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11			
12	Attorneys for Plaintiffs, NIKE, Inc. and Converse Inc.		
13	UNITED STATES DISTRICT COURT		
14	DISTRICT OF NEVADA		
15	NIKE, INC.		
16	and ) Case No. 2:12-cv-00191-GMN-GWF		
17	CONVERSE INC.,		
18	Plaintiffs,  Plaintiffs,  FIRST AMENDED COMPLAINT		
19 20	vs. ) <b>Jury Trial Demanded</b>		
21	QILOO INTERNATIONAL LIMITED		
22	Defendant.		
23	Plaintiffs, NIKE, Inc. and Converse Inc., for their First Amended Complaint against		
24			
25	Defendant, QiLoo International Limited, state as follows:		
26	I. PARTIES		
27	1. NIKE, Inc. is a corporation organized under the laws of the State of Oregon and		
28	has a principal place of business at One Bowerman Drive, Beaverton, Oregon 97005.		

- 2. Converse Inc. is a wholly owned subsidiary of NIKE and has a principal place of business at One High Street #6, Andover, Massachusetts 01845.
- 3. Defendant QILOO International Limited ("QiLoo") is a Chinese company with a principal place of business at 2-2303 (2-2358), No. 2 Bldg., Fuxin Garden Castle, Fengze Street, QuanZhou, 362000, Fujian, China.

### II. JURISDICTION & VENUE

- 4. This is an action for patent and trademark infringement arising under 35 U.S.C. § 1, et seq. and 15 U.S.C. §1501, et seq.
- 5. This Court has jurisdiction over this action under 15 U.S.C. §§ 1119 and 1121 and 28 U.S.C. §§ 1331, 1338, and 1367.
- 6. This Court may exercise personal jurisdiction over QiLoo based upon QiLoo's contacts with this forum, including QiLoo's regularly and intentionally doing business here and having committed acts of infringement within this forum by promoting, distributing, offering to sell and selling products covered by Plaintiffs' design patents and trademarks, at least at the twice annual World Shoe Association ("WSA") trade shows in Las Vegas, Nevada.
- 7. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(b), (c), (d), and 1400(b), because QiLoo does business, has committed acts of infringement, and is subject to personal jurisdiction here.

### III. GENERAL ALLEGATIONS

#### A. NIKE's Design Patents

- 8. For many years, NIKE has continuously engaged in the development, manufacture, and sale of a wide array of athletic and fashion footwear, apparel, and sports equipment.
  - 9. Over the years, NIKE has taken steps to protect its innovative footwear designs.

For example, NIKE is the owner of various United States design patents relating to its footwear designs. In particular, NIKE is and has been the owner of all right, title, and interest to each of the United States design patents identified in Table 1 (hereafter, the "NIKE Design Patents") since the date each patent duly and legally issued to NIKE. A copy of each NIKE Design Patent is attached to this Complaint as indicated in Table 1.

TABLE 1: NIKE DESIGN PATENTS		
United States Design Patent No.	Issue Date of Patent	Complaint Exhibit
D361,884	September 5, 1995	A
D429,877	August 29, 2000	В
D462,830	September 17, 2002	С
D475,523	June 10, 2003	D
D494,353	August 17, 2004	Е
D499,247	December 7, 2004	F
D500,585	January 11, 2005	G
D500,917	January 18, 2005	Н
D523,618	June 27, 2006	I
D524,028	July 4, 2006	J
D524,529	July 11, 2006	K
D532,600	November 28, 2006	L
D546,541	July 17, 2007	M
D547,541	July 31, 2007	N
D555,332	November 20, 2007	О
D573,338	July 22, 2008	P

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TABLE 1: NIKE DESIGN PATENTS		
United States Design Patent No.	Issue Date of Patent	Complaint Exhibit
D573,339	July 22, 2008	Q
D575,046	August 19, 2008	R
D578,294	October 14, 2008	S
D579,186	October 28, 2008	Т
D580,636	November 18, 2008	U
D580,646	November 18, 2008	V
D586,548	February 17, 2009	W
D641,968	July 26, 2011	FFF
D642,369	August 2, 2011	GGG

### **B.** Plaintiffs' Asserted Trademarks

10. As a result of continuous and long-standing promotion, substantial sales, and consumer recognition of certain of their footwear designs, Plaintiffs have developed trademark rights in the ornamental appearance of those designs. Specifically, Converse and NIKE own common law and registered trademark rights in the appearance of the footwear designs identified in Table 2 (hereafter, the "Converse and NIKE Trademarks"). A copy of the registration certificates for each of the Converse and NIKE Trademarks is attached to this Complaint as indicated in Table 2.

