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UNITED STATES DISTRICT COURT
DISTRICT OF OREGON
PORTLAND DIVISION

ADIDAS AMERICA, INC. and
ADIDAS AG,

Plaintiffs,

v.

WORLD INDUSTRIES, INC. and BIG 5
SPORTING GOODS CORPORATION,

Defendants.

No. 3:12-cv-00859

COMPLAINT

(Trademark Infringement, Unfair
Competition, Trademark Dilution, and
Deceptive Trade Practices)

DEMAND FOR JURY TRIAL

Plaintiffs adidas America, Inc. and adidas AG (collectively, "adidas") state the following for their Complaint against World Industries, Inc. ("World Industries") and Big 5 Sporting Goods Corporation ("Big 5"). Where appropriate, World Industries and Big 5 are referred to herein collectively as "Defendants."

I. INTRODUCTION

1. For decades, adidas has manufactured, sold, and promoted footwear bearing its famous and distinctive Three-Stripe trademark (the "Three-Stripe Mark"). adidas owns numerous incontestable federal trademark registrations for its Three-Stripe Mark for footwear, and adidas has invested millions of dollars building its brand in connection with the Three-Stripe Mark.

2. Despite World Industries' knowledge of adidas's rights in the famous Three-Stripe Mark, World Industries is designing, sourcing, manufacturing, importing, distributing, marketing, promoting, offering for sale, and selling through, among others, Big 5, footwear that bears confusingly similar imitations of adidas's Three-Stripe Mark, including the footwear depicted below (shown alongside an adidas shoe bearing its Three-Stripe Mark):

World Industries – Varsity



adidas - Campus



3. World Industries' footwear is not manufactured by adidas, nor is World Industries connected, affiliated, or associated with, or authorized by, adidas in any way. World Industries'

merchandise is likely to cause consumer confusion, deceive the public regarding its source, and dilute and tarnish the distinctive quality of adidas's Three-Stripe Mark.

4. This is an action at law and in equity for trademark infringement and dilution, unfair competition, and unfair business practices, arising under the Trademark Act of 1946, 15 U.S.C. §§ 1051 *et seq.* (2009) ("Lanham Act"); the anti-dilution laws of several states; the unfair business practices and unfair and deceptive trade practices acts of several states; and the common law. Among other relief, adidas asks this Court to: (a) preliminarily and permanently enjoin Defendants from marketing or selling footwear bearing confusingly similar imitations of the Three-Stripe Mark; (b) award adidas monetary damages and to treble that award; (c) require Defendants to disgorge all profits from sales of the infringing footwear; and (d) award adidas punitive damages, attorneys' fees, and costs.

II. JURISDICTION AND VENUE

5. This Court has subject matter jurisdiction under section 39 of the Lanham Act, 15 U.S.C. § 1121, and under 28 U.S.C. §§ 1331 and 1338. Subject matter jurisdiction over adidas's related state and common law claims is proper pursuant to 28 U.S.C. §§ 1338 and 1367.

6. This Court has personal jurisdiction over Defendants because, on information and belief, Defendants have: (a) imported, distributed, offered for sale, sold, or shipped merchandise to persons within the State of Oregon; (b) regularly transacted and conducted business within the State of Oregon; or (c) otherwise made or established contacts within the State of Oregon sufficient to permit the exercise of personal jurisdiction over Defendants.

7. The District of Oregon is the proper venue pursuant to 28 U.S.C. § 1391(b)(2) because a substantial part of the acts or omissions giving rise to adidas's claims occurred in this District.

III. PARTIES

8. Plaintiff adidas AG is a joint stock company organized and existing under the laws of the Federal Republic of Germany, having its office and principal place of business at Postach 11230, D-91072 Herzogenaurach, Federal Republic of Germany.

9. Plaintiff adidas America, Inc. is a corporation organized and existing under the laws of the State of Delaware, having its principal place of business at 5055 N. Greeley Avenue, Portland, Oregon 97217. adidas America, Inc. directs all U.S.-based operations on behalf of adidas AG, including sales, brand marketing, product marketing, product design, public relations, distribution, enforcement, and licensing of and for ADIDAS-branded merchandise, including goods bearing the distinctive Three-Stripe Mark. adidas AG and adidas America, Inc., as well as any predecessors or related entities, shall be collectively referred to herein as "adidas."

