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23 Attorneys for Plaintiffs NIKE, INC. and
 24 CONVERSE INC.

25 **UNITED STATES DISTRICT COURT**
 26 **CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**

27 NIKE, INC. and CONVERSE INC.,
 28 Plaintiffs/Counterclaim
 Defendants,

v.

SUPERSTAR INTERNATIONAL,
 INC., AC INT'L TRADING INC., and
 SAI LIU,

Defendants/Counterclaim
 Plaintiffs,

and

JEAIR SHOES INC., KING-AIR
 TRADING INC., DUN HUANG
 INTERNATIONAL TRADING INC.,
 XIAO MING WU, JIAN QIANG LIU,
 and YUN MEI YUAN,

Defendants.

Case No. CV 12-5240-JFW (AGR_x)

The Honorable John F. Walter

Magistrate Judge Alicia G. Rosenberg

**[PROPOSED] CONSENT
 JUDGMENT AND PERMANENT
 INJUNCTION ORDER AGAINST
 DEFENDANTS SUPERSTAR
 INTERNATIONAL, INC., AC INT'L
 TRADING INC. AND SAI LIU**

1 Plaintiffs NIKE, Inc. (“NIKE”) and Converse Inc. (“Converse”) (collectively,
2 “Plaintiffs”) filed civil action number 12-CV-5240 on June 15, 2012 against
3 Superstar International, Inc., (“Superstar”), AC Int’l Trading Inc., (“AC Int’l”), Sai
4 Liu (“S. Liu”) (collectively, “the Superstar Defendants”) and other defendants who
5 are not party to this stipulation, asserting claims for (a) trademark infringement
6 under 15 U.S.C. § 1114; (b) unfair competition under 15 U.S.C. § 1125(a); (c)
7 trademark dilution under 15 U.S.C. § 1114; (d) trademark infringement and unfair
8 competition under the common law; (e) trademark dilution under the California
9 Business & Professions Code § 14247; (f) unfair competition under the California
10 Business & Professions Code §§ 17200 et seq.; and (g) patent infringement under 35
11 U.S.C. § 271. Plaintiffs duly served their Complaint on Superstar Defendants on
12 June 19, 2012. The Superstar Defendants now stipulate and consent to the Court’s
13 entry of this Consent Judgment.

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15 NOW THEREFORE, upon consent of the parties, IT IS HEREBY
16 ORDERED, ADJUDGED, AND DECREED:

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18 1. The Court has subject matter jurisdiction over this action pursuant to 15
19 U.S.C. § 1121(a) and 28 U.S.C. §§ 1331, 1338(a) & (b), and 1367(a).

20 2. The Court has personal jurisdiction over the Superstar Defendants and
21 venue is proper in this judicial district at least because of the Superstar Defendants’
22 commission of infringing acts in this judicial district.

23 3. The Superstar Defendants admit that Converse owns all right, title, and
24 interest in and to the valid and enforceable federal and common law trademark
25 rights in: (a) the distinctive and non-functional overall look of the Chuck Taylor All
26 Star high and low designs, and the midsole and outsole elements of those designs,
27 (b) the design of the two stripes on the midsole of the shoe, the design of the toe cap,

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1 the design of the multi-layered toe bumper featuring diamonds and line patterns, any
2 sub-combination of these elements, and the relative position of these elements to
3 each other, (c) U.S. Trademark Registration Nos. 1,588,960; 3,258,103; 4,062,112;
4 and 4,065,482, and (d) the appearance of Converse’s “Star in Circle” logos,
5 including U.S. Trademark Registration Nos. 1,789,476 and 3,437,967. Converse’s
6 federally registered and common law trademark rights in these designs and/or logos
7 are collectively hereafter referred to as the “Converse Marks.”

8 4. The Superstar Defendants admit that the Converse Marks are well
9 known, famous, and associated with Converse, and that the goodwill appurtenant
10 thereto belongs exclusively to Converse.

11 5. The Superstar Defendants admit that Converse owns all right, title, and
12 interest in and to the valid and enforceable U.S. Design Patent Nos. D555,332;
13 D618,897; and D619,797, collectively hereafter referred to as the “Converse
14 Patents.”