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<ul><li>24</li><li>25</li><li>26</li><li>27</li><li>28</li></ul>	
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Table 2: CONVERSE AND NIKE TRADEMARKS			
United States Trademark Reg. No.	Trademark	Trademark Registration Date	Complaint Exhibit
Registration No. 1,588,960	Chuck Taylor Outsole Design	March 27, 1990	X

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	Table 2: CONVER	SE AND NIKE TRADEM	ARKS
United States Trademark Reg. No.	Trademark	Trademark Registration Date	Complaint Exhibit
Registration No. 3,258,103	Chuck Taylor Outsole Design	July 3, 2007	Y
Registration No. 3,451,905	Air Force One Low Design	June 24, 2008	Z
Registration No. 4,062,112	Chuck Taylor Low Design	November 29, 2011	AA
Registration No. 4,065,482	Chuck Taylor High Design	December 6, 2011	ВВ
Registration No. 1,998,884	Jack Purcell Toe Smile	September 10, 1996	EEE

## C. QiLoo's Infringing Activities

- 11. Without Plaintiffs' authorization, QiLoo has made, used, offered to sell, promoted, distributed, sold, and/or imported into the United States numerous shoes, including shoes having designs that are substantially the same as the designs covered by the NIKE Design Patents and that are counterfeits of the Converse and NIKE Trademarks (hereafter, the "Infringing Shoes").
- 12. On information and belief, Defendant imports Infringing Shoes into the United States, and promotes, distributes, offers to sell, and sells the Infringing Shoes at the WSA show in Las Vegas, Nevada. According to the WSA's website, the WSA "is the most comprehensive footwear and accessories show in the world. The twice-yearly event gathers exhibitors showcasing, thousands of brands, attracting category leaders, industry newsmakers, top designers, as well as retailers from every market segment, retail and distribution channel." (Compl. Ex. MM, http://www.wsashow.com/media\_information/landing, last visited February 3, 2012).
  - 13. Plaintiffs' representatives visit the WSA trade shows in Las Vegas and have

1 observed QiLoo promoting and offering to sell Infringing Shoes. Pursuant to 35 U.S.C. § 287, 2 Plaintiffs notified QiLoo that it is infringing Plaintiffs' rights by promoting and offering to sell 3 Infringing Shoes, including shoes identified by QiLoo Model Numbers: QL-20756, QL-21126, 4 QL-21193, QL-21212, QL-21533, QL-21784, QL-21810, QL-23416, QL-23548, QL-23550, QL-5 23832, QL-23860, QL-24108, QL-24213, QL-24297, QL-24715, QL-25322, QL-25470, QL-6 25472, QL-25216, QL-25733, QL-26294, QL-27141, QL-27188, QL-28504, QL-28529, QL-7 28607, and QL-28608. Many of the infringing models are shown in the QiLoo catalog excerpts 8 9 attached as Complaint Exhibits JJ, KK, and LL, and specific examples of Infringing Shoes are 10 compared to NIKE Patents and Converse and NIKE Trademarks in Table 3 below. Notably, 11 however, because QiLoo does not provide identifying indicia on all of its Infringing Shoes and 12 because Plaintiffs have not been able to secure an image of each Infringing Shoe, Table 3 does 13 not set forth all of QiLoo's infringements. 14 /// 15 /// /// 17 /// 18 /// 19 /// 20 /// 21 /// 22. /// 23 /// 24 /// 25 /// 26 /// 27

1 **Table 3: QILOO'S INFRINGEMENTS** 2 3 **Plaintiffs' Asserted Patent/Trademark QiLoo's Infringing Shoes** 4 5 6 7 QL-21810 D429,877 8 QL-21810 has appeared in QiLoo catalogs See Compl. Ex. B 9 during at least the August 2007 WSA show. (See Compl. Ex. JJ, at p.19). 10 11 12 13 14 QL-21533 15 D462,830 16 See Compl. Ex. C QL-21553 has appeared in QiLoo catalogs during at least the August 2007 WSA show. 17 (See Compl. Ex. JJ, at p.30). 18 19 20 21 22 QL-21810 D475,523 23 QL-21810 has appeared in QiLoo catalogs See Compl. Ex. D 24 during at least the August 2007 WSA show. (See Compl. Ex. JJ, at p.19). 25 26

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1 **Table 3: QILOO'S INFRINGEMENTS** 2 **Plaintiffs' Asserted Patent/Trademark QiLoo's Infringing Shoes** 3 4 5 6 7 8 QL-21193 D494,353 9 See Compl. Ex. E QL-21193 was first noticed of infringement on February 2, 2007, and has appeared in QiLoo 10 catalogs during at least the August 2007 WSA show. (See Compl. Exs. CC and JJ at p.13). 11 12 13 14 15 16 QL-21712 17 D499,247 QL-21712 has appeared in QiLoo catalogs during at least the August 2007 WSA show. 18 See Compl. Ex. F (See Compl. Ex. JJ, at p.36). 19 20 21 22 23 24 QL-21712 25 D500,585 QL-21712 has appeared in QiLoo catalogs 26 during at least the August 2007 WSA show. See Compl. Ex. G (See Compl. Ex. JJ, at p.36).