10. On information and belief, Defendant World Industries, Inc. is a Delaware corporation with a principal place of business at 1008 Brioso Drive, Costa Mesa, California 92627. On further information and belief, World Industries, Inc. designs, sources, manufactures, imports, distributes, markets, promotes, offers for sale, and/or sells footwear, skateboards, snowboards, and related athletic gear and apparel.

11. On information and belief, Defendant Big 5 Sporting Goods Corporation is a Delaware corporation with a principal place of business at 2525 E. El Segundo Boulevard, El Segundo, California 90245. On further information and belief, Big 5 Sporting Goods Corporation is a national retailer of sporting shoes, apparel, and accessories for a wide variety of sports, including swimming, soccer, and skateboarding.

IV. FACTS COMMON TO ALL CLAIMS FOR RELIEF

12. adidas is currently, and for years has been, one of the world's leading manufacturers of athletic footwear, sportswear, and sporting equipment. Over sixty (60) years ago, adidas first placed three parallel stripes on its athletic shoes, and the Three-Stripe Mark

came to signify the quality and reputation of adidas footwear to the sporting world early in the company's history.

13. At least as early as 1952, adidas began using the Three-Stripe Mark on footwear sold in the United States and worldwide. The Three-Stripe Mark quickly came to signify the quality and reputation of adidas footwear. Pages from adidas catalogs featuring footwear bearing the Three-Stripe Mark are attached as **Exhibit 1**.

14. adidas is the owner of a federal trademark registration, Reg. No. 1,815,956, issued by the United States Patent and Trademark Office ("PTO") on January 11, 1994, for the Three-Stripe Mark, as depicted below, for "athletic footwear."



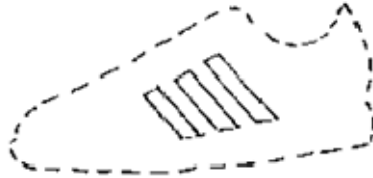
Affidavits have been filed pursuant to Sections 8 and 15 of the Lanham Act, 15 U.S.C. §§ 1058 and 1065, and this registration is incontestable. A copy of the Certificate of Registration for this mark is attached as **Exhibit 2**.

15. adidas is the owner of a federal trademark registration, Reg. No. 1,833,868, issued by the PTO on May 3, 1994, for the Three-Stripe Mark, as depicted below, covering "athletic footwear."



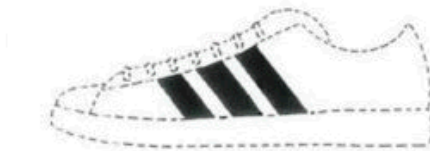
Affidavits have been filed pursuant to Section 8 and 15 of the Lanham Act, 15 U.S.C. §§ 1058 and 1065, and this registration is incontestable. A copy of the Certificate of Registration for this mark is attached as **Exhibit 3**.

16. adidas is the owner of a federal trademark registration, Reg. No. 2,278,589, issued by the PTO on September 21, 1999, for the Three-Stripe Mark, as depicted below, covering "athletic footwear."



Affidavits have been filed pursuant to Section 8 and 15 of the Lanham Act, 15 U.S.C. §§ 1058 and 1065, and this registration is incontestable. A copy of the Certificate of Registration for this mark is attached as **Exhibit 4**.

17. adidas is the owner of a federal trademark registration, Reg. No. 3,029,129, issued by the PTO on December 13, 2005, for the Three-Stripe Mark, as depicted below, covering "footwear."



Affidavits have been filed pursuant to Section 8 and 15 of the Lanham Act, 15 U.S.C. §§ 1058 and 1065, and this registration is incontestable. A copy of the Certificate of Registration for this mark is attached as **Exhibit 5**.

18. adidas is the owner of a federal trademark registration, Reg. No. 3,029,135, issued by the PTO on December 13, 2005, for the Three-Stripe Mark, as depicted below, covering "footwear."



Affidavits have been filed pursuant to Section 8 and 15 of the Lanham Act, 15 U.S.C. §§ 1058 and 1065, and this registration is incontestable. A copy of the Certificate of Registration for this mark is attached as **Exhibit 6**.

19. adidas also owns numerous additional trademark registrations, a number of which are incontestable, for the Three-Stripe Mark covering footwear and various items of apparel including U.S. Reg. Nos. 870,136, 961,353, 2,016,963, 2,058,619, 2,278,591, 2,284,308, 2,909,861, 2,999,646, 3,029,127, 3,063,742, 3,063,745, 3,087,329, 3,183,656, 3,183,663, and 3,236,505. Copies of the Certificates of Registration for each of these marks are attached collectively as **Exhibit 7**.

