

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

DECKERS OUTDOOR CORPORATION,

Plaintiff,

v.

THE PARTNERSHIPS and  
UNINCORPORATED ASSOCIATIONS  
IDENTIFIED ON SCHEDULE “A,”

Defendants.

Case No. 19-cv-07920

**COMPLAINT**

Plaintiff Deckers Outdoor Corporation (“Deckers” or “Plaintiff”) hereby brings the present action against the Partnerships and Unincorporated Associations identified on Schedule A attached hereto (collectively, “Defendants”) and alleges as follows:

**I. JURISDICTION AND VENUE**

1. This Court has original subject matter jurisdiction over the claims in this action pursuant to the provisions of the Lanham Act, 15 U.S.C. § 1051, *et seq.*, 28 U.S.C. § 1338(a)-(b) and 28 U.S.C. § 1331. This Court has jurisdiction over the claims in this action that arise under the laws of the State of Illinois pursuant to 28 U.S.C. § 1367(a), because the state law claims are so related to the federal claims that they form part of the same case or controversy and derive from a common nucleus of operative facts.

2. Venue is proper in this Court pursuant to 28 U.S.C. § 1391, and this Court may properly exercise personal jurisdiction over Defendants since each of the Defendants directly targets business activities toward consumers in the United States, including Illinois, through at least the fully interactive, commercial Internet stores operating under the Defendant Domain

Names and/or the Online Marketplace Accounts identified in Schedule A attached hereto (collectively, the “Defendant Internet Stores”). Specifically, Defendants are reaching out to do business with Illinois residents by operating one or more commercial, interactive Defendant Internet Stores through which Illinois residents can purchase products using infringing and counterfeit versions of Deckers’ trademarks. Each of the Defendants has targeted sales from Illinois residents by operating online stores that offer shipping to the United States, including Illinois, accept payment in U.S. dollars and, on information and belief, has sold products using infringing and counterfeit versions of Deckers’ trademarks to residents of Illinois. Each of the Defendants is committing tortious acts in Illinois, is engaging in interstate commerce, and has wrongfully caused Deckers substantial injury in the State of Illinois.

## **II. INTRODUCTION**

3. This action has been filed by Deckers to combat Internet Store operators who trade upon its reputation and goodwill by offering for sale and/or selling unauthorized and unlicensed products, including running shoes, using infringing and counterfeit versions of Deckers’ federally registered Hoka trademarks (the “Counterfeit Hoka Products”). Defendants create the Defendant Internet Stores and design them to appear to be selling genuine Hoka products, while actually selling Counterfeit Hoka Products to unknowing consumers. The Defendant Internet Stores share unique identifiers, such as design elements and similarities of the Counterfeit Hoka Products offered for sale, establishing a logical relationship between them and suggesting that Defendants’ counterfeiting operation arises out of the same transaction, occurrence, or series of transactions or occurrences. Defendants attempt to avoid liability by going to great lengths to conceal both their identities and the full scope and interworking of their counterfeiting operation. Deckers is forced to file this action to combat Defendants’

counterfeiting of its registered Hoka trademarks, as well as to protect unknowing consumers from purchasing Counterfeit Hoka Products over the Internet. Deckers has been and continues to be irreparably damaged through consumer confusion, dilution, and tarnishment of its valuable Hoka trademarks as a result of Defendants' actions and seeks injunctive and monetary relief.

### **III. THE PARTIES**

#### **Plaintiff**



4. Plaintiff Deckers is well-known throughout the United States and elsewhere as a source of high quality footwear and apparel products, including the well known Hoka brand of premium running shoes and apparel (the "Hoka Products"). Hoka Products are distributed and sold to consumers through retailers throughout the United States, including over 39 authorized retailers in Illinois, and through the hokaoneone.com website.





5. The Hoka brand is an authentic, premium line of year-round performance footwear and apparel that offers enhanced cushioning and inherent stability with minimal weight. While originally designated for ultra-runners, the Hoka brand appeals to athletes around the world, regardless of activity.

