey*, 307 F.3d at 1362 (allowing an experimental use when the purpose of the use is “for amusement, to satisfy idle curiosity, or for strictly philosophical inquiry” and not in “furtherance of the alleged infringer’s legitimate business”).

48. *Cf.* 15 U.S.C. § 1052; 17 U.S.C. § 102; 35 U.S.C. §§ 101–103.

49. *See supra* Introduction.

50. *See Declaratory Judgments*, *supra* note 8 (statement of Prof. E. R. Sunderland).

51. 48 Stat. 955, Jud.Code s 274d; *see Dolak*, *supra* note 24, at 911 (discussing the legislative history and purpose of the Declaratory Judgment Act).

52. 28 U.S.C. § 2201.

53. *See Dolak*, *supra* note 24, at 911.

crete and opposing legal interests can avail themselves of a court to adjudicate their respective rights and responsibilities regardless of the posture of the litigants so long as the court need not render an advisory opinion.⁵⁴

1. The Courts' Early Application and Interpretation of the Declaratory Judgment Act Embodies its Purpose and Intent

Since its enactment, the Declaratory Judgment Act has been invoked in a wide variety of litigation. In its first leading case, *Aetna Life Insurance Co. v. Haworth*,⁵⁵ the Supreme Court was asked to determine whether a life insurance company, faced with a claimant demanding payment on a policy that the insurance company claimed had lapsed, could seek adjudication of the legal rights of the parties despite the fact that the claimant failed to bring any legal action against the insurer.⁵⁶ The Court held that the case was properly brought because “the parties had taken adverse positions with respect to their existing obligations,” and this was sufficient to satisfy the Constitution’s Article III requirement.⁵⁷

In 1941, the United States Court of Appeals for the Third Circuit had the opportunity to consider the limits of the Declaratory Judgment Act in the context of a patent dispute. In *Tremond Co. v. Schering Corp.*,⁵⁸ as in *Aetna*, the Court found the parties had opposing legal interests based only on the asserted rights and obligations.⁵⁹ The declaratory defendant patentee, sought to prevent the plaintiff from importing a patented chemical—an act that falls within the ambit of infringement.⁶⁰ As in *Aetna*, the events here leading to the suit were attenuated, but in *Tremond*, the parties’ actions were even less confrontational. Rather than direct contact between the putative infringer and the patentee, the declaratory defendant patentee contacted the putative infringer’s customers and took out an advertisement in a trade journal asserting that its patent encompassed the chemical in question.⁶¹ The intention of this was to brandish the patent as a weapon in the marketplace and thereby deter the declaratory plaintiff from manufacturing and importing the accused product and the plaintiff’s clients from patronizing anyone but the defendant.⁶²

54. See *Aetna Life Ins. Co. v. Haworth*, 300 U.S. 227, 240–41 (1937) (expounding on the purpose of the Declaratory Judgment Act).

55. 300 U.S. 227 (1937).

56. *Id.* at 236–39.

57. *Id.* at 242.

58. 122 F.2d 702, 705–706 (3d Cir. 1941).

59. *Tremond*, 122 F.2d at 705.

60. *Id.* at 703.

61. *Id.* Tellingly, the court termed the case “typical.” *Id.*

62. *Id.* at 705.

On these facts, the United States District Court for the District of New Jersey dismissed the declaratory action, finding that there was no controversy because the plaintiff had alleged non-infringement but failed to allege notice of a claim of infringement, and the defendant's advertisement did not give rise to a cause of action.⁶³ The circuit court decried this line of reasoning, characterizing the lower court's opinion as destructive to the purpose of the statute, particularly with respect to patent litigation.⁶⁴ In reversing the district court, the circuit court observed that "[t]he parties [remained] in adversarial positions in respect to legal rights and obligations" and regardless of who brought suit, "[t]heir differences [were] concrete" and thus amenable to adjudication.⁶⁵ In so doing, the Third Circuit recognized that with the Declaratory Judgment Act, Congress opened the courts to would-be defendants under precisely the same constitutional framework that they had always been open to plaintiffs.⁶⁶ Moreover, the court established that the patent regime—and by extension that of trademarks and copyrights—grants a right to the property holder and imposes on all others the obligation to not trespass on that right.⁶⁷

Notwithstanding this holding, there are limitations on the jurisdiction of courts in such matters. As the Supreme Court observed, "[t]he difference between an abstract question and a 'controversy' contemplated by the Declaratory Judgment Act is necessarily one of degree, and it would be difficult, if it would be possible, to fashion a precise test for determining in every case whether there is such a controversy."⁶⁸ Although it is clear that the intellectual property rightsholder has the legal right to exclude, equally vital to this inquiry—and to a finding of declaratory standing—is whether the declaratory-plaintiff is so positioned that, if they were the defendant, liability could be found.⁶⁹

63. *Id.* at 703.

64. *See id.* ("Such a construction of the Federal Declaratory Judgment Act would, in our opinion, destroy its entire usefulness in patent litigation.").

65. *Id.* at 705 (citing *Bliss & Co. v. Cold Metal Process Co.*, 102 F.2d 105, 108 (6th Cir. 1939)).

66. *Id.* at 706.

67. *See* sources cited *supra* note 36 (enumerating the statutory provisions for constructive notice); *see also Tremond*, 122 F.2d at 706.

68. *Maryland Cas. Co. v. Pac. Coal & Oil Co.*, 312 U.S. 270, 273 (1941).

69. The Ninth Circuit has clarified that:

[a] better way to conceptualize the case or controversy standard is to focus on the declaratory judgment plaintiff. An action for a declaratory judgment that a patent is invalid, or that the plaintiff is not infringing, is a case or controversy if the plaintiff has a real and reasonable apprehension that he will be subject to liability if he continues to manufacture his product.

2. The Standards of Declaratory Judgment Justiciability Have Drifted Away from the Requirements of Article III

Since the formation of the Court of Appeals for the Federal Circuit, there has been a clear effort to articulate a stringent test of standing in declaratory actions, at least with regard to disputes over intellectual property.⁷⁰ By contrast, there has been no corresponding heightened standard established in traditional avenues of litigation.⁷¹

The Federal Circuit began to warp the justiciability analysis of declaratory actions in patent cases,⁷² by imposing the threshold jurisdictional constraint of a prudential inquiry into whether the declaratory-plaintiff reasonably apprehended litigation by the intellectual property holder.⁷³

The “reasonable apprehension” test had a destructive effect, undermining courts’ ability to properly find standing. That is, rather than a declaratory-plaintiff needing only to demonstrate the existence of contrary legal interests which may impact the “business realities” in play, the putative infringer was required to show that they feared imminent legal action on facts supporting their own case.⁷⁴ This test consisted of two prongs which, though nominally prudential,⁷⁵ were applied jurisdictionally.⁷⁶ This inquiry required that a declaratory-plaintiff make a showing that they apprehended imminent litigation from the declaratory defendant based on the declaratory defendant’s actions, and that the declaratory-plaintiff’s actions could expose it to liability or that it had taken substantial concrete steps towards

Societe de Conditionnement en Aluminium v. Hunter Eng’g Co., 655 F.2d 938, 944 (9th Cir. 1981) (internal citations omitted).

