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12  
 13 **UNITED STATES DISTRICT COURT**  
 14 **CENTRAL DISTRICT OF CALIFORNIA**

15  
 16 NIKE, INC.,

17 Plaintiff,

18 v.

19  
 20 GNARCOTIC LLC.

21 Defendant.

Case No. **2:22-cv-8765**

**COMPLAINT FOR:**

- (1) **Trademark Infringement in Violation of 15 U.S.C. § 1114**
- (2) **False Designation of Origin / Unfair Competition in Violation of 15 U.S.C. § 1125(a)**
- (3) **Trademark Dilution in Violation of 15 U.S.C. § 1125(c)**
- (4) **Unfair Competition in Violation of Cal. Bus. & Prof. Code §§ 17200, et seq.**
- (5) **Common Law Trademark Infringement and Unfair Competition**

**JURY TRIAL REQUESTED**

1 Plaintiff Nike, Inc. (“Nike”) for its Complaint against Defendant Gnarcotic  
 2 LLC (“Gnarcotic”) alleges as follows:

3 **PRELIMINARY STATEMENT**

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

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

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

Genuine Dunks	Gnarcotic’s Knockoffs
	

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Genuine Dunks	Gnarcotic's Knockoffs
	 <p data-bbox="803 535 1421 619">Gnarcotic Butterfly Effect Orange/Black ("Gnarcotic v1 sneaker")</p>
	 <p data-bbox="803 1060 1421 1186">Gnarcotic Butterfly Effect v2 "Concrete" (collectively with other colorways "Gnarcotic v2 sneakers")</p>
	 <p data-bbox="852 1606 1372 1774">Gnarcotic Butterfly Effect v3 Orange/Black (collectively with other colorways "Gnarcotic v3 sneakers")</p>

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

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

17 6. Yet, on November 21, 2022, any hope that Nike and Gnarcotic could  
18 reach an amicable resolution to Gnarcotic’s infringement ended with Gnarcotic’s  
19 announcement on its social media account that it intended to sell the “Gnarcotic SBs  
20 v2 ‘Concrete’” sneakers on Black Friday, as shown below. Notably, in addition to  
21 infringing Nike’s Dunk trade dress, Gnarcotic’s “Concrete” colorway also infringes  
22 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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