20. Additionally, adidas owns federal registrations for verbal trademarks using the term "three stripes," including THE BRAND WITH THE THREE STRIPES, Reg. No. 1,674,229, for "sport and leisure wear." Affidavits have been filed pursuant to Sections 8 and 15 of the Lanham Act, 15 U.S.C. §§ 1058 and 1065, and this registration is incontestable. A copy of the Certificate of Registration for this mark is attached as **Exhibit 8**.

21. adidas's Three-Stripe Mark is well known and famous and has been for many years. adidas has used the Three-Stripe Mark in connection with its frequent sponsorship of athletic tournaments and organizations, as well as professional athletes and collegiate sports teams. For example, adidas has long-term relationships with Notre Dame, UCLA, the University of Nebraska, the University of Michigan, and the University of Tennessee. Among many other athletes, adidas sponsors: (a) NFL up-and-coming superstars Robert Griffin III and Ryan Tannehill, as well as veterans Mario Williams, Deion Branch, and Reggie Bush; (b) NBA stars

Tim Duncan and Dwight Howard; (c) baseball stars Ryan Howard, Chase Utley, and Adam Dunn; and (d) professional golfers Sergio Garcia and Reteif Goosen. For many years, adidas has been a sponsor of the World Cup soccer tournament, the world-famous Boston Marathon, and many other events, teams, and individuals. Recently, for example, adidas was an official sponsor of the 2010 FIFA World Cup in South Africa, watched by millions in the United States and around the world. Many of the world's leading soccer players wore adidas cleats bearing the Three-Stripe Mark. And numerous teams, including the world champions, Spain, also wore uniforms featuring adidas's Three-Stripe Mark. Such prominent use of the Three-Stripe Mark in connection with such widely-viewed activities and such well-known athletes has further enhanced the Three-Stripe Mark's recognition and fame.

22. In addition, adidas has been a sponsor to professional skateboarders since at least as early as 1998. adidas first sponsored Mark Gonzales, a pioneer of modern street skating, and now sponsors a skateboarding team including ten (10) U.S. skaters and six (6) international skaters. adidas has a successful line of skating shoes and apparel that feature the Three-Stripe Mark. Such prominent use of the Three-Stripe Mark in connection with such high profile skateboarders and skateboarding activities has even further enhanced the Three-Stripe Mark's recognition and fame.

23. The Three-Stripe Mark is nonfunctional, and the public recognizes and understands that the Three-Stripe Mark distinguishes and identifies adidas's merchandise. Indeed, unsolicited media coverage has referred to adidas's "trademark three-stripe sneakers" (Brettman, Allan, "Adidas lifts 2012 forecast as sales in China soar in Q1," *The Oregonian*, May 1, 2012), "the adidas stripes" (Brettman, Allan, "A \$35 Swoosh of Genius," *The Oregonian*, June 16, 2011), adidas's "ubiquitous three stripes" (Brettman, Allan, "Going 'All In' Against Nike," *The Oregonian*, March 15, 2011), the "trademark three-stripe logo" (Pennington, Bill, "Belts That Do More Than Hold Up Pants," *New York Times*, July 27, 2009), the "iconic three stripes" ("Game Time," *Footwear News*, June 16, 2008), the "signature three stripes" (Moore,

Booth, "Ringing Endorsements; Form Follows Function with Much Olympic Wear, but Fashion and Funding are also at Play," *L.A. Times*, August 13, 2004), the "famous brand with the three stripes" (Whiting, Sam, "Must Have," *San Francisco Chronicle*, July 7, 2002), and the "legendary Adidas three stripes" ("Coty Inc.," *Brand Strategy*, September 27, 1999).

24. For decades, adidas has extensively and continuously used and promoted the Three-Stripe Mark in connection with footwear and apparel. In recent years, annual sales of products bearing the Three-Stripe Mark have totaled in the billions of dollars globally and in the hundreds of millions of dollars within the United States. The Three-Stripe Mark has achieved international fame and tremendous public recognition.

