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CLERK OF DISTRICT COURT
CENTRAL DISTRICT OF CALIF.
LOS ANGELES, CALIF.

8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10 WESTERN DIVISION

11 BURBERRY LIMITED,

12 Plaintiff,

13 v.

14 HEELING SPORTS LIMITED, aka
15 HEELING SPORTS LIMITED
16 PARTNERSHIP,

17 and

18 HEELYS, INC.,

19 Defendants.
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CV08-03639 GW (CWx)

Case No.

COMPLAINT FOR:

- (1) Infringement of Registered Trademarks in Violation of Section 32 of the Lanham Act;
- (2) False Designation of Origin and Trade Dress Infringement in Violation of Section 43(a) of the Lanham Act;
- (3) Trademark Dilution in Violation of Section 43(c) of the Lanham Act;
- (4) Trademark Dilution in Violation of California Bus. & Prof. Code § 14247;
- (5) Unfair Competition in Violation of California Bus. & Prof. Code §§17200 *et seq.*; and
- (6) Common Law Unfair Competition.

Demand for Jury Trial

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1 Plaintiff Burberry Limited (“Burberry”) complains and alleges against
2 Defendants Heeling Sports Limited, aka Heeling Sports Limited Partnership, and
3 Heelys, Inc. (collectively and individually, “Defendants”) as follows:

4 **JURISDICTION AND VENUE**

5 1. This action is based on Section 32(1)(a) of the Lanham Act, 15 U.S.C.
6 § 1114; Sections 43(a) and (c) of the Lanham Act, 15 U.S.C. §§ 1125(a) and (c);
7 California Business & Professions Code §§ 14247, and 17200; and common law unfair
8 competition in California.

9 2. This Court has jurisdiction over the subject matter of this action pursuant
10 to Section 39 of the Lanham Act, 15 U.S.C. § 1121, and 28 U.S.C. §§ 1331, 1332 and
11 1338, and has supplemental jurisdiction pursuant to 28 U.S.C. § 1367(a). Complete
12 diversity exists among the parties, and the amount in controversy exceeds \$75,000

13 3. Upon information and belief, Defendants conduct business in this District
14 and a substantial part of the events giving rise to the claims herein occurred in this
15 District. Venue in this Court is therefore proper under 28 U.S.C. §§ 1391(b) and (c).

16 **SUMMARY OF ACTION**

17 4. This action concerns Defendants’ willful infringement of Burberry’s
18 famous, federally-registered BURBERRY CHECK trademark (the “BURBERRY
19 CHECK”), as described herein, and the equally famous BURBERRY® mark and name.
20 For over three-quarters of a century, Burberry has devoted substantial resources to
21 promoting the goodwill of the BURBERRY CHECK and BURBERRY® mark and
22 name for a broad variety of goods, including wearing apparel and accessories. As a
23 result of these efforts, these marks have become among the most famous marks in this
24 country for such products.

25 5. Attempting to capitalize on the goodwill and fame associated with the
26 BURBERRY CHECK and BURBERRY® mark and name, Defendants sell and
27 distribute, without Burberry’s authorization, footwear bearing a check (the “Infringing
28 Check”) that is identical to the BURBERRY CHECK, in shoe boxes displaying the

1 BURBERRY® mark and name.

2 6. Through their action, Defendants have misled, and continue to mislead,
3 consumers into thinking that Burberry is affiliated, connected, or associated with
4 Defendants, and/or that Burberry sponsors, endorses, licenses, or otherwise approves of
5 Defendants' products. Defendants' use of marks identical to Burberry's trademarks
6 also dilutes the value of Burberry's marks. Unless enjoined, Defendants' conduct will
7 continue to injure both Burberry and the public.

8 THE PARTIES

9 7. Plaintiff Burberry Limited (UK) is a corporation duly organized and
10 existing under the laws of the United Kingdom with a principal place of business at 18-
11 22 Haymarket, SW1Y 4DQ, United Kingdom.