6. Deckers incorporates a variety of distinctive marks in the design of its various Hoka Products. Hoka Products have been continuously sold under the Hoka trademarks in the United States for many years. Hoka Products are distributed and sold to consumers through department stores, retail stores and authorized e-commerce sites throughout the United States and in Illinois, including through the hokaoneone.com website.

7. As a result of this long-standing use, Deckers owns common law trademark rights in its trademarks. Deckers has also registered its trademarks with the United States Patent and Trademark office. Hoka Products typically include at least one of the federally registered Hoka

trademarks. Deckers uses its Hoka trademarks in connection with the marketing of its Hoka Products, including the following marks, which are collectively referred to as the “Hoka Trademarks.”

REGISTRATION NUMBER	TRADEMARK	REGISTRATION DATE	GOODS
4,503,041	HOKA	March 25, 2014	For: Footwear in class 025.
5,597,193	HOKA	October 30, 2018	For: Online retail store services featuring clothing and footwear in class 035.
4,383,181	HOKA ONE ONE	August 13, 2013	For: Footwear in class 025.
4,918,445	HOKA ONE ONE	March 15, 2016	For: Clothing, namely t-shirts in class 025.
4,918,447	HOKA ONE ONE	March 15, 2016	For: Online retail store services featuring clothing and footwear in class 035.
4,969,634		May 31, 2016	For: Footwear; T-shirts in class 025.
5,147,817		February 21, 2017	For: Footwear in class 025.

4,503,045		March 25, 2014	For: Footwear in class 025.
4,918,448		March 15, 2016	For: Online retail store services featuring clothing and footwear in class 035.
4,383,182		August 13, 2013	For: Footwear in class 025.
4,918,446		March 15, 2016	For: Clothing, namely t-shirts in class 025.
5,571,894	SKYSHELL	September 25, 2018	For: Footwear featuring waterproof technology in class 025.
5,100,477	TIME TO FLY	December 13, 2016	For: Footwear in class 025.

The above U.S. registrations for the Hoka Trademarks are valid, subsisting, in full force and effect, and some are incontestable pursuant to 15 U.S.C. § 1065. The registrations for the Hoka Trademarks constitute *prima facie* evidence of their validity and of Deckers' exclusive right to use the Hoka Trademarks pursuant to 15 U.S.C. § 1057(b). True and correct copies of the United States Registration Certificates for the above-listed Hoka Trademarks are attached hereto as **Exhibit 1**.

8. The Hoka Trademarks are exclusive to Deckers and are displayed extensively on Hoka Products and in Hoka's marketing and promotional materials. Hoka Products are among the most popular and recognizable of their kind and have been extensively promoted and advertised at great expense. In fact, Deckers has expended millions of dollars annually in

advertising, promoting and marketing featuring the Hoka trademarks. Because of these and other factors, the Hoka Trademarks are well-known among U.S. consumers, particularly with premium running shoe consumers.

9. Deckers' extensive marketing and innovative footwear designs have led to unprecedented growth for the Hoka brand and numerous awards and accolades, including the Runner's World Editor's Choice Award in 2017. For the fiscal year ending March 31, 2019, sales for the Hoka brand increased to a record \$200 million.

10. For many years, Deckers has operated a website where it promotes and sells genuine Hoka Products at hokaoneone.com. Sales of Hoka Products via the hokaoneone.com website are significant. The hokaoneone.com website features proprietary content, images and designs exclusive to the Hoka brand.

11. Deckers has expended substantial time, money, and other resources developing, advertising and otherwise promoting the Hoka Trademarks. As a result of these efforts, members of the consuming public readily identify merchandise bearing or sold under the Hoka Trademarks as being quality Hoka Products.

12. The Hoka Trademarks are distinctive when applied to the Hoka Products, signifying to the purchaser that the products come from Deckers and are manufactured to Deckers' quality standards. As such, the goodwill associated with the Hoka Trademarks is of incalculable and inestimable value to Deckers.