25. Since introducing its Three-Stripe Mark, adidas has spent millions of dollars promoting the mark and products bearing the mark. For example, in March 2011, adidas launched an advertising campaign in the United States "featuring Chicago Bulls guard Derrick Rose, rapper B.o.B and pop singer Katy Perry, among others," that "highlights [adidas's] imprint on the world of sports, music and fashion," and "show[s] the breadth and depth of the Adidas brand." A copy of a March 15, 2011 article from *The Oregonian* describing this new advertising campaign is attached as **Exhibit 9**. As a result of adidas's continuous and exclusive use of the Three-Stripe Mark in connection with its products, the mark enjoys wide public acceptance and association with adidas, and has come to be recognized widely and favorably by the public as an indicator of the origin of adidas's goods.

26. As a result of adidas's extensive use and promotion of the Three-Stripe Mark, adidas has built up and now owns extremely valuable goodwill that is symbolized by the mark. The purchasing public has come to associate the Three-Stripe Mark with adidas.

V. DEFENDANTS' UNLAWFUL ACTIVITIES

27. In blatant disregard of adidas's rights, World Industries is currently designing, manufacturing, sourcing, importing, distributing, marketing, promoting, offering for sale, and/or selling footwear in interstate commerce bearing confusingly similar three-stripe imitations of

adidas's Three-Stripe Mark (the "Infringing Footwear"). Images of World Industries' Infringing Footwear are depicted below, alongside images of adidas shoes:

adidas Campus



World Industries' Knock-Off



adidas Campus Vulc



World Industries' Knock-Off



28. On information and belief, and in knowing and willful disregard of adidas's rights, Big 5 is currently distributing, marketing, promoting, offering for sale, and/or selling the Infringing Footwear through its many nationwide retail stores.

29. On information and belief, World Industries was familiar with adidas's Three-Stripe Mark when it began designing, manufacturing, sourcing, importing, distributing, marketing, promoting, offering for sale, and/or selling the Infringing Footwear identified in this Complaint. On further information and belief, World Industries intentionally adopted and used confusingly similar imitations of the Three-Stripe Mark knowing that they would mislead and

deceive consumers into believing that the footwear was produced, authorized, or licensed by adidas, or that the footwear originated from adidas.

30. On information and belief, Big 5 was not only familiar with adidas's Three-Stripe Mark when it began distributing, marketing, promoting, offering for sale, and/or selling the Infringing Footwear, but it also offers for sale and/or sells the Infringing Footwear in the same stores – and often in the same aisles or shoe racks – as adidas shoes bearing the Three-Stripe Mark. Attached as **Exhibit 10** is a copy of an advertisement for Big 5 that appeared in *The Oregonian* on April 29, 2012, and in which World Industries' Infringing Footwear is pictured immediately adjacent to an adidas shoe bearing the Three-Stripe Mark.

31. The Infringing Footwear designed, manufactured, sourced, imported, distributed, marketed, promoted, offered for sale, and/or sold by Defendants is not manufactured by adidas. Nor is World Industries associated or connected with adidas, or licensed, authorized, sponsored, endorsed, or approved by adidas in any way.

32. adidas used the Three-Stripe Mark extensively and continuously before World Industries began designing, manufacturing, sourcing, importing, distributing, marketing, promoting, offering for sale, and/or selling confusingly similar imitations of adidas's footwear, and before Big 5 began distributing, marketing, promoting, offering for sale, and/or selling World Industries' Infringing Footwear.

33. The footwear sold by Defendants is similar to, and competes with, goods sold by adidas, and the parties' products are sold through overlapping channels of trade.

34. Defendants' use, offer for sale, and sale of confusingly similar imitations of adidas's Three-Stripe Mark is likely to deceive, confuse, and mislead purchasers and prospective purchasers into believing that the Infringing Footwear sold by Defendants is manufactured by, authorized by, or in some manner associated with adidas, which it is not. The likelihood of confusion, mistake, and deception engendered by Defendants' misappropriation of adidas's mark

is causing irreparable harm to the goodwill symbolized by the Three-Stripe Mark and the reputation for quality that it embodies.

35. Defendants' activities are likely to cause confusion before, during, and after the time of purchase because purchasers, prospective purchasers, and others viewing the Infringing Footwear at the point of sale or on a wearer are likely – due to the use of confusingly similar imitations of the Three-Stripe Mark – to mistakenly attribute the product to adidas. This is particularly damaging with respect to those people who perceive a defect or lack of quality in World Industries' products. By causing such a likelihood of confusion, mistake, and deception, Defendants are inflicting irreparable harm on the goodwill symbolized by the Three-Stripe Mark and the reputation for quality that it embodies.