70. See Dolak, *supra* note 24, at 906–07.

71. See, e.g., *Stone St. Asset Trust v. Blue*, 821 F. Supp. 2d 672, 677 (D. Del. 2011) (citing *Simmonds Aerocessories, Ltd. v. Elastic Stop Nut Corp. of Am.*, 257 F.2d 485, 490 (3d Cir. 1958)) (noting that a declaratory judgment action need only satisfy the standing requirements of Article III).

72. See de Larena, *supra* note 16, at 967–68 (observing that the heightened jurisdictional test has been largely followed in copyright and trademark disputes, albeit more broadly).

73. See Dolak, *supra* note 24, at 904 (observing that the Federal Circuit has held that accusations of infringement are jurisdictionally insufficient to invoke the Declaratory Judgment Act).

74. *Id.* at 922. Compare *Shell Oil Co. v. Amoco Corp.*, 970 F.2d 885, 887 (Fed. Cir. 1992) (requiring a showing that the declaratory-plaintiff reasonably apprehended an imminent suit), with *Arrowhead Indus. Water, Inc. v. Ecolochem, Inc.*, 846 F.2d 731 (Fed. Cir. 1988) (allowing alternatives to a showing of a reasonable fear of an imminent suit).

75. See Dolak, *supra* note 14, at 422 (discounting the court’s characterization of the reasonable apprehension test and analyzing its functionally constitutional limitation).

76. *Arrowhead*, 846 F.2d at 735–36; *BP Chemicals Ltd. v. Union Carbide Corp.*, 4 F.3d 975, 978 (Fed. Cir. 1993).

such activity.⁷⁷ This standard rendered null the purpose of the Declaratory Judgment Act by providing a bright line that an intellectual property rightsholder could mindfully avoid.⁷⁸ That is, if a rightsholder wished to avoid the threat of a declaratory challenge to his or her property, he or she need only conscientiously avoid satisfying the first prong of the test, thereby preventing the opposing party from raising the shield of declaratory judgment while still menacing a putative infringer with their intellectual property claims.⁷⁹

The Supreme Court ultimately vitiated this standard and instead enshrined a totality of the circumstances test in *MedImmune, Inc. v. Genentech, Inc.*⁸⁰ However, abolishing the explicit bright line by reaffirming the holding in *Aetna*⁸¹ did not do away with additional tests.⁸² Instead, the totality of the circumstances test has continued to warp the field and thwart the purposes of the Declaratory Judgment Act by raising hurdles to standing.⁸³ The decision has spawned a series of factors, which, though addressing the conduct of both the rightsholder and the putative infringer, have the effect of placing control of the standing inquiry in the defendant's hands.⁸⁴

By focusing largely on the conduct of the declaratory defendant, the courts examine factors that provide a framework by which a rightsholder may threaten a putative infringer without exposing themselves to a declaratory action that might jeopardize their intellectual property.⁸⁵ Although the Court proposed factors that are reasonable for determining whether it is

77. *BP Chemicals*, 4 F.3d at 978.

78. *See MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 126–27 (2007) (reaffirming that the test for jurisdiction called for by the Declaratory Judgment Act is the Article III case and controversy requirement).

79. *See, e.g., Tremond Co. v. Schering Corp.*, 122 F.2d 702, 705 (3d Cir. 1941) (observing that placing a condition precedent on a declaratory action which the declaratory defendant controlled rendered the Declaratory Judgment Act a nullity).

80. *See generally MedImmune*, 549 U.S. 118 (adopting and applying the “under all the circumstances” test of *Maryland Casualty Co. v. Pacific Coal & Oil Co.*, 312 U.S. 270, 273 (1941)).

81. *Id.* at 126–27.

82. *See Cepheid v. Roche Molecular Sys., Inc.*, C-12-4411 EMC, 2013 WL 184125, at *6 (N.D. Cal. Jan. 17, 2013) (crediting the Federal Circuit with creating a series of new factors to consider in the wake of *MedImmune*).

83. *See id.* (enumerating thirteen factors which courts consider in standing inquiries in declaratory actions, six of which relate to actions controlled by the intellectual property right holder).

84. *Id.*

85. *Compare id.* (listing factors which limit jurisdiction in intellectual property cases), with *Tremond Co. v. Schering Corp.*, 122 F.2d 702, 705 (3d Cir. 1941) (disclaiming any requirement that declaratory-plaintiffs show more than notice, direct or indirect).

prudent to exercise jurisdiction over a declaratory action, district courts have employed the factors enumerated since *MedImmune* in their jurisdictional analysis.⁸⁶ Thus, though the Supreme Court attempted to normalize the barriers to bringing such actions, the history of allowing the prudential considerations to bleed into the jurisdictional analysis has left a stain.⁸⁷

In contrast to the standards that courts have applied to intellectual property disputes, recent litigation not involving intellectual property has enjoyed greater jurisdictional latitude in declaratory actions.⁸⁸ One such case is that of *Oklevueha Native American Church of Hawaii v. Holder*⁸⁹ in which the church asserted that its right to use, possess, and cultivate mari-

86. The District Court for the Northern District of California enumerated the factors that other courts have considered specifically: how thoroughly the right holder analyzed the putative infringement; the language used in communications between the parties; whether the right holder set a deadline to respond; prior litigation between the parties; the right holder's history of enforcing the right at issue; whether the putative infringer altered its behavior as a result of the parties' interaction; the number of times the right holder has contacted the putative infringer; whether the right holder is a troll; whether the right holder refused to covenant not to sue; whether the right holder identified a specific knowledge object as infringed and the specific infringement in its communications; the familiarity of the right holder with the accused infringement; the time elapsed after an assertion of infringement; whether the declaratory-plaintiff appears to have been trying to create circumstances which would satisfy the case and controversy requirement. *Cepheid v. Roche Molecular Sys., Inc.*, C-12-4411 EMC, 2013 WL 184125, at *6 (N.D. Cal. Jan. 17, 2013) (citing *ABB Inc. v. Cooper Indus., LLC*, 635 F.3d 1345, 1346–47 (Fed. Cir. 2011); *Ass'n for Molecular Pathology v. U.S. Patent & Trademark Office*, 689 F.3d 1303, 1318 (Fed. Cir. 2012) *cert. granted on other grounds*, 12–398, — U.S. —, 133 S. Ct. 694, —L.Ed.2d —, 2012 WL 4508118 (2012); *Innovative Therapies, Inc. v. Kinetic Concepts, Inc.*, 599 F.3d 1377, 1380 (Fed. Cir. 2010); *Hewlett-Packard Co. v. Acceleron LLC*, 587 F.3d 1358, 1362–63 (Fed. Cir. 2009); *Micron Tech., Inc. v. Mosaid Technologies, Inc.*, 518 F.3d 897, 899 (Fed. Cir. 2008); *Prasco, LLC v. Medicis Pharm. Corp.*, 537 F.3d 1329, 1334 (Fed. Cir. 2008); *SanDisk Corp. v. STMicroelectronics, Inc.*, 480 F.3d 1372, 1374–76 (Fed. Cir. 2007); *Applera Corp. v. Michigan Diagnostics, LLC*, 594 F. Supp. 2d 150, 158–60 (D. Mass. 2009)).