### **The Defendants**

13. Defendants are individuals and business entities who, upon information and belief, reside in the People's Republic of China or other foreign jurisdictions. Defendants conduct business throughout the United States, including within the State of Illinois and this Judicial District, through the operation of the fully interactive, commercial websites and online

marketplaces operating under the Defendant Internet Stores. Each Defendant targets the United States, including Illinois, and has offered to sell, and, on information and belief, has sold and continues to sell Counterfeit Hoka Products to consumers within the United States, including the State of Illinois.

14. On information and belief, Defendants are an interrelated group of counterfeiters working in active concert to knowingly and willfully manufacture, import, distribute, offer for sale, and sell products using infringing and counterfeit versions of the Hoka Trademarks in the same transaction, occurrence, or series of transactions or occurrences. Tactics used by Defendants to conceal their identities and the full scope of their counterfeiting operation make it virtually impossible for Deckers to learn Defendants' true identities and the exact interworking of their counterfeit network. In the event that Defendants provide additional credible information regarding their identities, Deckers will take appropriate steps to amend the Complaint.

#### **IV. DEFENDANTS' UNLAWFUL CONDUCT**

15. The success of Deckers' Hoka brand has resulted in its significant counterfeiting. Consequently, Deckers has a worldwide anti-counterfeiting program and regularly investigates suspicious websites and online marketplace listings identified in proactive Internet sweeps and reported by consumers. In recent years, Deckers has identified numerous domain names linked to fully interactive websites and marketplace listings on platforms such as iOffer, eBay, AliExpress, Alibaba, Amazon, Wish.com, and Dhgate, including the Defendant Internet Stores, which were offering for sale and selling Counterfeit Hoka Products to consumers in this Judicial District and throughout the United States. Despite Deckers' enforcement efforts, Defendants have persisted in creating the Defendant Internet Stores. E-commerce sales, including through

Internet stores like those of Defendants, have resulted in a sharp increase in the shipment of unauthorized products into the United States. **Exhibit 2**, Excerpts from Fiscal Year 2018 U.S. Customs and Border Protection (“CBP”) Intellectual Property Seizure Statistics Report. Over 90% of all CBP intellectual property seizures were smaller international mail and express shipments (as opposed to large shipping containers). *Id.* Over 85% of CBP seizures originated from mainland China and Hong Kong. *Id.* Counterfeit and pirated products account for billions in economic losses, resulting in tens of thousands of lost jobs for legitimate businesses and broader economic losses, including lost tax revenue.

16. Defendants facilitate sales by designing the Defendant Internet Stores so that they appear to unknowing consumers to be authorized online retailers, outlet stores, or wholesalers. Many of the Defendant Internet Stores look sophisticated and accept payment in U.S. dollars via credit cards, Alipay, Western Union, PayPal, and/or Amazon Pay. The Defendant Internet Stores often include content and design elements that make it very difficult for consumers to distinguish such counterfeit sites from an authorized website. Many Defendants further perpetuate the illusion of legitimacy by offering customer service and using indicia of authenticity and security that consumers have come to associate with authorized retailers, including the Visa®, MasterCard®, and/or PayPal® logos. Deckers has not licensed or authorized Defendants to use its Hoka Trademarks, and none of the Defendants are authorized retailers of genuine Hoka Products.

17. Many Defendants also deceive unknowing consumers by using the Hoka Trademarks without authorization within the content, text, and/or meta tags of their websites in order to attract various search engines crawling the Internet looking for websites relevant to consumer searches for Hoka Products. Additionally, upon information and belief, Defendants



use other unauthorized search engine optimization (SEO) tactics and social media spamming so that the Defendant Internet Stores listings show up at or near the top of relevant search results and misdirect consumers searching for genuine Hoka Products. Other Defendants only show the Hoka Trademarks in product images while using strategic item titles and descriptions that will trigger their listings when consumers are searching for genuine Hoka Products.