36. On information and belief, Defendants continue to use, offer for sale, and sell confusingly similar imitations of adidas's Three-Stripe Mark in connection with the sale of footwear that competes with footwear manufactured and sold by adidas. Defendants began using, offering for sale, and selling the Infringing Footwear well after adidas had established protectable rights in its Three-Stripe Mark and well after the Three-Stripe Mark had become famous.

37. On information and belief, World Industries knowingly, willfully, intentionally, and maliciously adopted and used confusingly similar imitations of adidas's Three-Stripe Mark.

38. On information and belief, Big 5 knowingly, willfully, intentionally, and maliciously offers for sale and sells confusingly similar imitations of adidas's Three-Stripe Mark.

FIRST CLAIM FOR RELIEF
(Federal Trademark Infringement)

39. adidas repeats and incorporates by reference the allegations in the preceding paragraphs.

40. World Industries is designing, manufacturing, sourcing, importing, distributing, marketing, promoting, offering for sale, and/or selling footwear in interstate commerce bearing

confusingly similar three-stripe imitations of adidas's Three-Stripe Mark. And, Big 5, on information and belief, is distributing, marketing, promoting, offering for sale, and/or selling in interstate commerce World Industries' Infringing Footwear.

41. Defendants' use, offer for sale, and sale in commerce of confusingly similar imitations of adidas's Three-Stripe Mark, as described in this Complaint, is likely to cause confusion, deception, and mistake by creating the false and misleading impression that World Industries' products are manufactured, produced, distributed, endorsed, sponsored, approved, or licensed by adidas, or are associated or connected with adidas.

42. Defendants have used a mark confusingly similar to adidas's federally registered Three-Stripe Mark in violation of 15 U.S.C. § 1114. Defendants' activities have caused and, unless enjoined by this Court, will continue to cause a likelihood of confusion and deception of members of the trade and public, and, additionally, injury to adidas's goodwill and reputation as symbolized by the registered Three-Stripe Mark, for which adidas has no adequate remedy at law.

43. Defendants' actions demonstrate an intentional, willful, and malicious intent to trade on the goodwill associated with adidas's federally registered Three-Stripe Mark to adidas's great and irreparable injury.

44. Defendants have caused and are likely to continue causing substantial injury to the public and to adidas, and adidas is entitled to injunctive relief and to recover Defendants' profits, actual damages, enhanced profits and damages, costs, and reasonable attorneys' fees under 15 U.S.C. §§ 1114, 1116, and 1117.

SECOND CLAIM FOR RELIEF
(Federal Unfair Competition)

45. adidas repeats and incorporates by reference the allegations in the preceding paragraphs.

46. Defendants' use, offer for sale, and sale of confusingly similar imitations of adidas's Three-Stripe Mark, as described in this Complaint, has caused and is likely to cause confusion, deception, and mistake by creating the false and misleading impression that the Infringing Footwear is manufactured or distributed by adidas, is affiliated, connected, or associated with adidas, or has the sponsorship, endorsement, or approval of adidas.

47. Defendants have made false representations, false descriptions, and false designations of World Industries' goods in violation of 15 U.S.C. § 1125(a). Defendants' activities have caused and, unless enjoined by this Court, will continue to cause a likelihood of confusion and deception of members of the trade and public, as well as injury to adidas's goodwill and reputation as symbolized by the Three-Stripe Mark, for which adidas has no adequate remedy at law.

48. Defendants' actions demonstrate an intentional, willful, and malicious intent to trade on the goodwill associated with adidas's Three-Stripe Mark to the great and irreparable injury of adidas.

49. Defendants' conduct has caused, and is likely to continue causing, substantial injury to the public and to adidas. adidas is entitled to injunctive relief and to recover Defendants' profits, actual damages, enhanced profits and damages, costs, and reasonable attorneys' fees under 15 U.S.C. §§ 1125(a), 1116, and 1117.

THIRD CLAIM FOR RELIEF
(Unfair and Deceptive Trade Practices)

50. adidas repeats and incorporates by reference the allegations in the preceding paragraphs.

