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1	Christopher J. Renk (<i>pro hac vice</i> to be filed)		
2	Chris.Renk@arnoldporter.com Michael J. Harris (<i>pro hac vice</i> to be filed)		
3	Michael.Harris@arnoldporter.com Arnold & Porter Kaye Scholer LLP		
4	70 West Madison Street, Suite 4200		
5	Chicago, IL 60602-4231 Telephone: (312) 583-2300		
6	Michael J. Gershoni (Cal. Bar No. 311192)		
7	Michael.Gershoni@arnoldporter.com Bridgette C. Gershoni (Cal. Bar No. 313806)		
8	Bridgette.Gershoni@arnoldporter.com		
9	Arnold & Porter Kaye Scholer LLP 601 Massachusetts Ave., NW		
10	Washington, D.C. 20001-3743 Telephone: (202) 942-5000		
11	Attorneys for Plaintiff Nike, Inc.		
12			
13	UNITED STATES DISTRICT COURT		
14	CENTRAL DISTRICT OF CALIFORNIA		
15		(1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.	
16	NIKE, INC.,	Case No. 2:22-cv-8765	
17	Plaintiff,	COMPLAINT FOR:	
18	V.	(1) Trademark Infringement in Violation of 15 U.S.C. § 1114	
19 20	GNARCOTIC LLC.	(2) False Designation of Origin / Unfair Competition in Violation	
20 21		of 15 U.S.C. § 1125(a)	
21	Defendant.	(3) Trademark Dilution in Violation of 15 U.S.C. § 1125(c)	
22		(4) Unfair Competition in Violation	
23		of Cal. Bus. & Prof. Code §§ 17200, <i>et seq</i> .	
25 26		(5) Common Law Trademark Infringement and Unfair Competition	
20 27		JURY TRIAL REQUESTED	
27			
20			

DOCKET A L A R M Find authenticated court documents without watermarks at <u>docketalarm.com</u>. Plaintiff Nike, Inc. ("Nike") for its Complaint against Defendant Gnarcotic LLC ("Gnarcotic") alleges as follows:

PRELIMINARY STATEMENT

1. The Nike Dunk is one of the most iconic and influential sneaker designs of all time. Released decades ago, the Nike Dunk has transcended sports and fashion and is heralded as one of the most collectible sneakers on the market today.

2. While the Nike Dunk has helped pave the way for modern sneakerhead culture through limited releases of various colorways and collaborations, its consistent design is the common thread that has excited consumers for decades. The iconic design represents the originality, authenticity, and creativity that is entwined in the DNA of sneaker culture. That is why Nike must protect its Dunk design and related intellectual property from bad actors who confuse consumers and undermine the very DNA of authentic sneaker culture by promoting, copying, and selling Nike's designs as their own.

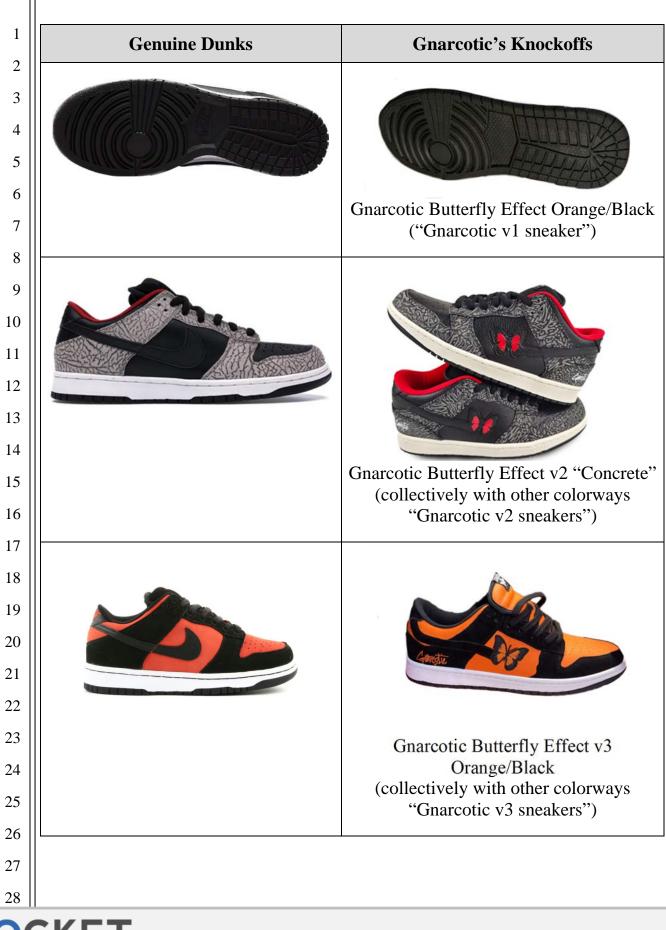
3. Gnarcotic is an example of one such bad actor. Gnarcotic has and continues to promote and sell Nike Dunk knockoffs in several colorways, as well as making unauthorized use of patterns that confusingly mimic Nike's iconic Elephant Print design. For reference, the table below shows Nike's genuine sneakers and examples of Gnarcotic's knockoffs side-by-side:

20	Genuine Dunks	Gnarcotic's Knockoffs	
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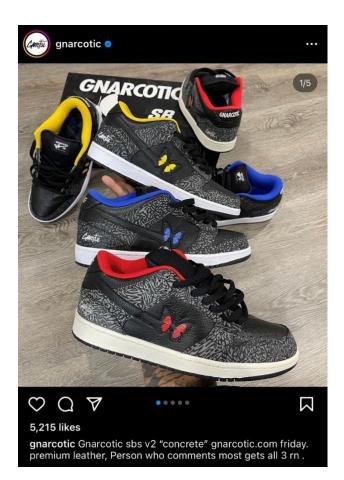


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4. Gnarcotic's conduct constitutes trademark infringement, false designation of origin, unfair competition, and trademark dilution. And the damage to Nike from Gnarcotic's knockoffs is considerable. Gnarcotic's knockoffs dilute Nike's famous trademarks and they confuse, and are likely to confuse, consumers as to the source, origin, affiliation, and/or sponsorship of the products, especially in the post-sale environment. If not stopped, Gnarcotic's illegal conduct will undermine Nike's control over its brand, business reputation, and associated goodwill, which it has spent decades building.

5. To be clear, Gnarcotic's theft of Nike's designs and associated goodwill was, and continues to be, intentional. Since notifying Gnarcotic of its infringement in July of this year, Nike has attempted to reach a resolution with Gnarcotic that does not involve the continued theft of Nike's designs. During these discussions, Gnarcotic made representations that it would cease, among other things, selling products that infringe Nike's intellectual property, and these representations were a cornerstone of Nike's decision to continue its attempt to resolve this matter amicably.

6. Yet, on November 21, 2022, any hope that Nike and Gnarcotic could reach an amicable resolution to Gnarcotic's infringement ended with Gnarcotic's announcement on its social media account that it intended to sell the "Gnarcotic SBs v2 'Concrete'" sneakers on Black Friday, as shown below. Notably, in addition to infringing Nike's Dunk trade dress, Gnarcotic's "Concrete" colorway also infringes Nike's registered Elephant Print trade dress.



7. Prior to its planned release, Nike promptly sent Gnarcotic a second cease-and-desist letter informing Gnarcotic that the Gnarcotic v2 sneakers continue to infringe Nike's intellectual property rights in the Dunk and the Elephant Print trade dress.

8. In response, Gnarcotic informed Nike that it would not sell the Gnarcotic v2 sneakers and that all images and references to the sale of this model would be removed from Gnarcotic's website and social media accounts. Simply put, that did not happen.

9. Instead, at least as of the day of filing this Complaint, images of the Gnarcotic v2 sneakers continue to be used to market Gnarcotic's infringing footwear to consumers on its website and social media accounts, as shown below.

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