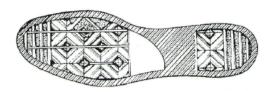
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1 **Table 3: QILOO'S INFRINGEMENTS** 2 **Plaintiffs' Asserted Patent/Trademark QiLoo's Infringing Shoes** 3 4 5 6 7 8 QL-21712 D532,600 9 QL-21712 has appeared in QiLoo catalogs See Ex. L during at least the August 2007 WSA show. 10 (See Compl. Ex. JJ, at p.36). 11 12 13 14 15 QL-24715 16 D555,332 QL-24715 has appeared in QiLoo catalogs 17 See Compl. Ex. O during at least the Feb. 2010 WSA show (See Compl. Ex. KK, at p.23); and July 2011 WSA 18 show. (See Compl. Ex. LL, at p.23). 19 20 21 22 23 24 QL-26294 D586,548 25 QL-26294 has appeared in QiLoo catalogs See Compl. Ex. W during at least the Feb. 2010 WSA show (See 26 Compl. Ex. KK, at p.1); and July 2011 WSA 27 show. (See Compl. Ex. LL, at p.1).

## **Table 3: QILOO'S INFRINGEMENTS**

### **Plaintiffs' Asserted Patent/Trademark**

## **QiLoo's Infringing Shoes**

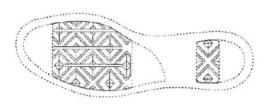


TM Reg. No. 1,588,960

See Compl. Ex. X



QL-25472; QL-27141; QL-27188; QL-23860



TM Reg. No. 3,258,103

See Compl. Ex. Y

QiLoo models QL-27188, QL-25472, QL-27141, and QL-23860 have appeared in QiLoo catalogs during at least the Feb. 2010 WSA show (*See* Compl. Ex. KK, at p.23-24); and July 2011 WSA show. (*See* Compl. Ex. LL, at p.23-24).



TM Reg. No. 3,451,905

See Compl. Ex. Z



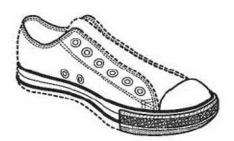
QL-23416

QL-23416 has appeared in QiLoo catalogs during at least the Feb. 2010 WSA show (*See* Compl. Ex. KK, at p.20); and July 2011 WSA show (*See* Compl. Ex. LL, at p.20).

## **Table 3: QILOO'S INFRINGEMENTS**

## **Plaintiffs' Asserted Patent/Trademark**

## **QiLoo's Infringing Shoes**



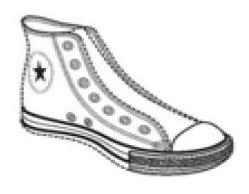
TM Reg. No. 4,062,112

See Compl. Ex. AA



QL-25216; QL-25472; QL-27188; QL-27141

QiLoo models QL-25472, QL-25216, QL-7188, and QL-27141 have appeared in QiLoo catalogs during at least the Feb. 2010 WSA show (*See* Compl. Ex. KK, at p.23-25); and July 2011 WSA show. (*See* Compl. Ex. LL, at p.23-25).



TM Reg. No. 4,065,482

See Compl. Ex. BB



QL-23860

QL-23860 has appeared in QiLoo catalogs during at least the Feb. 2010 WSA show (*See* Compl. Ex. KK, at p.23); and July 2011 WSA show. (*See* Compl. Ex. LL, at p.23).

14. A detailed history of Plaintiffs' infringement notices to QiLoo follows. On February 2, 2007, NIKE hand delivered a first notice letter to QiLoo representatives at the QiLoo booth at the WSA Show in Las Vegas, Nevada, and sent a copy of the letter to QiLoo's business address in China. The letter attached as Complaint Exhibit CC, gave the Defendant notice under

35 U.S.C. § 287 that various shoes the Defendant promoted, offered to sell, and was selling at the WSA trade show, including model numbers QL-21212, QL-20756, QL-21784, QL-21193, QL-21533, and QL-21810 infringe one or more of NIKE's U.S. Pat Nos. D532,599; D532,600; D500,585; D499,247; D500,917; D361,884; D494,353; D475,523; D429,877; D524,529; D523,618; and D462,830.