12 8. Upon information and belief, Defendant Heelys, Inc. is a corporation duly
13 organized and existing under the laws of Delaware with a principal place of business at
14 3200 Belmeade Dr., Suite 100, Carrollton, Texas 75006.

15 9. Upon information and belief, Defendant Heeling Sports Limited, aka
16 Heeling Sports Limited Partnership,, a subsidiary of Heelys, Inc., is a Texas limited
17 partnership with a principal place of business at 3200 Belmeade Dr., Suite 100,
18 Carrollton, Texas 75006. Upon information and belief, Heeling Sports Limited is
19 qualified to do business in the State of California.

20 BACKGROUND

21 A. The BURBERRY CHECK and BURBERRY® Trademarks

22 10. Burberry is an internationally recognized luxury brand with a worldwide
23 distribution. Burberry first used the BURBERRY CHECK to line trench coats in the
24 1920s. Use of the BURBERRY CHECK then extended to accessories in the 1960s.
25 Since then, this famous check has continuously appeared on BURBERRY products
26 sold nationwide such as footwear, handbags, clothing, luggage, umbrellas and other
27 items. Burberry's merchandise bearing the BURBERRY CHECK is sold in high-end
28 department stores and in other authorized retail establishments.

1 11. What makes the BURBERRY CHECK so unique is the particular
2 configuration of its intersecting and parallel lines. The BURBERRY CHECK displays
3 a series of matching parallel lines, intersecting with the same number and configuration
4 of perpendicular lines. The intersection of these grouped and matching parallel lines
5 forms a series of squares at their intersection – each square deeper in saturation than the
6 lines themselves. This also creates larger open framed squares in the areas of non-
7 intersection. A single, much thinner line of a contrasting color, running on both the
8 horizontal and vertical planes, intersects in the center of these framed squares. Burberry
9 offers apparel and accessories featuring the BURBERRY CHECK in a number of color
10 schemes. Photographs showing the BURBERRY CHECK are attached collectively as
11 Exhibit A hereto.

12 12. Among the most famous color schemes for the BURBERRY CHECK is
13 the Nova Check, which features a camel-colored background with black and white
14 intersecting parallel lines, as well as a contrasting red stripe. The Nova Check, also
15 shown in Exhibit A, is the most popular of Burberry's checks, and appears on
16 everything from footwear and handbags to coats and swimwear.

17 13. Burberry's distinctive BURBERRY CHECK is registered in almost 100
18 countries. In the United States alone, Burberry holds at least 9 registrations for the
19 BURBERRY CHECK for products ranging from footwear and hats to coats and
20 scarves. The U.S. Patent and Trademark Office records for these registrations are
21 collectively attached hereto as Exhibit B. Among other things, Burberry owns a
22 registration for a variety of the BURBERRY CHECK, in which Burberry claims that
23 colors appearing in the Nova Check – the very same colors that Defendants use. *See*
24 *Registration No. 2,022,789*. These registrations for the BURBERRY CHECK are in
25 full force and effect and many have become incontestable pursuant to 15 U.S.C. § 1065.

26 14. Burberry designs and/or licenses, assembles, finishes, markets, and sells in
27 interstate commerce high quality footwear, handbags, clothing, luggage, umbrellas and
28 many other products bearing the BURBERRY CHECK, including the Nova Check.

1 The BURBERRY CHECK has thus been used by Burberry on, and in connection with,
2 the advertising and sale of Burberry's products, in interstate and intrastate commerce,
3 including commerce in the State of California and in this District.

4 15. Plaintiff Burberry has used the world-famous BURBERRY® word mark in
5 U.S. commerce for nearly 100 years, since 1910. Among the many registrations that
6 Burberry owns for this word mark are two federal registrations based on use in
7 commerce as early as 1910. *See* Registration Nos. 259,571 and 260,843 (for goods
8 including shoes).