87. See *Hewlett-Packard Co. v. Acceleron LLC*, 587 F.3d 1358, 1361–62 (Fed. Cir. 2009) (discussing *MedImmune*'s lowering of the standing bar in declaratory actions and then applying prudential factors jurisdictionally); *Cepheid v. Roche Molecular Sys., Inc.*, C-12-4411 EMC, 2013 WL 184125, at *11 (N.D. Cal. Jan. 17, 2013) (applying a variety of prudential factors to the jurisdictional analysis).

88. See, e.g., *Protocols, LLC v. Leavitt*, 549 F.3d 1294, 1299 (10th Cir. 2008) (finding standing regarding an issue of contingent liability and observing that “a contingent liability, by definition, may not arise for a considerable time, if ever. The consequences of a contingent liability, however, may well be actual or imminent.”); *E.R. Squibb & Sons, Inc. v. Lloyd's & Companies*, 241 F.3d 154, 177 (2d Cir. 2001) (affirming jurisdiction when the district court found “there was a ‘practical likelihood’ that the high level excess carriers’ policies would be reached”).

89. 676 F.3d 829 (9th Cir. 2012).

juana was infringed by federal drug laws.⁹⁰ The Court of Appeals for the Ninth Circuit held that the pre-enforcement claim of the church could stand because, despite the absence of any past, present, or pending legal charges against the church, the plaintiffs had made a sufficient case that their activities surpassed the minimum threshold of concreteness, that the government had indirectly signaled its intent to enforce the statute by its actions with regard to a third party, and that the government's action was sufficient to demonstrate a threat of adverse consequences for the church.⁹¹

C. The Doctrine of Standing

Bound up in this discussion of the limits of the Declaratory Judgment Act is the doctrine of standing and its irreducible threshold of “case and controversy.” As the Supreme Court has observed repeatedly, “the operation of the Declaratory Judgment Act is procedural only.”⁹² Thus, while prudential doctrines permit courts to decline to exercise discretion in declaratory actions, these prudential doctrines are distinct from courts’ jurisdictional constraints.⁹³ In declaratory actions, the jurisdictional threshold is no higher than in any other case and it is therefore essential to inquire as to the character of that threshold.⁹⁴

In cases on the subject, the Supreme Court has articulated, time and again, that the critical elements which define a party’s standing to bring a case are that the plaintiff must show (1) they have suffered an “injury in fact” or violation of a legal interest or right which is “(a) concrete and particularized . . . and (b) actual or imminent, not conjectural or hypothetical”; (2) there is a causal connection between the injury and the defendant’s conduct that is not “th[e] result [of] the independent action of some third party not before the court”; and (3) that it is “likely, as opposed to merely speculative, that the injury will be redressed by a favorable decision.”⁹⁵

90. *Id.* at 834.

91. *Id.* at 836–37.

92. *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 138 (2007) (Thomas, J., dissenting) (quoting *Aetna*, 300 U.S. at 240) (internal quotation marks omitted).

93. The Supreme Court has clarified that “even when the plaintiff has alleged redressable injury sufficient to meet the requirements of Art. III, the Court [may refrain] from adjudicating ‘abstract questions of wide public significance’ which amount to ‘generalized grievances’” *Valley Forge Christian Coll. v. Americans United for Separation of Church and State, Inc.*, 454 U.S. 464, 474–75 (1982) (quoting *Warth v. Seldin*, 422 U.S. 490, 499–500 (1975)).

94. *See MedImmune*, 549 U.S. at 128–29.

95. *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560–61 (1992) (citations omitted) (internal quotation marks omitted); *Allen v. Wright*, 468 U.S. 737, 751 (1984) (reciting the need for an injury that is traceable to the defendant’s conduct and redressable by the court);

This standing inquiry, though highly fact specific, is no more difficult to apply in the inverted procedural posture of a declaratory action than it is in the familiar posture where the plaintiff claims infringement against a defendant.⁹⁶ In the case of a declaratory action for invalidity and non-infringement, the declaratory-plaintiff can allege an injury in that they are, by the grant of title to the intellectual property holder, prohibited from undertaking an action without permission.⁹⁷ This injury would naturally be insubstantial if they had no means or inclination to undertake the prohibited action.⁹⁸ Therefore, this turns on whether they intend to take or have taken steps that could plausibly give rise to liability for infringement.⁹⁹ Courts are certainly adept at judging a party's capacity and/or substantive action towards an end.¹⁰⁰ The causal connection is clear—the existence or scope of the monopoly right granted to the declaratory defendant is itself the cause of the above injury.¹⁰¹ And finally, given the tight nexus of injury and causation, a court can redress the injury, whether by declaring the action at issue not infringing, by invalidating the defendant's monopoly, or by otherwise limiting it with respect to the declaratory-plaintiff's intended action.¹⁰² While the court can decline to exercise jurisdiction for prudential reasons,¹⁰³ the tendency of courts to address these prudential factors to limit jurisdiction is improper.¹⁰⁴

Valley Forge, 454 U.S. at 472.

96. *Aetna*, 300 U.S. at 239-40 (“The Declaratory Judgment Act of 1934, in its limitation to ‘cases of actual controversy,’ manifestly has regard to the constitutional provision and is operative only in respect to controversies which are such in the constitutional sense. The word ‘actual’ is one of emphasis rather than of definition.”).

97. See *MedImmune*, 549 U.S. at 131 (discussing the coercive nature of a patent right) (quoting *Altwater v. Freeman*, 319 U.S. 359, 365 (1943)).

98. *Tremond Co. v. Schering Corp.*, 122 F.2d 702, 706 (3d Cir. 1941) (observing that “the mere existence of the patent is not a cloud on title” and thus there must be more for a controversy to exist).

99. See *Already, LLC v. Nike, Inc.*, 133 S. Ct. 721, 724 (2013).

100. See, e.g., *id.* (implicating courts’ ability to make determinations of such factual matters by stating that such a showing would satisfy the Court’s jurisdictional requirements).

101. See *id.* (identifying injury as the only missing component of *Already*’s claim to standing).

102. See *id.* at 725–26 (observing that *Already* had standing prior to the covenant and thus the remedy of invalidity of the intellectual property right was sufficient to satisfy the redressability requirement).

103. *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 136 (2007).

104. See *Dolak*, *supra* note 14, at 419–25 (distinguishing the power to hear a case from the wisdom of adjudicating the issues at the time it is brought, and noting the pattern of the Federal Circuit in failing to distinguish the tests).

In non-intellectual property cases, courts have had little difficulty analyzing the Article III requirement in isolation by segregating the jurisdictional test from the prudential factors of justiciability. In *Massachusetts v. EPA*,¹⁰⁵ for example, the Supreme Court examined whether the petitioners met each of the three prongs discussed above.¹⁰⁶ Observing that the question of standing was “whether petitioners have such a personal stake in the outcome of the controversy as to assure that concrete adverseness which sharpens the presentation of issues upon which the court so largely depends for illumination,” the Court held that the state had standing.¹⁰⁷ The Court was satisfied that, though remote, the harm alleged—the rise of the sea and destruction of coastal lands—was sufficiently real.¹⁰⁸ Moreover, the Court was clear that though the harm could only be partially attributed to the inaction of the EPA, such attribution was sufficient to sustain a finding of causation.¹⁰⁹ Finally, although the action that the agency could take would not fully redress the harm alleged, the fact that it could admit some relief was sufficient to render a finding that the injury was redressable.¹¹⁰ Thus, in its holding, the Supreme Court demonstrated that the question of standing yields broadly to concrete if somewhat tenuous relationships.