51. Defendants have been, and currently are, passing off World Industries' goods as those of adidas, causing a likelihood of confusion or misunderstanding as to the source, sponsorship, or approval of World Industries' goods, causing a likelihood of confusion as to World Industries' affiliation, connection, or association with adidas, and otherwise damaging

adidas and the consuming public. Defendants' conduct constitutes unfair and deceptive acts or practices in the course of a business, trade, or commerce in violation of the unfair and deceptive trade practices statutes of several states, including California, CAL. BUS. & PROF. CODE § 17200, *et seq.* (West 2009); Colorado, COLO. REV. STAT. ANN. §§ 6-1-101 to 6-1-115 (West 2009); Delaware, DEL. CODE ANN. tit. 6, §§ 2531 to 2536 (2009); Georgia, GA. CODE ANN. §§ 10-1-370 to 10-1-375 (2009); Hawaii, HAW. REV. STAT. §§ 481A-1 to 481A-5 (2009); Illinois, ILL. COMP. STAT. ANN. ch. 815, 510/1 to 510/7 (2009); Maine, ME. REV. STAT. ANN. tit. 10, §§ 1211 to 1216 (West 2009); Minnesota, MINN. STAT. ANN. § 325D.43 to .48 (West 2009); Nebraska, NEB. REV. STAT. §§ 87-301 to 87-306 (2009); New Mexico, N.M. STAT. ANN. §§ 57-12-1 to 57-12-22 (Michie 2009); New York, N.Y. GEN. BUS. Law § 349 (McKinney 2009); Ohio, OHIO REV. CODE ANN. §§ 4165.01 to 4165.04 (Baldwin 2009); and Oklahoma, OKLA. STAT. ANN. tit. 78, §§ 51 to 55 (West 2009).

52. Defendants' unauthorized use, offer for sale, and sale of confusingly similar imitations of adidas's Three-Stripe Mark has caused and is likely to cause substantial injury to the public and to adidas. adidas is entitled to injunctive relief and to recover damages, and, if appropriate, punitive damages, costs, and reasonable attorneys' fees.

FOURTH CLAIM FOR RELIEF
(Common Law Trademark Infringement and Unfair Competition)

53. adidas repeats and incorporates by reference the allegations in the preceding paragraphs.

54. Defendants' acts constitute common law trademark infringement and unfair competition, and have created and will continue to create, unless restrained by this Court, a likelihood of confusion to the irreparable injury of adidas. adidas has no adequate remedy at law for this injury.

55. On information and belief, Defendants acted with full knowledge of adidas's use of, and statutory and common law rights to, the Three-Stripe Mark, and without regard to the likelihood of confusion of the public created by Defendants' activities.

56. Defendants' actions demonstrate an intentional, willful, and malicious intent to trade on the goodwill associated with adidas's Three-Stripe Mark to the great and irreparable injury of adidas.

57. As a result of Defendants' acts, adidas has been damaged in an amount not yet determined or ascertainable. At a minimum, however, adidas is entitled to injunctive relief, an accounting of Defendants' profits, damages, and costs. Further, in light of the deliberately fraudulent and malicious use of confusingly similar imitations of adidas's Three-Stripe Mark, and the need to deter Defendants from engaging in similar conduct in the future, adidas additionally is entitled to punitive damages.

FIFTH CLAIM FOR RELIEF
(Federal Trademark Dilution)

58. adidas repeats and incorporates by reference the allegations in the preceding paragraphs.

59. For decades, adidas has exclusively and continuously promoted and used the registered Three-Stripe Mark both in the United States and throughout the world. The mark, therefore, had become a famous and well-known symbol of adidas and its products well before World Industries designed, sourced, manufactured, imported, distributed, marketed, promoted, offered for sale, and/or sold the footwear identified in this Complaint, and, additionally, well before Big 5 distributed, marketed, promoted, offered for sale, and/or sold World Industries' Infringing Footwear.

60. Defendants are making use of, offering for sale, and selling in commerce a mark that dilutes and is likely to dilute the distinctiveness of adidas's Three-Stripe Mark by eroding the public's exclusive identification of the famous Three-Stripe Mark with adidas, tarnishing and

degrading the positive associations and prestigious connotations of the Three-Stripe Mark, and otherwise lessening the capacity of the Three-Stripe Mark to identify and distinguish adidas's goods.

61. Defendants' actions demonstrate an intentional, willful, and malicious intent to trade on the goodwill associated with adidas's Three-Stripe Mark or to cause dilution of the Three-Stripe Mark to the great and irreparable injury of adidas.