15 6. The Superstar Defendants admit that NIKE owns all right, title, and
16 interest in and to the valid and enforceable U.S. Design Patent Nos. D398,762;
17 D498,912; D504,562; D511,884; D512,214; D529,273; D530,904; and D531,396,
18 collectively hereafter referred to as the “NIKE Patents.”

19 7. The Superstar Defendants admit that their promotion of, advertising of,
20 offers to sell, sales, distribution and/or importation of products in connection with
21 the Converse Marks or colorable imitations thereof, and/or of shoes bearing a design
22 of the Converse Patents or a substantially similar design, and/or of shoes bearing a
23 design of the NIKE Patents or a substantially similar design (collectively hereafter
24 referred to as the “Infringing Footwear,” where the Infringing Footwear includes,
25 but is not limited to, shoes having the model numbers: 806; 816; 887; 1202; 3001;
26 3018; 3038; 3047; 8060; 8160; H202; H203; H806; H8809; K202; K829; KA3002;
27 KA005; M202; W202; WH202; and W-3045): (a) is likely to cause confusion,

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1 mistake, or to deceive as to the affiliation, connection, or association of the
2 Superstar Defendants with Converse, or as to the source, origin, sponsorship, or
3 approval of the Superstar Defendants' products by Converse, dilutes the
4 distinctiveness of the Converse Marks, and constitutes false designations of origin
5 and unfair competition, (b) infringes the Converse Patents, and/or (c) infringes the
6 NIKE Patents, respectively.

7 8. The Superstar Defendants and their respective subsidiaries, parents,
8 affiliates, agents, licensees, successors, and assigns and all persons and entities in
9 active concert or participation with them, are permanently enjoined and prohibited
10 from:

11 a. Ordering, marketing, offering to sell, selling, importing and/or
12 distributing – whether directly or indirectly – (i) Infringing Footwear, (ii)
13 products bearing the Converse Marks, including all elements and confusingly
14 similar variations of the Converse Marks, (iii) products bearing the design of
15 one or more of the Converse Patents, (iv) products bearing the design of one
16 or more of the NIKE Patents, or (v) colorable imitations of any of the
17 foregoing items

18 b. Using – whether directly or indirectly – any of the Converse
19 Marks – including all elements, colorable imitations, and confusingly similar
20 variations of the Converse Marks – in connection with marketing, offering to
21 sell, selling, importing or distributing footwear, apparel, or accessories
22 worldwide;

23 c. Aiding, assisting or abetting – whether directly or indirectly -
24 any other party in doing any act prohibited by sub-paragraphs (a) through (b)
25 above.

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1 9. The Superstar Defendants shall send any and all marketing materials
2 for the Infringing Footwear, including but not limited to shoe samples, advertising,
3 catalogs, brochures, and price lists, and any and all packaging, to Plaintiffs' counsel.

4 10. The Superstar Defendants shall remove all references to and depictions
5 of the Infringing Footwear as well as all references to and depictions of the
6 Converse Marks – including all elements, colorable imitations, and confusingly
7 similar variations of the Converse Marks – from all businesses, Internet website(s),
8 email(s), or other electronic material(s) under their control. The Superstar
9 Defendants shall video record their compliance(s) with this paragraph and send
10 written confirmation and video of the removal(s) to Plaintiffs' counsel as soon as all
11 relevant references and depictions are removed.

12 11. The Superstar Defendants shall destroy their inventory of the Infringing
13 Footwear, and shall video record their compliance(s) with this paragraph and send
14 written confirmation and video of the destruction(s) to Plaintiffs' counsel as soon as
15 all relevant products are destroyed. In the event that any Infringing Footwear is
16 returned to any of the Superstar Defendants, the Superstar Defendants shall destroy
17 the returned Infringing Footwear within 7-days of its return.