D. The Prudential Doctrine of Mootness is a Necessary Component of this Jurisdictional Analysis

As previously mentioned, the issue of impermissible restriction extends not only to actions brought under the Declaratory Judgment Act, but also to the consideration of the mootness of counterclaims which are brought by traditional defendants. Though the most immediate case illustrating this point is that of *Already v. Nike*, the problem is endemic to all branches of intellectual property litigation.¹¹¹

The question of mootness is not a frivolous one and, indeed, the doctrine

105. 549 U.S. 497 (2007).

106. *Id.* at 516.

107. *Id.* at 517 (quoting *Baker v. Carr*, 369 U.S. 186, 204 (1962)) (internal quotation marks omitted).

108. *Id.* at 526.

109. *Id.* at 523–24.

110. *Id.* at 525–26.

111. See *Central Mfg. Co. v. Brett*, 04 C 3049, 2005 WL 2445898, at *1 (N.D. Ill. Sept. 30, 2005) *aff’d sub nom.* *Central Mfg. Co. v. Brett*, 492 F.3d 876 (7th Cir. 2007) (noting that the plaintiff had brought forty-nine other meritless cases in the Northern District of Illinois); Ian Polonsky, *You Can’t Go Home Again: The Righthaven Cases and Copyright Trolling on the Internet*, 36 COLUM. J.L. & ARTS 71, 72–77 (2012) (discussing the history of patent and copyright trolls).

governing the inquiry is only partially prudential.¹¹² Just as with its initial standing inquiry, a court must consider whether the opinion it is asked to render is concrete or advisory when analyzing whether it should reach an issue presented by one of the parties.¹¹³ A case or question before the court can be rendered moot “if subsequent events made it *absolutely clear* that the allegedly wrongful behavior could not reasonably be expected to recur.”¹¹⁴

The Court has circumscribed this doctrine with a number of equitable considerations which can render an otherwise moot point nonmoot.¹¹⁵ Primary among these considerations is the possibility that a wrongful act might be repeated while evading judicial review. As the Supreme Court observed in *Roe v. Wade*,¹¹⁶ there are some cases that come to a natural end before a court is able to fully adjudicate the parties’ rights.¹¹⁷

A second restriction the Court has recognized is that one party can act or refrain from acting to remedy the instant grievance before a court rules on a case, but, so long as “[t]he underlying question persists and is agitated by the continuing activities” of a party, a case can properly be heard.¹¹⁸ Furthermore, courts have limited the doctrine of mootness by the principle that, “[a]s long as the parties have a concrete interest, however small, in the outcome of the litigation, the case is not moot,” even if the claim which initially gave rise to the litigation is no longer before the court.¹¹⁹

As in the case of standing in declaratory actions, courts have been inconsistent when analyzing the effect of intervening events when considering the mootness of a case.¹²⁰ Courts tend to find cases moot more often when

112. See generally Matthew I. Hall, *The Partially Prudential Doctrine of Mootness*, 77 GEO. WASH. L. REV. 562 (2009) (distinguishing between a court’s jurisdictional power to hear a case and prudential power to decline to hear it).

113. *Aetna Life Ins. Co. v. Haworth*, 300 U.S. 227, 240 (1937) (“A justiciable controversy is thus distinguished from a difference or dispute of a hypothetical or abstract character; from one that is academic or moot.”) (quoting *United States v. Alaska S. S. Co.*, 253 U.S. 113, 116 (1920)).

114. *Friends of the Earth, Inc. v. Laidlaw Envtl. Servs. (TOC), Inc.*, 528 U.S. 167, 189 (2000) (citing *United States v. Concentrated Phosphate Export Ass’n.*, 393 U.S. 199, 203 (1968)) (emphasis added).

115. See Hall, *supra* note 112, at 576.

116. 410 U.S. 113 (1973).

117. *Id.* at 125.

118. *Carroll v. President and Comm’rs of Princess Anne*, 393 U.S. 175, 179 (1968).

119. *Knox v. Serv. Employees Int’l Union, Local 1000*, 132 S. Ct. 2277, 2287 (2012) (quoting *Ellis v. Ry. Clerks*, 466 U.S. 435, 442 (1984)) (internal quotation marks omitted).

120. See Economou, *supra* note 15, at 119 (comparing the Federal Circuit’s inconsistent determinations of whether intervening events moot a case and opining on the confusing effect on lower courts).

the central issue is intellectual property rights and, most specifically, when the validity of those rights are challenged.¹²¹ The Federal Circuit in particular is credited with this phenomenon.¹²²

There are generally two ways that observers find that courts have shielded the rights of intellectual property holders.¹²³ First, in the instance of declaratory judgments, the declaratory-plaintiff will commonly seek a declaration of non-infringement and invalidity.¹²⁴ While each claim independently relieves the declaratory-plaintiff of liability, they are not mutually exclusive.¹²⁵ However, it has been the practice of the Federal Circuit, when reviewing a finding of both non-infringement and invalidity, to reverse the finding of invalidity.¹²⁶ The rationale for such reversals is that, upon finding the right at issue not infringed by the putatively infringing activity, the standing of the defendant to attack the right's validity vanishes.¹²⁷ The second method of shielding the intellectual property holder's rights is by permitting an intervening act, such as a covenant not to sue, to moot the case and thereby any counterclaim for invalidity.¹²⁸

1. *Events That Are Insufficient to Moot a Case*

Among the most common ways to moot a claim is the intervening act of a party. This can be a defendant's cessation of the wrongful act rendering the principle case moot, or the plaintiff's covenant not to pursue litigation rendering a defendant's counterclaim moot.¹²⁹

121. See Dolak, *supra* note 24, at 916–17 (observing the uncertainty generated by the Federal Circuit's frequent refusals to exercise declaratory judgment jurisdiction, in light of Congress' explicit intent that the Declaratory Judgment Act be liberally construed in order to provide certainty of rights and responsibilities to litigants).

122. See Economou, *supra* note 15, at 117–21 (discussing the role of the Federal Circuit in this confusion).

123. See *id.* at 91, 105 (identifying two courses by which an intellectual property right holder may moot review of their property right).

124. *Cardinal Chem. Co. v. Morton Int'l, Inc.*, 508 U.S. 83, 92 n.12 (1993) (reciting a series of cases in which non-infringement and invalidity were asserted in parallel).

125. See *id.* at 96 (holding that courts may find non-infringement and invalidity concurrently).

126. *Id.* at 89. Although, per the Supreme Court, a claim of invalidity is not automatically moot on a finding of non-infringement, a court may discretionarily find it so. *Id.* at 102-03.