18. Defendants go to great lengths to conceal their identities and often use multiple fictitious names and addresses to register and operate their network of Defendant Internet Stores. For example, many of Defendants' names and physical addresses used to register the Defendant Domain Names are incomplete, contain randomly typed letters, or fail to include cities or states. Other Defendant Domain Names use privacy services that conceal the owners' identity and contact information. On information and belief, Defendants regularly create new websites and online marketplace accounts on various platforms using the identities listed in Schedule A to the Complaint, as well as other unknown fictitious names and addresses. Such Defendant Internet Store registration patterns are one of many common tactics used by the Defendants to conceal their identities, the full scope and interworking of their counterfeiting operation, and to avoid being shut down.

19. Even though Defendants operate under multiple fictitious names, there are numerous similarities among the Defendant Internet Stores. For example, many of the Defendant websites have virtually identical layouts, even though different aliases were used to register the respective domain names. In addition, Counterfeit Hoka Products for sale in the Defendant Internet Stores are similar and bear similar indicia of being counterfeit to one another, suggesting that the Counterfeit Hoka Products were manufactured by and come from a common source and that Defendants are interrelated. The Defendant Internet Stores also include other

notable common features, including use of the same domain name registration patterns, shopping cart platforms, accepted payment methods, check-out methods, meta data, illegitimate SEO tactics, HTML user-defined variables, domain redirection, lack of contact information, identically or similarly priced items and volume sales discounts, the same incorrect grammar and misspellings, similar hosting services, similar name servers, and the use of the same text and images.

20. In addition to operating under multiple fictitious names, Defendants in this case and defendants in other similar cases against online counterfeiters use a variety of other common tactics to evade enforcement efforts. For example, counterfeiters like Defendants will often register new domain names or online marketplace accounts under new aliases once they receive notice of a lawsuit. Counterfeiters also often move website hosting to rogue servers located outside the United States once notice of a lawsuit is received. Rogue servers are notorious for ignoring take down demands sent by brand owners. Counterfeiters also typically ship products in small quantities via international mail to minimize detection by U.S. Customs and Border Protection.

21. Further, counterfeiters such as Defendants typically operate multiple credit card merchant accounts and PayPal accounts behind layers of payment gateways so that they can continue operation in spite of Deckers' enforcement efforts. On information and belief, Defendants maintain off-shore bank accounts and regularly move funds from their PayPal accounts or other financial accounts to off-shore bank accounts outside the jurisdiction of this Court. Indeed, analysis of PayPal transaction logs from previous similar cases indicates that off-shore counterfeiters regularly move funds from U.S.-based PayPal accounts to off-shore bank accounts outside the jurisdiction of this Court.

22. Defendants, without any authorization or license from Deckers, have knowingly and willfully used and continue to use the Hoka Trademarks in connection with the advertisement, distribution, offering for sale, and sale of Counterfeit Hoka Products into the United States and Illinois over the Internet. Each Defendant Internet Store offers shipping to the United States, including Illinois, and, on information and belief, each Defendant has sold Counterfeit Hoka Products into the United States, including Illinois.

23. Defendants' use of the Hoka Trademarks in connection with the advertising, distribution, offering for sale, and sale of Counterfeit Hoka Products, including the sale of Counterfeit Hoka Products into the United States, including Illinois, is likely to cause and has caused confusion, mistake, and deception by and among consumers and is irreparably harming Deckers.

**COUNT I  
TRADEMARK INFRINGEMENT AND COUNTERFEITING (15 U.S.C. § 1114)**

24. Deckers hereby re-alleges and incorporates by reference the allegations set forth in paragraphs 1 through 23.

25. This is a trademark infringement action against Defendants based on their unauthorized use in commerce of counterfeit imitations of the federally registered Hoka Trademarks in connection with the sale, offering for sale, distribution, and/or advertising of infringing goods. The Hoka Trademarks are distinctive marks. Consumers have come to expect the highest quality from Deckers' products offered, sold or marketed under the Hoka Trademarks.