- 15. On July 30, 2008, NIKE hand delivered a second notice letter to QiLoo representatives at the QiLoo booth at the WSA Show in Las Vegas, Nevada, and sent a copy of the letter to QiLoo's business address in China. The letter attached as Complaint Exhibit DD, gave the Defendant notice under 35 U.S.C. § 287 that various shoes the Defendant promoted, offered to sell and was selling at the WSA trade show, including model numbers QL-23832, QL-25733, QL-24108, and QL-25322 infringe one or more of NIKE's U.S. Pat Nos. D499,247; D500,585; D546,541; and D547,541.
- 16. On August 1, 2009, NIKE hand delivered a third notice letter to QiLoo representatives at the QiLoo booth at the WSA Show in Las Vegas, Nevada, and sent a copy of the letter to QiLoo's business address in China. The letter attached as Complaint Exhibit EE, gave the Defendant notice under 35 U.S.C. § 287 that various shoes the Defendant promoted, offered to sell and was selling at the WSA trade show, including model numbers QL-25322 and QL-26294 infringe one or more of NIKE's U.S. Pat Nos. D578,294; D586,548; and D579,186. This letter also notified QiLoo as to NIKE's ownership of U.S. Trademark Registrations for the appearance of its Air Force 1 shoes, including Air Force 1 "low" shoe design (U.S. Reg. No. 3,451,905).
- 17. On February 3, 2010, NIKE hand delivered a fourth notice letter to QiLoo representatives at the QiLoo booth at the WSA Show in Las Vegas, Nevada, and sent a copy of the letter to QiLoo's business address in China. The letter attached as Complaint Exhibit FF,

gave the Defendant notice under 35 U.S.C. § 287 that various shoes the Defendant promoted, offered to sell and was selling at the WSA trade show, including model number QL-26294 infringe one or more of NIKE's U.S. Pat Nos. D573,338; D573,339; D575,046; D580,636; D580,646; D586,548; and D575,045. This letter also notified QiLoo that its model number QL-23416 bears a confusingly similar design to Plaintiffs' U.S. Trademark Reg. No. 3,451,905 relating to the Air Force 1 "low" shoe design.

- 18. On August 11, 2010, NIKE hand delivered a fifth notice letter to QiLoo representatives at the QiLoo booth at the WSA Show in Las Vegas, Nevada, and sent a copy of the letter to QiLoo's business address in China. The letter attached as Complaint Exhibit GG, gave the Defendant notice under 35 U.S.C. § 287 that various shoes the Defendant promoted, offered to sell and was selling at the WSA trade show, including model numbers QL-24715 and QL-26294 infringe one or more of NIKE's U.S. Pat Nos. D555,332 and D586,548. This letter also notified QiLoo that its model numbers QL-27141, QL-27188, QL-23860, QL-25472, QL-23416 bear a confusingly similar design to Plaintiffs' U.S. Trademark Reg. Nos. 1,588,960, 3,258,103, and 3,451,905, directed to the Chuck Taylor All Star outsole tread designs and Air Force 1 "low" design.
- 19. On February 9, 2011, NIKE hand delivered a sixth notice letter to QiLoo representatives at the QiLoo booth at the WSA Show in Las Vegas, Nevada, and sent a copy of the letter to QiLoo's business address in China. The letter attached as Complaint Exhibit HH, gave Defendant notice under 35 U.S.C. § 287 that various shoes Defendant promoted, offered to sell and was selling at the WSA trade show infringe NIKE's U.S. Pat. No. D524,028 and Converse's common law trademark rights and U.S. Trademark Reg. Nos. 1,588,960, 3,258,103, directed to the Chuck Taylor All Star outsole tread designs.
  - 20. On July 28, 2011, NIKE hand delivered a seventh notice letter to QiLoo

representatives at the QiLoo booth at the WSA Show in Las Vegas, Nevada, and sent a copy of the letter to QiLoo's business in China. The letter attached as Complaint Exhibit II, gave QiLoo notice that it was infringing the Converse and NIKE Trademarks.