127. See, e.g. *id.* at 90.

128. See discussion *infra* Parts 0, 0.

129. See *Friends of the Earth, Inc. v. Laidlaw Env'tl. Servs. (TOC), Inc.*, 528 U.S. 167, 189 (2000) (discussing the applicability of the voluntary cessation doctrine); see generally Economou, *supra* note 15 (discussing intellectual property holders' use of promises not to sue as a method of divesting a court of jurisdiction to avoid challenges to the validity of a

However, the Supreme Court has expressed skepticism when viewing such actions by parties and has made it clear that “voluntary cessation of challenged conduct does not ordinarily render a case moot because a dismissal for mootness would permit a resumption of the challenged conduct as soon as the case is dismissed.”¹³⁰ This suspicion causes the Court to inquire into whether such conduct could be resumed.¹³¹ Thus, sometimes a court will continue to exercise jurisdiction even after an intervening event has rendered the case apparently moot.

One such instance is *City of Erie v. Pap’s A.M.*¹³² in which the plaintiff, the proprietor of a nude entertainment establishment, successfully challenged a city public decency ordinance and, having prevailed in the state Supreme Court, closed the establishment and sold off the property.¹³³ On the defendant’s appeal to the Supreme Court, the plaintiff argued that, because he had closed the business at issue and he planned a quiet life of retirement, the case was moot.¹³⁴ The Court disagreed, observing that seventy-two was not a prohibitive age to reopen a nude dancing establishment and that the company which had managed the original club at issue was still incorporated.¹³⁵ Moreover, the Court held that the city of Erie suffered “an ongoing injury because” the lower court’s ruling prevented it from enforcing its ordinance, and if the ordinance was later found constitutional, the city would be free to apply it “and the availability of such relief [was] sufficient to prevent the case from being moot.”¹³⁶ Thus, by finding that, despite the plaintiff’s apparent and sworn abandonment of the interest at issue, the defendant seeking further adjudication of a right might continue its cause of action, the Court recognized that courts may be improperly manipulated by the mootness doctrine so that a question properly before the court might go unreviewed.¹³⁷

2. *Events That Are Sufficient to Moot a Case*

Unlike more traditional litigation, courts have tended to find counterclaims in intellectual property cases mooted by the intervening acts of plaintiffs despite the continued legal interests of the parties. For example,

right).

130. *Knox v. Serv. Emps. Int’l Union, Local 1000*, 132 S. Ct. 2277, 2287 (citing *City of Mesquite v. Aladdin’s Castle, Inc.*, 455 U.S. 283, 289 (1982)).

131. *Id.*

132. 529 U.S. 277 (2000).

133. *Id.* at 287–88.

134. *Id.*

135. *Id.*

136. *Id.* at 288.

137. *Id.* at 288–89.

the trademark dispute in *Already v. Nike* involved a situation that was similar to *Pap's A.M.*, but the Supreme Court decided to hold *Already's* counterclaim moot.¹³⁸

Upon encountering resistance in the form of a counterclaim challenging the federal registration of the “Air Force 1” mark, the plaintiff, Nike, like the plaintiff in *Pap's A.M.*, undertook measures to end the litigation it had initiated.¹³⁹ In Nike's attempt to moot the case, it issued a “covenant not to sue” to *Already* that “promised that Nike would not raise against *Already* or any affiliated entity any trademark or unfair competition claim based on any of *Already's* existing footwear designs, or any future *Already* designs that constituted a ‘colorable imitation’ of *Already's* current products.”¹⁴⁰ In the language of the covenant, in its briefs, and at oral arguments, the respondent emphatically declared that, while it had voluntarily abandoned any claim against the petitioner for certain products, it had reserved the right to bring suit under its mark for future products that fall outside the scope of the covenant.¹⁴¹

The United States District Court for the Southern District of New York, upon consideration of the covenant and *Already's* insistence that its counterclaim be heard and adjudicated, imposed the burden of a declaratory-plaintiff requiring a “demonstrat[ion] that the Court has subject matter jurisdiction over [the] counterclaim.”¹⁴² *Already* failed to articulate any concrete plans to produce shoes outside the scope of the covenant which might infringe the mark it contests, and consequently the district court dismissed the counterclaim and the Supreme Court affirmed.¹⁴³

138. *Already*, 133 S. Ct. at 733.

139. *Id.* at 725.

140. *Id.*; The specific language at issue reads:

[Nike] unconditionally and irrevocably covenants to refrain from making any claim(s) or demand(s) . . . against *Already* or any of its . . . related business entities . . . [including] distributors . . . and employees of such entities and all customers . . . on account of any possible cause of action based on or involving trademark infringement, unfair competition, or dilution, under state or federal law . . . relating to the NIKE Mark based on the appearance of any of *Already's* current and/or previous footwear product designs, and any colorable imitations thereof, regardless of whether that footwear is produced . . . or otherwise used in commerce before or after the Effective Date of this Covenant.

Id. at 728 (quoting the relevant portions of the covenant at issue).

141. *Id.* at 728; Transcript of Oral Argument at 38, *Already, LLC v. Nike, Inc.*, 133 S. Ct. 721 (2013) (No. 11-982) (“You are absolutely right, Justice Kennedy, that there are shoes that they could make in the future that would not be covered by the covenant. There could be an injury about that.”).

142. *Already*, 133 S. Ct. at 726 (quoting the lower court's reasoning).

143. *Id.* at 733.

Thus, the Court, having embraced the proposition that the mootness of a counterclaim is tested in the same way as the justiciability of a declaratory action without deference to the subject matter of the suit, it is appropriate to consider their legal framework in tandem.¹⁴⁴ Furthermore, it is evident that courts' analysis of mootness suffers from the same defect as in declaratory intellectual property cases.¹⁴⁵ Therefore, it is appropriate that the proper standards for these analyses be drawn from the above-mentioned framework.¹⁴⁶

II. THE BASIC ARTICLE III CASE AND CONTROVERSY REQUIREMENT IS THE PROPER STANDARD IN EVALUATING STANDING IN DECLARATORY JUDGMENT ACTIONS AND THE MOOTNESS OF COUNTERCLAIMS

It is the purpose of American intellectual property protections to preserve the relevant property holder's right to exclude others from practicing, employing, or duplicating the relevant knowledge object subject to conditions set with the nature of the knowledge object in mind.¹⁴⁷ Further, in securing such a protection, be it patent, trademark, or copyright, that exclusive right is granted and constructive notice is presumed by virtue of its registration.¹⁴⁸ Thus, this property right, like a fence or series of signs enclosing a plot of land, serves to inform every person that may happen across it that, without permission of the relevant owner, their entrance (infringement) on the land (intellectual property right) is a trespass. However, unlike a plot of land, an intangible knowledge object is not inherently and definitively limited by geography or understood in physical space. Rather, the parcel of rights granted by any intellectual property registration abuts the activities of any person within the jurisdiction of federal law if that activity occupies the same or similar subject matter.¹⁴⁹ In short, these rights, which serve a constitutionally and statutorily prescribed and delineated

144. *Id.*

145. *See supra* Parts 0, 0 (analyzing courts' improper jurisdictional analysis in declaratory actions and counterclaims).

146. *See supra* Part I.

147. *See supra* Part 0.

148. 15 U.S.C. § 1072 (2014) ("Registration of a mark . . . shall be constructive notice of the registrant's claim of ownership thereof."); 17 U.S.C. § 501 (providing for liability for infringement of a copyrighted work without a requirement of actual knowledge); 35 U.S.C. §§ 154, 271 (providing that the monopoly right applies to all, regardless of actual notice).