18 12. In the event Sai Liu works for any person or company other than
19 Superstar that makes or sells vulcanized footwear in the future, she will advise each
20 such person/company of the Converse Marks, provide each such person/company
21 with copies of the Converse Marks, and will take steps to ensure that no other
22 person/company with whom she works makes or sells footwear bearing the
23 Converse Marks or colorable imitations thereof.

24 13. The Superstar Defendants shall provide written notice to Plaintiffs'
25 counsel of every appearance at a trade show held within 3-years of the date this
26 Order, by any of the Superstar Defendants, at least 30-days before appearing at the
27 trade show.

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1 14. The Superstar Defendants shall provide written notice to Plaintiffs’
2 counsel of every change to the Superstar Defendants’ corporation names, doing-
3 business-as names, trade names, and/or brands, and/or the creation of any new,
4 related corporations, companies, doing-business-as names, trade names, and/or
5 brands, within 5-days of the change and/or creation.

6 15. If the Superstar Defendants violate any of the provisions provided
7 above, NIKE and/or Converse shall be entitled to: (a) bring a lawsuit against any or
8 all of the Superstar Defendants and collect damages and/or profits for all violations
9 of the Converse Marks, Converse Patents, and/or NIKE Patents, (b) secure
10 preliminary and permanent injunctions enjoining the Superstar Defendants’
11 violations without the need to post bond, (c) collect liquidated damages in the
12 amount of no less than \$25.00 per article of Infringing Footwear product made,
13 promoted, advertised, offered for sale, sold, or imported, as compensation and not as
14 a penalty, it being understood that the damage caused by such a breach would be
15 difficult to determine, and/or (d) payment of NIKE and/or Converse’s costs and
16 attorneys’ fees resulting from NIKE and/or Converse’s enforcement of these
17 provisions.

18 16. Except as provided herein, each party shall bear its own costs and
19 attorney fees.

20 17. This Court shall retain jurisdiction over the parties for the purpose of
21 enforcing the terms of this Consent Judgment and Permanent Injunction.

22 18. Judgment is hereby entered in favor of Plaintiffs on all counts of their
23 Complaint as to the Superstar Defendants and the Superstar Defendants’
24 counterclaim is dismissed with prejudice.

25 19. This Order represents a final adjudication of all claims, counterclaims,
26 and defenses that were, or could have been, brought between Plaintiffs and the
27 Superstar Defendants in this case. This Order is intended to be final and shall bind
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1 Plaintiffs and the Superstar Defendants, and their affiliates and successors on all
2 issues that were or could have been litigated in this proceeding and that no appeal
3 shall be taken here from.

4 SO ORDERED:

5 Dated: 5/15, 2013

John F. Walter /s/

United States District Judge

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2 Consented and Agreed to:
3 **NIKE, Inc. and Converse Inc.**

**Superstar International, Inc.,
AC Int'l Trading, Inc., and Sai Liu**

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5 By: /s/
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7 Michael D. Roth, State Bar No. 217464
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*Attorney for Superstar International
Inc., AC Int'l Trading Inc., and Sai Liu*

26 **Attorneys for NIKE, Inc. and
27 Converse Inc.**


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Signed for Converse Inc.

Name: _____

Title: _____

Date: _____



Signed for Superstar International, Inc.

Name: Sai Liu

Title: president

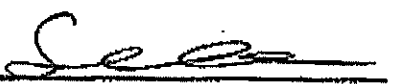
Date: 05/08/13

Signed for NIKE, Inc.

Name: _____

Title: _____

Date: _____




Signed for AC Int'l Trading, Inc.

Name: Sai Liu

Title: president

Date: 05/08/13



Sai Liu

Date: 05/08/13

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Brian Fogarty
Signed for Converse Inc.

Name: B. W. Fogarty

Title: Director of Global IP Litigation

Date: 5/14/2013

Signed for Superstar International, Inc.

Name: _____

Title: _____

Date: _____

Brian Fogarty
Signed for NIKE, Inc.

Name: B. W. Fogarty

Title: Director of Global IP Litigation

Date: 5/14/2013

Signed for AC Int'l Trading, Inc.

Name: _____

Title: _____

Date: _____

Sai Liu

Date: _____