26. Defendants have sold, offered to sell, marketed, distributed, and advertised, and are still selling, offering to sell, marketing, distributing, and advertising products using counterfeit reproductions of the Hoka Trademarks without Deckers' permission.

27. Deckers is the exclusive owner of the Hoka Trademarks. Deckers' United States Registrations for the Hoka Trademarks (Exhibit 1) are in full force and effect. Upon information and belief, Defendants have knowledge of Deckers' rights in the Hoka Trademarks, and are willfully infringing and intentionally using counterfeits of the Hoka Trademarks. Defendants' willful, intentional and unauthorized use of the Hoka Trademarks is likely to cause and is causing confusion, mistake, and deception as to the origin and quality of the Counterfeit Hoka Products among the general public.

28. Defendants' activities constitute willful trademark infringement and counterfeiting under Section 32 of the Lanham Act, 15 U.S.C. § 1114.

29. Deckers has no adequate remedy at law, and if Defendants' actions are not enjoined, Deckers will continue to suffer irreparable harm to its reputation and the goodwill of its well-known Hoka Trademarks.

30. The injuries and damages sustained by Deckers have been directly and proximately caused by Defendants' wrongful reproduction, use, advertisement, promotion, offering to sell, and sale of Counterfeit Hoka Products.

**COUNT II**  
**FALSE DESIGNATION OF ORIGIN (15 U.S.C. § 1125(a))**

31. Deckers hereby re-alleges and incorporates by reference the allegations set forth in paragraphs 1 through 30.

32. Defendants' promotion, marketing, offering for sale, and sale of Counterfeit Hoka Products has created and is creating a likelihood of confusion, mistake, and deception among the general public as to the affiliation, connection, or association with Deckers or the origin, sponsorship, or approval of Defendants' Counterfeit Hoka Products by Deckers.

33. By using the Hoka Trademarks in connection with the sale of Counterfeit Hoka Products, Defendants create a false designation of origin and a misleading representation of fact as to the origin and sponsorship of the Counterfeit Hoka Products.

34. Defendants' false designation of origin and misrepresentation of fact as to the origin and/or sponsorship of the Counterfeit Hoka Products to the general public involves the use of counterfeit marks and is a willful violation of Section 43 of the Lanham Act, 15 U.S.C. § 1125.

35. Deckers has no adequate remedy at law and, if Defendants' actions are not enjoined, Deckers will continue to suffer irreparable harm to its reputation and the goodwill of its Hoka brand.

**COUNT III**  
**VIOLATION OF ILLINOIS UNIFORM DECEPTIVE TRADE PRACTICES ACT**  
**(815 ILCS § 510, *et seq.*)**

36. Deckers hereby re-alleges and incorporates by reference the allegations set forth in paragraphs 1 through 35.

37. Defendants have engaged in acts violating Illinois law including, but not limited to, passing off their Counterfeit Hoka Products as those of Deckers, causing a likelihood of confusion and/or misunderstanding as to the source of their goods, causing a likelihood of confusion and/or misunderstanding as to an affiliation, connection, or association with Deckers' Hoka Products, representing that their products have Deckers' approval when they do not, and engaging in other conduct which creates a likelihood of confusion or misunderstanding among the public.

38. The foregoing Defendants' acts constitute a willful violation of the Illinois Uniform Deceptive Trade Practices Act, 815 ILCS § 510, *et seq.*

39. Deckers has no adequate remedy at law, and Defendants' conduct has caused Deckers to suffer damage to its reputation and associated goodwill. Unless enjoined by the Court, Deckers will suffer future irreparable harm as a direct result of Defendants' unlawful activities.