62. Defendants have caused and will continue to cause irreparable injury to adidas's goodwill and business reputation, and dilution of the distinctiveness and value of adidas's famous Three-Stripe Mark in violation of 15 U.S.C. § 1125(c). adidas therefore is entitled to injunctive relief and to Defendants' profits, actual damages, enhanced profits and damages, and reasonable attorneys' fees under 15 U.S.C. §§ 1125(c), 1116, and 1117.

SIXTH CLAIM FOR RELIEF
(State Trademark Dilution and Injury to Business Reputation)

63. adidas repeats and incorporates by reference the allegations in the preceding paragraphs.

64. adidas has extensively and continuously promoted and used the registered Three-Stripe Mark both in the United States and throughout the world, and the mark had thereby become a distinctive, famous, and well-known symbol of adidas's goods and services well before World Industries designed, sourced, manufactured, imported, distributed, marketed, promoted, offered for sale, and/or sold the footwear identified in this Complaint, and, additionally, well before Big 5 distributed, marketed, promoted, offered for sale, and/or sold World Industries' Infringing Footwear.

65. World Industries' unauthorized imitations of adidas's Three-Stripe Mark, and Big 5's offer for sale and sale of the same, dilute and are likely to dilute the distinctiveness of adidas's mark by eroding the public's exclusive identification of this famous and well-known mark with adidas, and tarnishing and degrading the positive associations and prestigious

connotations of the mark, and otherwise lessening the capacity of the mark to identify and distinguish adidas's goods and services.

66. Defendants are causing and will continue to cause irreparable injury to adidas's goodwill and business reputation, and dilution of the distinctiveness and value of adidas's famous Three-Stripe Mark in violation of the Oregon anti-dilution statute, O.R.S. § 647.107 (2009), as well as the anti-dilution laws of several other states, including Alabama, ALA. CODE § 8-12-17 (2009); Alaska, ALASKA STAT. § 45.50.180 (Michie 2009); Arizona, ARIZ. REV. STAT. ANN. § 44-1448.01 (West 2009); Arkansas, ARK. CODE ANN. § 4-71-213 (2009); California, CAL. BUS. & PROF. CODE § 14247 (West 2009); Connecticut, CONN. GEN. STAT. ANN. § 35-11i(c) (West 2009); Delaware, DEL. CODE ANN. tit. 6, § 3313 (2009); Florida, FLA. STAT. ANN. § 495.151 (West 2007); Georgia, GA. CODE ANN. § 10-1-451 (2009); Hawaii, HAW. REV. STAT. ANN. § 482-32 (Michie 2009); Idaho, IDAHO CODE § 48-513 (Michie 2009); Illinois, 765 ILL. COMP. STAT. ANN. 1036/65 (2009); Iowa, IOWA CODE ANN. § 548.113 (West 2009); Indiana, IN. CODE 24-2-13.5 (West 2009); Kansas, KAN. STAT. ANN. § 81-214 (2009); Louisiana, LA. REV. STAT. ANN. § 51:223.1 (West 2009); Maine, ME. REV. STAT. ANN. tit. 10, § 1530 (West 2000); Massachusetts, MASS. GEN. LAWS. ANN. ch. 110H, § 13 (West 2009); Minnesota, MINN. STAT. ANN. § 333.285 (West 2009); Mississippi, MISS. CODE. ANN. § 75-25-25 (2009); Missouri, MO. ANN. STAT. § 417.061(1) (West 2009); Montana, MONT. CODE ANN. § 30-13-334 (2009); Nebraska, NEB. REV. STAT. ANN. § 87-140 (Michie 2009); Nevada, NEV. REV. STAT. 600.435 (2007); New Hampshire, N.H. REV. STAT. ANN. § 350-A:12 (2009); New Jersey, N.J. STAT. ANN. 56:3-13.20 (West 2009); New Mexico, N.M. STAT. ANN. § 57-3B-15 (Michie 2009); New York, N.Y. GEN. BUS. Law § 360-l (2009); Pennsylvania, 54 PA. CONS. STAT. ANN. § 1124 (West 2009); Rhode Island, R.I. GEN. LAWS § 6-2-12 (2009); South Carolina, S. C. CODE ANN. § 39-15-1165 (2009); Tennessee, TENN. CODE ANN. § 47-25-513 (2009); Texas, TEX. BUS. & COM. CODE ANN. § 16.29 (Vernon 2009); Utah, UT. CODE ANN. § 70-3a-403 (2009); Washington, WASH. REV.