149. This is the result of the nexus of the monopolistic nature of the right and the notice function of the grants. *See supra* Part 0. Because an intellectual property holder has the exclusive right to practice, use, or copy the relevant knowledge object, and the world at large is considered to be on notice, the actions of any person participating in the relevant field are strictly limited. *C.f.* 15 U.S.C. § 1072; 17 U.S.C. § 501; 35 U.S.C. § 154.

purpose, touch every person who participates in a field to which they relate.

Moreover, the rights of an intellectual property holder must serve the purposes for which they are granted and must meet both the subject matter and formal requirements imposed on them by the relevant laws.¹⁵⁰ If a patent, trademark, or copyright fails this standard, then, by definition, a monopoly right has been granted that improperly includes an element of the public domain and thus violates both the constitutional requirement and congressional intent.¹⁵¹ This enclosure, though intangible, is similar to a private person being granted the right to charge a toll for a toll-free bridge.

This Article certainly does not argue that, because these rights extend so broadly, all persons have standing to challenge an intellectual property right. However, the Declaratory Judgment Act and the doctrines of standing and mootness must admit litigants as freely in this arena as they do in any other.¹⁵² The language of the Declaratory Judgment Act, being procedural only, draws no distinction between declaratory actions and traditional cases except regarding the posture of the parties.¹⁵³ Thus, the language of the statute having established the Article III minimum as the threshold, the same jurisdictional analysis applies.¹⁵⁴ Moreover, courts cannot allow the amorphous nature of such rights to be shields for property holders to escape judicial review of their validity.¹⁵⁵ Indeed, courts must view such maneuvers “with a critical eye” lest they be permitted to flout the constitutional and statutory purposes of the respective regimes.¹⁵⁶

150. See discussion and accompanying notes *supra* Part 0.

151. See *supra* notes 39, 41, and accompanying discussion.

152. See *Aetna Life Ins. Co. v. Haworth*, 300 U.S. 227, 240 (1937) (holding that the language of the Declaratory Judgment Act does not establish additional jurisdictional barriers to judicial review); *Already, LLC v. Nike, Inc.*, 133 S. Ct. 721, 726 (2013) (applying the standards for declaratory jurisdiction to the mootness analysis).

153. *Aetna*, 300 U.S. at 240-41.

154. Compare *id.* (articulating the Article III minimum jurisdictional threshold as applying to declaratory actions), with *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560-61 (1992) (reaffirming the constitutional minimum of Article III as the broad, three part injury, causation, and redressability test).

155. *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 126-27 (2007) (embracing the standard articulated in *Aetna* as applicable in a declaratory action concerning patents without regard to subject matter).

156. See *Knox v. Serv. Employees Int’l Union, Local 1000*, 132 S. Ct. 2277, 2287 (2012) (articulating the strict standards of the voluntary cessation doctrine).

A. The Proper Legal Framework for the Standard of Justiciability of a Declaratory Action in Intellectual Property Disputes is the Article III Minimum as Applied in Other Declaratory Actions

Though the Declaratory Judgment Act is directed at a broad range of litigation subject matters, Congress intended only to provide a procedural mechanism for the adjudication of rights such that putative defendants need not live in the shadow of a Damoclean complaint.¹⁵⁷ By misapplying the jurisdictional test, courts have thwarted this purpose. As observed above, the monopoly right that is granted to intellectual property holders, though limited, is only a negative right—a right to exclude.¹⁵⁸ By its very nature, such a right is a legal interest and, though it can be bent to many functions, it can serve only to prevent others from taking advantage of, directly or indirectly, a right holder's work.¹⁵⁹ Moreover, by its nature, the constructive notice function of the bundle of rights places the holder in a hostile posture to any who wish to copy, practice, or use the knowledge object.¹⁶⁰

Though the Supreme Court recognized that the “reasonable apprehension test” fashioned by the Federal Circuit was an inappropriate metric of a declarative-plaintiff's standing,¹⁶¹ the application of their substitute “totality of the circumstances test” has resulted in a similar problem.¹⁶² Among the factors that courts now consider when determining whether there is a case and controversy are:¹⁶³ the depth and extent of infringement analysis conducted by the patent holder;¹⁶⁴ the strength of any threatening language in

157. See discussion *supra* Part 0.

158. See 15 U.S.C. § 1125 (2006) (providing for a civil action for infringement of a trademark and articulating the basis for such a suit); 17 U.S.C. § 106 (enumerating the exclusive rights of a copyright holder); *Herman v. Youngstown Car Mfg. Co.*, 191 F. 579, 584 (6th Cir. 1911) (articulating the negative nature of the patent right and contrasting it with an affirmative right to practice a patent).

159. The inherently negative monopoly right renders the right holder a gate-keeper. See *supra* note 158.

160. The Third Circuit most clearly articulated the universally oppositional nature of the exclusive right in *Tremond Co. v. Schering Corp.*, saying that a patent need not be recited in the form of a threat, but, in fact, the right is so pointed that cagey and indirect insinuations are sufficient to confirm an intellectual property right holder's hostile posture. 122 F.2d 702, 705 (3rd Cir. 1941).

161. *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 126–27 (2007).

162. Because the lower courts have interpreted the prudential factors of the circumstances test—which inform the courts' discretion to decline a case—to be jurisdictional, the standing requirement is still impermissibly restrictive. See *supra* notes 83–87 and accompanying text.

163. This list is drawn from *Cepheid v. Roche Molecular Sys., Inc.*, C-12-4411 EMC, 2013 WL 184125, at *6 (N.D. Cal. Jan. 17, 2013).

164. *SanDisk Corp. v. STMicroelectronics, Inc.*, 480 F.3d 1372, 1374–76 (Fed. Cir.

communications between the parties;¹⁶⁵ whether the patent holder imposed a deadline to respond;¹⁶⁶ the number of times the patent holder has contacted the alleged infringer;¹⁶⁷ whether the patentee refused to give assurance it will not enforce its patent;¹⁶⁸ and whether the patent holder has identified a specific patent and specific infringing products¹⁶⁹. Though there are other factors that courts look to,¹⁷⁰ this list highlights the problem—these factors turn on the behavior of an intellectual property holder.¹⁷¹

When courts institutionalize deference to the behaviors of the property holder—whether they create bright lines and magic words, or guidelines and balancing tests, the result is the same—it vitiates the purpose of the Declaratory Judgment Act.¹⁷² By defining specific actions that confer jurisdiction in a declaratory action, the property holder can once again dictate the terms of engagement.¹⁷³ They can, through careful phrasing and strategic actions, wield their right as a weapon against putative infringers.¹⁷⁴ By drawing these bright lines and articulating tests above and beyond the baseline case and controversy requirement, courts have let intellectual property holders hang the Damoclean sword anew, thus undermining the purpose of the Declaratory Judgment Act.

Instead, courts should recognize that, when an entity secures an intellec-

2007).

165. *ABB Inc. v. Cooper Indus., LLC*, 635 F.3d 1345, 1346–47 (Fed. Cir. 2011).

166. *Hewlett-Packard Co. v. Acceleron LLC*, 587 F.3d 1358, 1362–63 (Fed. Cir. 2009).