- 21. On information and belief, QiLoo ignored Plaintiffs' repeated warnings and continued to import into the United States, promote, distribute, offer to sell, and sell Infringing Shoes.
- 22. QiLoo's knowing and repeated infringements of the NIKE Design Patents and the Converse and NIKE Trademarks has been and continues to be intentional and willful.
- 23. On February 7, 2012, pursuant to this Court's Emergency *Ex Parte* Temporary Restraining Order and Seizure Order (CM/ECF Dckt. No. 12), Plaintiffs' counsel identified "Additional Infringing Shoes" that QiLoo was promoting and offering to sell at its Booth No. 12736 at the WSA Trade Show in Las Vegas, NV. Specifically, QiLoo was promoting and offering to sell the following:
  - Models QL-21103274A, QL-21103630A, and QL-21104050A bearing upper designs that are substantially identical to Converse's Chuck Taylor All Star high design shown in U.S. Trademark Reg. No. 4,065,482;
  - Models QL-21103472A and QL-21103929A bearing upper designs that are substantially identical to Converse's Chuck Taylor All Star low design shown in U.S. Trademark Reg. No. 4,062,112;
  - c. Models QL-21103274A, QL-21103631A, QL-21103631B, and QL-21104050A bearing outsole designs that are substantially identical to Converse's Chuck Taylor All Star outsole designs shown in U.S. Trademark Reg. Nos. 1,588,960 and 3,258,103;
  - d. Models QL-21103631A and QL-21103631B bearing toe cap designs that are

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substantially identical to Converse's Jack Purcell "Toe Smile" cap design that is shown in incontestable U.S. Trademark Reg. No. 1,998,884 owned by Converse; Converse has used its Toe Smile design trademark in connection with its promotion, distribution, offers to sell, and sales of millions of pairs of Jack Purcell shoe designs throughout the United States since the 1930s; and

- e. Model QL-21103107A bearing an upper design that is substantially identical to the upper designs claimed in NIKE's U.S. Design Patent Numbers D641,968 and D642,369 that are owned by NIKE and that are presumed valid and enforceable since their issuance in 2011.
- 24. Example images of the Additional Infringing Shoes and relevant Converse Trademarks and NIKE Design Patents are shown in Table 4 below. Images of the Additional Infringing Shoes, their hang tags (where available), and the relevant Converse Trademarks and NIKE Design Patents are appended to this First Amended Complaint as indicated in Table 4.

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## Table 4: QILOO's ADDITIONAL INFRINGING SHOES

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Additional Alleged Infringing Product and Model Number(s)



QL-21103274A and QL-21104050A, Compl. Exs. NN-SS

## Asserted Converse/NIKE Trademarks/Patents



U.S. Reg. No. 4,065,482, Compl. Ex. BB

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**Table 4: QILOO's ADDITIONAL INFRINGING SHOES Additional Alleged Infringing Product and Asserted Converse/NIKE Model Number(s) Trademarks/Patents** U.S. Reg. No. 4,065,482, Compl. Ex. BB QL-21103630A, Compl. Exs. TT-UU U.S. Reg. No. 4,062,112, QL-21103472A, Compl. Exs. VV-WW Compl. Ex. AA 

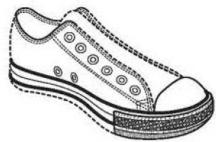
## **Table 4: QILOO's ADDITIONAL INFRINGING SHOES**

## Additional Alleged Infringing Product and Model Number(s)

## Asserted Converse/NIKE Trademarks/Patents



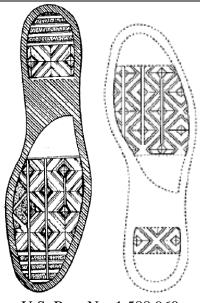
QL-21103929A, Compl. Exs. XX-YY



U.S. Reg. No. 4,062,112, Compl. Ex. AA



QL-21103274A; QL-21103631A; QL-21103631B; and QL-21104050A, Compl. Ex. QQ



U.S. Reg. No. 1,588,960, Compl. Ex. X; U.S. Reg. No. 3,258,103, Compl. Ex. Y

**Table 4: QILOO's ADDITIONAL INFRINGING SHOES Additional Alleged Infringing Product and** Asserted Converse/NIKE **Model Number(s) Trademarks/Patents** U.S. Reg. No. 1,998,884, Compl. Ex. EEE QL-21103631A and QL-21103631B, Compl. Exs. ZZ-BBB U.S. Pat. D641,968, Compl. Ex. FFF U.S. Pat. D642,369, Compl. Ex. GGG QL-21103107A, Compl. Exs. CCC and DDD 

## COUNT I: PATENT INFRINGEMENT

- 25. Plaintiffs re-allege each and every allegation set forth in paragraphs 1 through 24 above, inclusive, and incorporate them by reference herein.
- 26. Defendant has made, used, offered to sell, sold, and/or imported into the United States, and still is making, using, offering to sell, selling, and/or importing into the United States, shoes having designs that infringe NIKE Design Patents without NIKE's authorization.
- 27. Upon information and belief, Defendant has been and still is inducing others to infringe the NIKE Design Patents.
- 28. Defendant's infringements have been intentional and willful, making this an exceptional case.
- 29. NIKE has been and will continue to be irreparably harmed by Defendant's infringements of the NIKE Design Patents.