### **PRAYER FOR RELIEF**

WHEREFORE, Deckers prays for judgment against Defendants as follows:

- 1) That Defendants, their affiliates, officers, agents, servants, employees, attorneys, confederates, and all persons acting for, with, by, through, under, or in active concert with them be temporarily, preliminarily, and permanently enjoined and restrained from:
  - a. using the Hoka Trademarks or any reproductions, counterfeit copies, or colorable imitations thereof in any manner in connection with the distribution, marketing, advertising, offering for sale, or sale of any product that is not a genuine Hoka Product or is not authorized by Deckers to be sold in connection with the Hoka Trademarks;
  - b. passing off, inducing, or enabling others to sell or pass off any product as a genuine Hoka Product or any other product produced by Deckers that is not Deckers' or not produced under the authorization, control, or supervision of Deckers and approved by Deckers for sale under the Hoka Trademarks;
  - c. committing any acts calculated to cause consumers to believe that Defendants' Counterfeit Hoka Products are those sold under the authorization, control or supervision of Deckers, or are sponsored by, approved by, or otherwise connected with Deckers;
  - d. further infringing the Hoka Trademarks and damaging Deckers' goodwill; and

- e. manufacturing, shipping, delivering, holding for sale, transferring or otherwise moving, storing, distributing, returning, or otherwise disposing of, in any manner, products or inventory not manufactured by or for Deckers, nor authorized by Deckers to be sold or offered for sale, and which bear any of Deckers' trademarks, including the Hoka Trademarks, or any reproductions, counterfeit copies, or colorable imitations thereof;
- 2) Entry of an Order that, upon Deckers' choosing, the registrant of the Defendant Domain Names shall be changed from the current registrant to Deckers, and that the domain name registries for the Defendant Domain Names, including, but not limited to, VeriSign, Inc., Neustar, Inc., Afiliat Limited, CentralNic, Nominet, and the Public Interest Registry, shall unlock and change the registrar of record for the Defendant Domain Names to a registrar of Deckers' selection, and that the domain name registrars, including, but not limited to, GoDaddy Operating Company, LLC ("GoDaddy"), Name.com, PDR LTD. d/b/a PublicDomainRegistry.com ("PDR"), and Namecheap Inc. ("Namecheap") shall take any steps necessary to transfer the Defendant Domain Names to a registrar account of Deckers' selection; or that the same domain name registries shall disable the Defendant Domain Names and make them inactive and untransferable;
- 3) Entry of an Order that, upon Deckers' request, those in privity with Defendants and those with notice of the injunction, including, without limitation, any online marketplace platforms such as iOffer, eBay, AliExpress, Alibaba, Amazon, Wish.com, and Dhgate, web hosts, sponsored search engine or ad-word providers, credit cards, banks, merchant account providers, third party processors and other payment processing service providers, Internet search engines such as Google, Bing and Yahoo, and domain name registrars, including, but

not limited to, GoDaddy, Name.com, PDR, and Namecheap, (collectively, the “Third Party Providers”), shall:

- a. disable and cease providing services being used by Defendants, currently or in the future, to engage in the sale of goods using the Hoka Trademarks;
  - b. disable and cease displaying any advertisements used by or associated with Defendants in connection with the sale of counterfeit and infringing goods using the Hoka Trademarks; and
  - c. take all steps necessary to prevent links to the Defendant Domain Names identified on Schedule A from displaying in search results, including, but not limited to, removing links to the Defendant Domain Names from any search index;
- 4) That Defendants account for and pay to Deckers all profits realized by Defendants by reason of Defendants’ unlawful acts herein alleged, and that the amount of damages for infringement of the Hoka Trademarks be increased by a sum not exceeding three times the amount thereof as provided by 15 U.S.C. § 1117;
  - 5) In the alternative, that Deckers be awarded statutory damages for willful trademark counterfeiting pursuant to 15 U.S.C. § 1117(c)(2) of \$2,000,000 for each and every use of the Hoka Trademarks;
  - 6) That Deckers be awarded its reasonable attorneys’ fees and costs; and
  - 7) Award any and all other relief that this Court deems just and proper.



Dated this 3rd day of December 2019.

Respectfully submitted,

/s/ Justin R. Gaudio

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