9 16. Photographs showing the BURBERRY CHECK and BURBERRY®
10 products featuring the BURBERRY CHECK are attached collectively as Exhibit A
11 hereto. To Burberry's knowledge, no other manufacturer of clothing or accessories
12 lawfully uses a check that is the same as, or confusingly similar to, the BURBERRY
13 CHECK (including the Nova Check) without Burberry's consent.

14 **B. Defendants and Their Infringing Activities**

15 17. Upon information and belief, Defendants sell children's shoes nationwide
16 in retail stores including the "Kids Foot Locker."

17 18. Through its agents, Burberry has purchased children's shoes manufactured
18 by Defendants. Among other places, Burberry's agents purchased such shoes bearing
19 the Infringing Check in this judicial district. These shoes are covered, both outside and
20 inside, in cloth displaying a check identical to Burberry's Nova Check. Specifically, the
21 shoes show a series of matching white and black parallel lines against a tan background,
22 intersecting with the same number and configuration of white and black perpendicular
23 lines, as well as thinner, contrasting red lines. In addition, the shoes are sold in
24 shoeboxes bearing the BURBERRY® mark and name, which also indicate that the
25 shoes are manufactured in China. *See* Exhibit C (showing the Infringing Check as used
26 on Defendants' shoes, and the BURBERRY® mark and name as appearing on the
27 shoebox in the phrase "White/Tan/Burberry Plaid").

28 19. Burberry has not authorized the use of its Nova Check or any other

1 BURBERRY CHECK on or in connection with Defendants' shoes. Similarly, Burberry
2 has not authorized the use of its BURBERRY® mark and name in connection with the
3 sale and distribution of Defendants' shoes.

4 20. Upon information and belief, Defendants have deliberately traded upon
5 Burberry's famous BURBERRY CHECK to reap immediately the benefits that
6 Burberry established over many years.

7 21. Burberry has contacted Defendants on numerous occasions, given
8 Defendants specific notice of the nature of their unlawful acts, and demanded that
9 Defendants cease their infringing conduct. Nonetheless, Defendants have, with full
10 notice of Burberry's rights, failed to cease their illegal actions.

11 22. Through their actions, Defendants are, intentionally and with knowledge,
12 seeking to cause consumer deception, mistake, and consumer confusion. Defendants'
13 continued acts of trademark infringement, trademark dilution, unfair competition and
14 passing off threaten to damage the reputation of Burberry as well as the Burberry
15 trademarks. Among other things, Burberry is likely to suffer a loss of goodwill
16 associated with Burberry's marks as a direct and indirect result of Defendants' acts.

17 **FIRST CLAIM FOR RELIEF**

18 **INFRINGEMENT OF REGISTERED TRADEMARKS**

19 **IN VIOLATION OF SECTION 32 OF THE LANHAM ACT**

20 23. Burberry hereby incorporates by reference and re-alleges each and every
21 allegation of Paragraphs 1 through 22 above.

22 24. Section 32(1)(a) of the Lanham Act, 15 U.S.C. § 1114(1)(a), prohibits any
23 person from using in commerce, without the consent of the registrant:

24 any reproduction, counterfeit, copy, or colorable imitation of a registered mark
25 in connection with the sale, offering for sale, distribution, or advertising of
26 any goods or services on or in connection with which such use is likely to
27 cause confusion, or to cause mistake, or to deceive

28 25. The BURBERRY® trademark is distinctive, nonfunctional and has

1 acquired secondary meaning so that the public associates this mark exclusively with
2 Burberry. This mark is federally registered for a variety of products, including the very
3 same products in connection with which Defendants use the mark, namely, footwear.
4 *See, e.g.*, Registration Nos. 260,843 (renewed registration for BURBERRY for shoes
5 made of “leather, rubber or fabric” for men, women or children); 2,629,988 (THOMAS
6 BURBERRY for “sports footwear”); and 3,202,484 (BURBERRY LONDON for
7 “sports footwear”).