## COUNT II: TRADEMARK INFRINGEMENT UNDER SECTION 32(1) OF THE LANHAM ACT

- 30. Plaintiffs re-allege each and every allegation set forth in paragraphs 1 through 29 above, inclusive, and incorporate them by reference herein.
- 31. Defendant has knowingly used and continues to use in commerce the Converse and NIKE Trademarks, including counterfeits, reproductions, copies, or colorable imitations thereof, in connection with shoes Defendant manufactures, advertises, promotes, and sells in the United States. Defendant has used the Converse and NIKE Trademarks with the knowledge of, and the intent to call to mind and create a likelihood of confusion with regard to, and/or trade off Plaintiffs' fame and the registered Converse and NIKE Trademarks.
- 32. Plaintiffs have given notice of its registrations and claimed trademark rights pursuant to section 29 of the Lanham Act, 15 U.S.C. § 1111. Nevertheless, Defendant continues

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to use the Converse and NIKE Trademarks.

- 33. Defendant's use of the Converse and NIKE Trademarks (A) constitutes trademark counterfeiting, (B) is likely to confuse, mislead, or deceive customers, purchasers, and members of the general public as to the origin, source, sponsorship, or affiliation of Defendant and Plaintiffs and/or Defendant's products and Plaintiffs' products, and (C) is likely to cause such people to believe in error that Defendant's products have been authorized, sponsored, approved, endorsed, or licensed by Plaintiffs or that the Defendant is in some way affiliated with Plaintiffs.
- 34. Plaintiffs have no control over the nature and quality of the goods or services Defendant offers, and Plaintiffs' reputation and goodwill will be damaged – and the value of the Converse and NIKE Trademarks jeopardized – by Defendant's continued use of the Converse and NIKE Trademarks and colorable imitations thereof. Because of the likelihood of confusion between Defendant's designs and the Converse and NIKE Trademarks, any defects, objections, or faults found with Defendant's products will negatively reflect upon and injure the reputation that Plaintiffs have established for the product and services it offers in connection with the Converse and NIKE Trademarks. As such, Defendant is liable to Plaintiffs for infringement of their registered marks under 15 U.S.C. §1114.
- 35. Defendant's acts alleged above have caused, and if not enjoined will continue to cause, irreparable and continuing harm to Plaintiffs' trademarks, business, reputation, and goodwill. Plaintiffs have no adequate remedy at law as monetary damages are inadequate to compensate Plaintiffs for the injuries caused by Defendant.
- 36. As a direct and proximate result of Defendant's conduct, Plaintiffs have suffered damages to the valuable Converse and NIKE Trademarks, and other damages in an amount to be proved at trial.
  - 37. Defendant's infringement of Plaintiffs' registered trademarks is deliberate,

willful, fraudulent and without any extenuating circumstances, and constitutes a knowing use of the Converse and NIKE Trademarks, and an exceptional case within the meaning of 15 U.S.C. § 1117(b).

38. Plaintiffs are entitled to injunctive relief, a seizure order, and Plaintiffs are also entitled to recover QiLoo's profits, actual damages, enhanced profits and damages, costs, and reasonable attorney fees under 15 U.S.C. §§ 1114, 1116, and 1117.

## COUNT III: FALSE DESIGNATION OF ORIGIN/UNFAIR COMPETITION UNDER SECTION 43(a) OF THE LANHAM ACT

- 39. Plaintiffs re-allege each and every allegation set forth in paragraphs 1 through 38 above, inclusive, and incorporate them by reference herein.
- 40. QiLoo's use, promotion, offers to sell, sale, and/or importation of Infringing Shoes violates Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).
- 41. The Converse and NIKE Trademarks are federally registered, and are entitled to protection under both federal and common law. The Converse and NIKE Trademarks have distinctive appearances with unique and non-functional design. Plaintiffs have extensively and continuously promoted and used the Converse and NIKE Trademarks for many decades in the United States and worldwide. Through that extensive and continuous use, the Converse and NIKE Trademarks have become famous and well-known indicators of the origin and quality of NIKE footwear. The Converse and NIKE Trademarks have also acquired substantial secondary meaning in the marketplace.
- 42. QiLoo's use of colorable imitations of the Converse and NIKE Trademarks constitutes a false designation of origin that is likely to cause consumer confusion, mistake, or deception as to the origin, sponsorship, or approval of the Infringing Shoes by creating the false and misleading impression that the Infringing Shoes are manufactured by, authorized by, or

otherwise associated with Plaintiffs.

