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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

K&N ENGINEERING, INC., A )	Case No. EDCV 09-01900-VAP
CALIFORNIA CORPORATION, )	(DTBx)
Plaintiff, )	
v. )	<b>FINAL JUDGMENT AND PERMANENT</b>
SPECTRE PERFORMANCE, A )	<b>INJUNCTION</b>
CALIFORNIA CORPORATION, )	
Defendants. )	

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On November 1, 2011, the jury in the above entitled action rendered a special verdict (Doc. No. 288): (1) in favor of Plaintiff and Counterdefendant K&N Engineering, Inc., ("K&N") on its claims against Defendant and Counterclaimant Spectre Performance ("Spectre") for false advertising under the Lanham Act and for common law unfair competition in the amount of \$7,337,196.00; and (2) in favor of K&N on Spectre's claims against K&N for false advertising under the Lanham Act and for common law unfair competition; and

1 The Court having on December 8, 2011, filed Findings of  
2 Fact and Conclusions of Law on the claims asserted by K&N  
3 and Spectre against each other for statutory false  
4 advertising, Cal. Bus. & Prof. Code §§ 17500 et seq., and  
5 statutory unfair competition, Cal. Bus. & Prof. Code §§  
6 17200 et seq.,

7  
8 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that:

- 9 1. Judgment is hereby entered in this action in favor of  
10 K&N and against Spectre on all of K&N's claims  
11 against Spectre;
- 12 2. Judgment is hereby entered in this action in favor of  
13 K&N and against Spectre on all of Spectre's claims  
14 against K&N;
- 15 3. K&N shall be entitled to recover from Spectre the  
16 amount of \$7,337,196.00, provided that the Court upon  
17 motion by K&N may enhance such amount pursuant to 15  
18 U.S.C. § 1117(a) and, if so, will amend this  
19 judgment;
- 20 4. This case is found to be exceptional for purposes of  
21 15 U.S.C. § 1117(a), and K&N shall be entitled to  
22 recover from Spectre its reasonable attorneys' fees  
23 in an amount to be determined;
- 24 5. K&N shall be entitled to recover from Spectre its  
25 reasonable costs incurred in this action, in an  
26 amount to be determined;

1 6. Spectre and its subsidiaries, affiliates, associates,  
2 agents, servants, employees, officers, directors,  
3 representatives, successors, assigns, and attorneys,  
4 as well as any person acting in concert or  
5 participation with them after notice of this Final  
6 Judgment and Permanent Injunction (collectively, the  
7 "Spectre Parties"), are hereby permanently enjoined  
8 from making any of the following claims (the "Barred  
9 Claims"):

- 10 a. Any claims that all or any Spectre air filters  
11 have 99.6% (or any other level of) filtration  
12 efficiency (initial or cumulative) or have been  
13 shown by independent laboratory testing to have  
14 any such filtration efficiency;
- 15 b. Any claims that Spectre air filters save gas or  
16 improve fuel economy or that "Government studies  
17 show that an efficient air filter can give you  
18 up to 10% better fuel economy";
- 19 c. Any claims that Spectre air intake systems are  
20 "CARB Approved" or "CARB Approval Pending";
- 21 d. Any "CFM Ratings" or "HP Ratings" for Spectre  
22 air filters or air intake systems or any claims  
23 that such products permit any particular amount  
24 of air flow or horsepower; provided that Spectre  
25 may advertise that a Spectre air intake system  
26 provides "up to" a specified horsepower gain if  
27 Spectre:
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- i. Has test results supporting the claimed horsepower gain applicable to the vehicle as to which the gain is advertised and
  - ii. Upon K&N's request provides K&N with a copy of those test results;
- e. Any charts or graphs entitled "Filter Particle Retention" or any claims, in the form of charts or graphs or otherwise, that compare the percentage of particles trapped, by particle size or otherwise, by Spectre air filters and K&N (or "Brand K") air filters;
- f. Any charts or graphs entitled "Dyno Gains" or "Dyno Results" or any claims, in the form of charts or graphs or otherwise, that compare or purport to compare a vehicle's horsepower or torque before and after installation of a Spectre air filter or air intake system; provided that Spectre may advertise that a Spectre air intake system provides "up to" a specified horsepower gain if Spectre:
  - i. Has test results supporting the claimed horsepower gain applicable to the vehicle as to which the gain is advertised; and
  - ii. Upon K&N's request provides K&N with a copy of those test results;

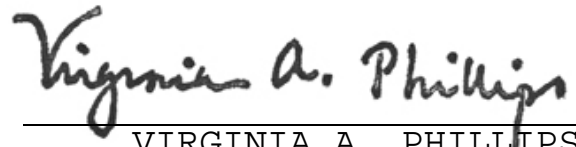
- 1           g. Any statement or representation that a Spectre  
2           air intake system may be used on a particular  
3           vehicle unless:
- 4           i. The California Air Resources Board has  
5           issued an Executive Order exempting the use  
6           of the system on the vehicle pursuant to  
7           Cal. Veh. Code § 27156(c); or
- 8           ii. The statement or representation is  
9           accompanied by a disclaimer that complies  
10          with 13 Cal. Code Reg. § 2222;
- 11       7. The Spectre Parties are hereby permanently enjoined  
12       from:
- 13       a. Shipping any products with packaging making any  
14       Barred Claim;
- 15       b. Distributing or otherwise disseminating any  
16       catalog, advertisement, marketing materials, or  
17       other material making any Barred Claim; or
- 18       c. Making any Barred Claim on any part of Spectre's  
19       web site;
- 20       8. Within 10 days after entry of this Judgment, Spectre  
21       shall provide a copy of this Judgment to any direct  
22       customers that Spectre:
- 23       a. Has provided marketing materials to (other than  
24       packaging) that include any Barred Claim; or
- 25       b. Knows to be making any Barred Claim in  
26       connection with Spectre products.
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1 Spectre shall instruct all such customers to stop  
2 making any Barred Claim in connection with Spectre  
3 products on their websites or in their other  
4 advertising or marketing materials;

5 9. Within 30 days after entry of this Judgment, Spectre  
6 shall file with the Court a report in writing under  
7 oath setting forth in detail the manner and form in  
8 which Spectre has complied with the Permanent  
9 Injunction set forth herein; and

10 10. This Court shall retain jurisdiction over this matter  
11 to remedy any violation of the terms of the Permanent  
12 Injunction set forth herein.

13  
14 Dated: December 8, 2011

  
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VIRGINIA A. PHILLIPS  
United States District Judge