167. *Id.* at 1364.

168. *Prasco, LLC v. Medicis Pharm. Corp.*, 537 F.3d 1329, 1341 (Fed. Cir. 2008).

169. *Id.* at 1340; *Applera Corp. v. Michigan Diagnostics, LLC*, 594 F. Supp. 2d 150, 158–60 (D. Mass. 2009).

170. *See supra* note 86.

171. *Compare* *Arrowhead Indus. Water, Inc. v. Ecolochem, Inc.*, 846 F.2d 731, 737 (Fed. Cir. 1988) (articulating the first prong of the reasonable apprehension test as “acts of defendant indicating an intent to enforce its patent”), *with* *Cepheid v. Roche Molecular Sys., Inc.*, C-12-4411 EMC, 2013 WL 184125, at *6 (N.D. Cal. Jan. 17, 2013) (compiling a list of factors, many of which focus on the litigious nature of the declaratory defendant).

172. *See* *Tremond Co. v. Schering Corp.*, 122 F.2d 702, 705–06 (3d Cir. 1941) (discussing the hazards posed by allowing the declaratory defendant to control the condition precedent to a declaratory action’s justiciability).

173. In discussing the purposes of the Declaratory Judgment Act, the Third Circuit observed that prior to the act, the formalities of legal actions allowed parties to “publicly claim an infringement and threaten to sue the manufacturer or anyone who dealt with the product” and “[u]nless the patentee’s actions were of such a character that he might be shackled with the sanctions of the law of unfair competition, he had his alleged infringer at his mercy.” *Tremond*, 122 F.2d at 703–04.

174. *See* Dolak, *supra* note 22, at 947 n.253 (describing the purposes of practitioners who, in an attempt to brandish their patent right over a putative infringer, craft carefully worded communications so as to give notice without triggering a declaratory action).

tual property right, inherent to that bundle of rights is an adversarial stance.¹⁷⁵ Though amenable to waiver in the case of licensing and capable of abandonment or assignment,¹⁷⁶ securing intellectual property rights places the property holder in a hostile legal posture, posting a “no trespassing” sign to all the world.¹⁷⁷ This legal interest, though insufficient on its own to confer general standing on any party interested in challenging the property right, contributes a necessary piece to a finding of standing: the adverse legal interest of the intellectual property rightsholder.¹⁷⁸

This is not to suggest that the securing of exclusive rights is sufficient to confer standing on any passerby who feels the whim to challenge a property right. Consistent with the Declaratory Judgment Act, courts should require the traditional hallmarks of standing: that the declaratory-plaintiff show their own concrete injury, that there be a causal relationship between that injury and the defendant’s property right, and that the court be capable of redressing the injury if the plaintiff is successful.¹⁷⁹ In causes of action alleging invalidity, causation and redressability are not difficult to show but the plaintiff must still plead sufficient facts of injury which demonstrate that at a minimum they have real and concrete plans that, absent a finding of non-infringement or invalidity, would subject them to liability.¹⁸⁰

B. The Article III Standing Analysis Provides the Proper Standard for Assessing the Mootness of Counterclaims in Intellectual Property Disputes

When a claim is brought against a putative infringer in cases where a counterclaim of invalidity is properly before the court, it is important that the plaintiff not be allowed to simply retreat, weapon intact, with the freedom to strike again.¹⁸¹ By permitting Nike to covenant not to sue Already

175. See, e.g., *Tremond*, 122 F.2d at 705.

176. 15 U.S.C. § 1060 (2014); 17 U.S.C. § 201(d); 35 U.S.C. § 261.

177. See *supra* note 36 and accompanying discussion.

178. *Tremond*, 122 F.2d at 706 (“[T]he mere existence of the patent is not a cloud on title, enabling any apprehensive manufacturer to remove it by suit.”).

179. See *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560–61 (1992) (citations omitted) (reciting the elements of standing).

180. The concept of the apprehension of liability is key in that, apprehension of *liability*—as opposed to *suit*—looks to the putative infringer’s actions, whereas apprehension of *suit* looks to the property right holder’s actions. See Dolak, *supra* note 14, at 414–15 (discussing the evolution of the courts’ focus on apprehension of liability to an apprehension of *suit*).

181. See *Tremond*, 122 F.2d at 704 (observing that by abusing the one sided nature of intellectual property litigation, a right holder could withdraw “and repeat the process” without prejudicing his claim much less endangering his right).

for past, present, and continuing actions,¹⁸² the Court and the covenant left the door open to avenues of future litigation.¹⁸³ In so doing, the Court allowed a conflict entailing definite legal interests and sufficiently concrete facts to permit adjudication, capable of repetition, to pass in a manner in which the central issue of rights and obligations evades judicial review.

Here, there is a great divergence in the treatment of intellectual property cases and those in traditional avenues of the law.¹⁸⁴ In *Already v. Nike*, rather than viewing the retreating plaintiff's attempt to scuttle any judicial review of the right that formed the basis of the initial action with suspicion,¹⁸⁵ the Court is content to characterize a covenant of limited scope as unconditional.¹⁸⁶ This covenant is, on its face, designed to allow Nike to assert this right against *Already* later.¹⁸⁷ Moreover, the Court ignored the statements made by the moving party at oral argument that the covenant explicitly left open the possibility of future litigation.¹⁸⁸ By so doing, the Court relinquished jurisdiction over a live case and controversy.

The Court drew attention to this by referring to the application of the test that is applied to declaratory-plaintiffs for standing.¹⁸⁹ Here, as in cases discussed above, the Court considered the behavior of the parties and the apprehension of future legal disputes.¹⁹⁰ Specifically, it invoked the voluntary cessation doctrine, a test aimed explicitly at the party attempting to es-

182. *Already, LLC, v. Nike, Inc.*, 133 S. Ct. 721, 725 (2013).

183. "Our point is not that it covers every future shoe of theirs . . . they could make in the future that would not be covered by the covenant. There could be an injury about that." Transcript of Oral Argument at 38, *Already, LLC v. Nike, Inc.*, 133 S. Ct. 721 (2013) (No. 11-982).

184. See discussion *supra* Part 0

185. See *Knox v. Serv. Employees Int'l Union, Local 1000*, 132 S. Ct. 2277, 2287 (2012) ("Such postcertiorari maneuvers designed to insulate a decision from review by this Court must be viewed with a critical eye." (citing *City News & Novelty, Inc. v. Waukesha*, 531 U.S. 278, 283-284 (2001))).

186. *Already*, 133 S. Ct. at 728 (reciting the limiting language of the covenant as "based on the appearance of any of *Already's current and/or previous footwear product designs, and any colorable imitations thereof*" (emphasis added)).

187. Compare *supra* note 183 and accompanying text (discussing Nike's explicit reservation at oral argument of action against *Already* under the mark in question), with *supra* note 140 and accompanying text (discussing the plain limitations in the language of Nike's covenant not to sue).

188. Compare Transcript of Oral Argument at 19, *Already, LLC v. Nike, Inc.*, 133 S. Ct. 721 (2013) (No. 11-982) (articulating the ability to file suit in the future against *Already* under the "Air Force 1" mark), with *Already*, 133 S. Ct. at 730-31 (constructing Nike's covenant broadly).