- 43. QiLoo's use of colorable imitations of the Converse and NIKE Trademarks has caused, and unless enjoined, will continue to cause substantial and irreparable injury to Plaintiffs for which Plaintiffs have no adequate remedy at law, including at least substantial and irreparable injury to the goodwill and reputation for quality associated with the Converse and NIKE Trademarks.
- 44. On information and belief, QiLoo's use of colorable imitations of the Converse and NIKE Trademarks has been intentional and willful. QiLoo's bad faith is evidenced at least by the identical similarity of the Infringing Shoes to the Converse and NIKE Trademarks as well as by QiLoo's repeated refusal to acknowledge or abide by Plaintiffs' infringement notices.
- 45. Plaintiffs are entitled to injunctive relief, and Plaintiffs are also entitled to recover QiLoo's profits, actual damages, enhanced profits and damages, costs, and reasonable attorney fees under 15 U.S.C. §§ 1125(a), 1116, and 1117.

## COUNT IV: <u>DILUTION UNDER SECTION 43(c) OF THE LANHAM ACT</u>

- 46. Plaintiffs re-allege each and every allegation set forth in paragraphs 1 through 45 above, inclusive, and incorporate them by reference herein.
- 47. The Converse and NIKE Trademarks have become famous throughout the United States as a result of the duration, extent, and geographical reach of advertising and publicity, the amount, volume, and geographical extent of Plaintiffs' sales and trading areas, their channels of trade, their degree of recognition, and registration of the marks.
- 48. The Converse and NIKE Trademarks became famous before Defendant used the marks.
  - 49. Because Plaintiffs' products bearing the Converse and NIKE Trademarks have

gained a reputation synonymous with fashion, quality, styling, and authenticity, the Converse and NIKE Trademarks have gained substantial renown.

- 50. Defendant has used and continues to use in commerce the Converse and NIKE Trademarks in connection with the advertisement, promotion, and sale of Defendant's products.
- 51. Defendant's use of the Converse and NIKE Trademarks, and colorable imitations thereof, is likely to cause, has caused, and continues to cause irreparable injury to and dilution of the distinctive quality of the Converse and NIKE Trademarks in violation of Plaintiffs' rights under 15 U.S.C. § 1125(c). Defendant's wrongful use of the Converse and NIKE Trademarks is likely to cause dilution by blurring and the whittling away of the distinctiveness and fame of the Converse and NIKE Trademarks.
- 52. Defendant's acts alleged above have caused, and if not enjoined will continue to cause, irreparable and continuing harm to Plaintiffs' trademarks, business, reputation, and goodwill. Plaintiffs have no adequate remedy at law because monetary damages are inadequate to compensate for the injuries Defendant is causing.
- 53. As a direct and proximate result of Defendant's conduct, NIKE has suffered damages to the valuable Converse and NIKE Trademarks, and other damages in an amount to be proved at trial.
- 54. Defendant's wrongful use of the Converse and NIKE Trademarks is deliberate, and constitutes a willful intent to trade on the recognition of the Converse and NIKE Trademarks, making this an exceptional case within the meaning of 15 U.S.C. § 1117.
- 55. Plaintiffs are entitled to injunctive relief, and Plaintiffs are also entitled to recover QiLoo's profits, actual damages, enhanced profits and damages, costs, and reasonable attorney fees under 15 U.S.C. §§ 1125(c), 1116, and 1117.

**COUNT V:** 

## COMMON LAW TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION

- 56. Plaintiffs re-allege each and every allegation set forth in paragraphs 1 through 55 above, inclusive, and incorporate them by reference herein.
- 57. Plaintiffs were the first to use the Converse and NIKE Trademarks. As a result of Plaintiffs' continuous promotion and sales of products bearing the Converse and NIKE Trademarks for many decades, the Converse and NIKE Trademarks have become widely known and Plaintiffs have been identified in the public mind as the manufacturer of the products to which the Converse and NIKE Trademarks are applied.
- 58. As a result of the experience, care, and service of Plaintiffs in producing the products to which the Converse and NIKE Trademarks are applied, these products have become widely known and have acquired a worldwide reputation for fashion, quality, styling, and authenticity. Moreover, the Converse and NIKE Trademarks have come to symbolize Plaintiffs' reputation for quality and excellence. The Converse and NIKE Trademarks have also acquired secondary meaning in the marketplace, and are non-functional.
- 59. Defendant, with knowledge of and with intentional disregard of Plaintiffs' rights, continues to advertise, promote, and sell products using the Converse and NIKE Trademarks, or colorable and confusing imitations thereof. Defendant's acts are likely to cause, have caused, and will continue to cause confusion as to the source and/or sponsorship of Plaintiffs' products and services.
- 60. Defendant's acts alleged herein and specifically, without limitation, Defendant's use, manufacture, promotion, offers to sell, selling, and/or importing into the United States numerous products that are confusingly similar to products bearing the Converse and NIKE Trademarks, infringe Plaintiffs' exclusive trademark rights in violation of the common law.
  - 61. Defendant's acts alleged above have caused, and if not enjoined will continue to

cause, irreparable and continuing harm to Plaintiffs' trademarks, business, reputation, and goodwill. Plaintiffs have no adequate remedy at law because monetary damages are inadequate to compensate Plaintiffs for the injuries caused by Defendant.