CODE ANN. § 19.77.160 (West 2009); West Virginia, W.V. STAT. ANN. 47-2-13 (Michie 2009); and Wyoming, WYO. STAT. ANN. § 40-1-115 (Michie 2009). adidas therefore is entitled to injunctive relief, damages, and costs, as well as, if appropriate, enhanced damages and reasonable attorneys' fees.

PRAYER FOR RELIEF

WHEREFORE, adidas prays that:

1. Defendants and all of their respective agents, officers, employees, representatives, successors, assigns, attorneys, and all other persons acting for, with, by, through, or under authority from Defendants, or in concert or participation with Defendants, and each of them, be enjoined preliminarily and permanently, from:

- a. using, offering for sale, or selling, adidas's Three-Stripe Mark or any other copy, reproduction, colorable imitation, or simulation of adidas's Three-Stripe Mark on or in connection with World Industries' products;
- b. using, offering for sale, or selling, any trademark, logo, design, or source designation of any kind on, or in connection with, World Industries' goods that is a copy, reproduction, colorable imitation, or simulation of, or confusingly similar to adidas's Three-Stripe Mark;
- c. using, offering for sale, or selling, any trademark, logo, design, or source designation of any kind on or in connection with World Industries' goods that is likely to cause confusion, mistake, deception, or public misunderstanding that such goods are produced or provided by adidas, are sponsored or authorized by adidas, or are in any way connected or related to adidas;

d. using, offering for sale, or selling, any trademark, logo, design, or source designation of any kind on or in connection with World Industries' goods that dilutes or is likely to dilute the distinctiveness of the trademarks or logos of adidas; and

e. passing off, palming off, or assisting in passing off or palming off World Industries' goods as those of adidas, or otherwise continuing any and all acts of unfair competition as alleged in this Complaint;

2. World Industries be ordered to cease offering for sale, marketing, promoting, and selling, to remove from retail stores, and to recall and retrieve all products bearing the Three-Stripe Mark or any other confusingly similar variation, which are in World Industries' possession or have been shipped by World Industries or under its authority, to any store or customer, including, but not limited to, any wholesaler, distributor, distribution center, retail store, consignor, or marketer, and also to deliver to each such store or customer a copy of this Court's order as it relates to said injunctive relief against World Industries and/or Big 5;

3. Big 5 be ordered to cease offering for sale, marketing, promoting, and selling, to remove from all of its retail stores, and to recall and retrieve all World Industries' products bearing the Three-Stripe Mark or any other confusingly similar variation, which are in Big 5's possession or have been shipped by Big 5 or under its authority, to any store branch or customer, including, but not limited to, any distribution center and retail store branches, and also to deliver to each such location or customer a copy of this Court's order as it relates to said injunctive relief against Big 5 and/or World Industries;

4. Defendants be ordered to deliver up for impoundment and for destruction, all footwear, bags, boxes, labels, tags, signs, packages, receptacles, advertising, sample books, promotional material, stationary, or other materials in the possession, custody, or under the control of Defendants that are found to adopt, use, infringe, or dilute any of adidas's trademarks, or that otherwise unfairly compete with adidas and adidas's products;

5. Defendants be compelled to account to adidas for any and all profits derived by Defendants from the sale or distribution of infringing goods as described in this Complaint;

6. adidas be awarded all damages caused by the acts forming the basis of this Complaint;

7. Based on Defendants' knowing and intentional use and sale of confusingly similar imitations of adidas's Three-Stripe Mark, the damages awarded be trebled and the award of Defendants' profits be enhanced as provided for by 15 U.S.C. § 1117(a) and (b);

8. Defendants be required to pay to adidas the costs and reasonable attorneys' fees incurred by adidas in this action pursuant to 15 U.S.C. § 1117(a) and the state statutes cited in this Complaint;

9. Based on Defendants' willful and deliberate infringement and/or dilution of adidas's marks, and to deter such conduct in the future, adidas be awarded punitive damages;

10. Defendants be required to pay prejudgment and post-judgment interest on the damages and profits awards; and

11. adidas have such other and further relief as the Court may deem just.

JURY TRIAL DEMAND

adidas respectfully demands a trial by jury on all claims and issues so triable.

DATED: May 15, 2012

PERKINS COIE LLP

By: /s/ Stephen M. Feldman

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