189. *Already*, 133 S. Ct. at 726.

190. *Id.* at 727-28.

cape the Court's jurisdiction.¹⁹¹ But instead of inquiring into the legal interests, rights, and abilities of Nike to enforce its mark against a competitor that had demonstrated, beyond doubt, its concrete interest in creating shoes which resemble a particular design, the Court focused on whether Already had demonstrated Nike's failure to meet the test.¹⁹²

As though to mitigate this improper test, the Court next turned to the petitioner's hypothetical ability to infringe the mark at issue outside the bounds of the covenant before them.¹⁹³ This inquiry and the attendant questions at oral argument¹⁹⁴ called for Already to lay out any plans they currently have to infringe Nike's mark that would expose them to liability.¹⁹⁵ Aside from missing the point in that any current design, yet produced or otherwise, would fall within the limited scope of the covenant not to sue,¹⁹⁶ the Court's inquiry and line of questions served to constrict the mootness doctrine's lenience toward such claims. That is, in order to conclude that Nike could not reinitiate action against Already, the Court observed that Already could not show the opposite, shifting the burden improperly.¹⁹⁷

By contrast, the Court should have applied the reasoning it employed in *Pap's A.M.* and permitted the challenge to go forward despite the dissipation of the underlying circumstances. Even though the posture of the parties in *Pap's A.M.*, where the plaintiff was attempting to moot, is the inverse of the posture in *Already*, where the defendant was seeking to pursue, the Court asks these two parties to satisfy the same test.¹⁹⁸ If the court is willing to recognize that these cases are so similarly situated as to be burdened by the same test, it should measure the burden equally and against the similarly situated parties.¹⁹⁹ That is, by applying the same test, the

191. *Id.* at 733 (Kennedy, J., concurring).

192. *Id.* at 728.

193. *Id.*

194. Transcript of Oral Argument at 17, *Already, LLC v. Nike, Inc.*, 133 S. Ct. 721 (2013) (No. 11-982).

195. *See Already*, 133 S. Ct. at 728 (applying the voluntary cessation doctrine and observing that Already had not shown how it could produce a shoe not covered by the covenant in the future).

196. The covenant precludes suit "based on the appearance of any of Already's current and/or previous footwear product designs, and any colorable imitations thereof, regardless of whether that footwear is produced." *Id.*

197. *Id.* at 727–28.

198. *Compare Already*, 133 S. Ct. at 727 (requiring that Nike show "it 'could not reasonably be expected' to resume its enforcement" (citation omitted)), *with Pap's A.M.*, 529 U.S. at 288 (requiring absolute clarity that the behavior at issue would not reoccur).

199. *Compare Friends of the Earth, Inc. v. Laidlaw Envtl. Servs. (TOC), Inc.*, 528 U.S. 167, 189 (2000) (articulating the stringent standard of the voluntary cessation doctrine), *with*

court implicitly acknowledges the twin nature of the parties' positions. Although one could argue that the interest of the City of Erie is a more compelling interest because it concerns a municipality's ability to enforce its law, the same is true of an intellectual property right.²⁰⁰ The monopoly created by the government when granting a trademark registration imposes a similar set of obligations as does a public decency ordinance—both impose on the public a legal obligation to refrain from a defined behavior.²⁰¹ In *Pap's A.M.*, despite the closure and sale of the premises of the contested night club, and the sworn statement of the owner that he looked forward to retirement and had no intention of restarting the enterprise, the Court was willing to find this failed to moot the question.²⁰² In stark relief, the appellant in *Already v. Nike* had not shuttered its design houses or factories, had not contracted its business one iota, and vowed to continue competing with the respondent in the shoe market.²⁰³ However, because *Already* failed to articulate a specific plan to infringe Nike's trademark outside the ambit of the covenant the court held the controversy moot.²⁰⁴

Although *Already* did not articulate a plan to trespass on Nike's mark,²⁰⁵ Nike's actions of registering, asserting, and reserving the ongoing right to assert the mark all undermine the absolute clarity that the voluntary cessation doctrine demands.²⁰⁶ Taken in context with the demonstrated interest of *Already* to compete in the narrow field of that specific design clearly constitutes a live controversy ripe for adjudication.²⁰⁷

CONCLUSION

In enacting the Declaratory Judgment Act, Congress intended to provide a method for resolving disputes of all kinds at the earliest stage that a court might consider them. This intent recognized that the purpose of the courts is not so narrow as to simply provide those who have been wronged a

Already, 133 S. Ct. at 727, 732 (applying a deferential voluntary cessation test), and *Pap's A.M.*, 529 U.S. at 287–89 (applying a stringent voluntary cessation test).

200. Both are obligations created by legislative action. *See supra* Part 0.

201. *See supra* note 158 and accompanying text.

202. *Pap's A.M.*, 529 U.S. at 287–88.

203. *Already*, 133 S. Ct. at 729.

204. *Id.* at 728–29.

205. *Id.* at 733.

206. *See Friends of the Earth, Inc. v. Laidlaw Envtl. Servs. (TOC), Inc.*, 528 U.S. 167, 189 (2000).

207. *Compare Treemond Co. v. Schering Corp.*, 122 F.2d 702, 706 (3d Cir. 1941) (holding that the controversy remained live), and *Pap's A.M.*, 529 U.S. at 287–88 (holding the controversy remained live), with *Already*, 133 S. Ct. at 732 (finding the controversy rendered moot).

method of compensation, and certainly not so one-sided as to provide a cudgel with which a market may be terrorized. But, rather courts exist to resolve disputes pertaining to the rights and responsibilities of the parties as recognized by law, regardless of their posture or the peculiar providence of its timing.

Further, by shaping the intellectual property scheme as it exists, the intent of the framers and of Congress has been to fence in no more than is necessary to promote the inventive, aesthetic, and commercial interests of society. Anything more is a manifest harm to the public broadly and a clear injury to any who wish to make use of the intangible knowledge objects of which we are all in common possession. Though this harm is not sufficient to satisfy the first prong of a standing inquiry, the possession of the right is a flag of claim that sets the claimant in opposition to all others.

In an arena with parties so fluidly in contact with one another's rights, the courts must, in the interests of meeting the constitutional requirements of standing and mootness and the statutory purposes of the Declaratory Judgment Act, recognize that the procedural differences between a declaratory-plaintiff and a counterclaimant are, at most, nominal. In essence, these parties stand in the same posture and should be subject to the same constitutional standards.

Moreover, the discrepancy between the constitutional standards that declaratory plaintiffs and counterclaimants must meet in traditional litigation and in intellectual property disputes results in an inherently property holder friendly system in the intellectual property sphere. Beyond simply creating an impermissible judicial imbalance that misapplies the Article III case and controversy requirement creating an unconstitutionally higher threshold, the misapplication thwarts the purposes of the Declaratory Judgment Act, which was directed in large part to resolving issues in intellectual property. By normalizing the justiciability analysis across both the procedural postures of the parties and between fields of law, the courts can properly serve the purpose of the Declaratory Judgment Act, consistently safeguard the limits and requirements of Article III, and strengthen the patent, trademark, and copyright regimes so that they fulfill their purposes of rewarding creation with monopolies while growing and safeguarding the public domain.