- 62. On information and belief, QiLoo's use of colorable imitations of the Converse and NIKE Trademarks has been intentional and willful. QiLoo's bad faith is evidenced at least by the similarity of the Infringing Shoes to the Converse and NIKE Trademark.
- 63. Plaintiffs are entitled to injunctive relief, and Plaintiffs are also entitled to recover QiLoo's profits, actual damages, punitive damages, costs, and reasonable attorney fees.

#### PRAYER FOR RELIEF

## WHEREFORE, Plaintiffs respectfully pray for

- A. Judgment that Defendant has (i) willfully infringed the NIKE Design Patents in violation of 35 U.S.C. §§ 271 (a) and (b), (ii) willfully infringed the Converse and NIKE Trademarks in violation of §1114 of Title 15 in the United States Code, (iii) willfully used false designations of origin/unfair competition in violation of § 1125(a) of Title 15 in the United States Code, (iv) willfully diluted the Converse and NIKE Trademarks in violation of § 1125(c) of Title 15 in the United States Code, and (v) willfully violated Plaintiffs' common law rights in the Converse and NIKE Trademarks;
- B. A preliminary and permanent injunction against further infringement, direct and indirect, of the NIKE Design Patents and colorable imitations thereof by Defendant, its officers, agents, servants, employees, and attorneys, and all others in active concert or participation with any of them;
- C. A preliminary and permanent injunction against further infringement, false designation of origin, unfair competition, and dilution of the Converse and NIKE Trademarks by

QiLoo, its officers, agents, servants, employees, and attorneys, and all others in active concert or participation with any of them;

- D. An order directing the destruction of all Infringing Shoes and Additional Infringing Shoes, or any other products that use a copy, reproduction, or colorable imitation of the Converse or NIKE Trademarks in QiLoo's possession or control, including the destruction of all advertising materials related to the Infringing Shoes and Additional Infringing Shoes in QiLoo's possession or control, including on the Internet;
- E. An award of damages adequate to compensate NIKE for the patent infringements that have occurred pursuant to 35 U.S.C. § 284, which shall be trebled as a result of Defendant's willful patent infringement, or an award of Defendant's profits from its infringements pursuant to 35 U.S.C. § 289, whichever is greater, together with prejudgment interest and costs;
- F. An assessment of costs, including reasonable attorney fees and expenses, pursuant to 35 U.S.C. § 285, with prejudgment interest;
- G. An award of QiLoo's profits, actual damages, enhanced profits and damages, costs, and reasonable attorney fees under 15 U.S.C. §§ 1114, 1116, and 1117 for QiLoo's trademark infringements and dilution; and
  - H. Such other and further relief as this Court deems just and proper.

#### IV. DEMAND FOR JURY TRIAL

Pursuant to Fed. R. Civ. P. 28, Plaintiffs hereby demand a trial by jury on all issues for which a trial by jury may be had.

Dated: February 8, 2012 Respectfully submitted,

/s/ Jonathan W. Fountain
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9	Attorneys for Plaintiffs,
10	NIKE, Inc. and Converse Inc.
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1	<u>CERTIFICATE OF SERVICE</u>
2	I, Erik S. Maurer, hereby certify that on February 8, 2012, I caused a copy of the
3	foregoing document entitled FIRST AMENDED COMPLANT along with Exhibits NN, MM,
4	OO, PP, QQ, RR, SS, TT< UU, VV, WW, XX, YY, ZZ, AAA, BBB, CCC, DDD, EEE, FFF,
5	and GGG, to be served as follows:
6	By Hand Delivery To: By International Federal Express:
7 8 9 10	QiLoo International Limited World Shoe Association Tradeshow Booth #12736 Sands Expo & Convention Center 201 Sands Avenue Las Vegas, Nevada 89169  QiLoo International Limited 2-2303 (2-2358), No. 2 Bldg., Fuxin Garden Castle, Fengze Street, QuanZhou, 362000, Fujian, China
11	Dated: this 8th day of February, 2012.
12	<u>/s/ Erik S. Maurer</u> Erik S. Maurer
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