8 26. In addition, as emphasized above, the BURBERRY CHECK is federally
9 registered. The variations of the BURBERRY CHECK, as registered, are
10 nonfunctional, fanciful and arbitrary and are associated in the mind of the public
11 uniquely with Plaintiff Burberry.

12 27. Based on Burberry’s extensive advertising, sales, and the popularity of its
13 high quality products, the BURBERRY CHECK has also acquired secondary meaning
14 so that the public associates this mark exclusively with Burberry.

15 28. Defendants are using the Infringing Check, and the BURBERRY® mark
16 and name, in U.S. commerce in connection with Defendants’ distribution, sale and/or
17 offering for sale of their shoes.

18 29. Defendants have intentionally and knowingly used the Infringing Check
19 and BURBERRY® mark and name without Burberry’s consent or authorization.
20 Defendants’ use, including the distribution, sale, and/or offering for sale of products
21 bearing the Infringing Check and BURBERRY® mark and name in interstate
22 commerce, is likely to cause confusion and/or mistake in the minds of the public,
23 leading the public to believe that Defendants’ products, including their shoes bearing
24 the Infringing Check, emanate or originate from Burberry, or that Burberry has
25 approved, sponsored or otherwise associated itself with Defendants or their products.

26 30. Defendants’ unauthorized use of the Infringing Check as set forth above
27 has resulted in Defendants unfairly benefiting from Burberry’s advertising and
28 promotion and from the resultant goodwill in the BURBERRY CHECK and

1 BURBERRY® mark and name, all to the substantial and irreparable injury of the public
2 and Burberry, and the goodwill symbolized by Burberry's marks.

3 31. Defendants' wrongful acts will continue unless enjoined by this Court.

4 32. Because Defendants have willfully intended to infringe Burberry's marks,
5 Burberry is entitled, pursuant to 15 U.S.C. §§ 1117 and 1125(c)(2), to recover the
6 following: (i) Defendants' profits; (ii) Burberry's damages; (iii) Burberry's costs of
7 suit; and (iv) Burberry's reasonable attorneys' fees. Based upon the circumstances of
8 the case, including the willful nature of Defendants' conduct, Burberry is further
9 entitled to recover treble the amount found as actual damages pursuant to 15 U.S.C.
10 § 1117.

11 SECOND CLAIM FOR RELIEF

12 FALSE DESIGNATION OF ORIGIN AND TRADE DRESS INFRINGEMENT

13 IN VIOLATION OF SECTION 43(a) OF THE LANHAM ACT

14 33. Burberry hereby incorporates by reference and re-alleges each and every
15 allegation of Paragraphs 1 through 32 above.

16 34. Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a)(1), provides that:

17 Any person who, on or in connection with any goods or services, . . .
18 uses in commerce any word, term, name, symbol, or device, or any
19 combination thereof, or any false designation of origin, false or
20 misleading description of fact, or false or misleading representation of
21 fact, which

22 (A) is likely to cause confusion, or to cause mistake,
23 or to deceive as to the affiliation, connection, or
24 association of such person with another person, or as
25 to the origin, sponsorship, or approval of his or her
26 goods, services, or commercial activities by another
27 person, or

28 (B) in commercial advertising or promotion,
misrepresents the nature, characteristics, qualities, or
geographic origin of his or her or another person's
goods, services, or commercial activities, shall be

1 liable in a civil action by any person who believes
2 that he or she is or is likely to be damaged by such
3 act.

4 35. By making unauthorized use, in interstate commerce, of the Infringing
5 Check and BURBERRY® mark and name, Defendants have used a “false designation
6 of origin” that is likely to cause confusion, mistake or deception as to the affiliation or
7 connection of Defendants with Burberry and/or as to the sponsorship or approval of
8 Defendants’ goods by Burberry, in violation of Section 43(a) of the Lanham Act, 15
9 U.S.C. § 1125(a). Defendants’ acts as alleged herein misrepresent the nature,
10 characteristics, or qualities of their goods, services, or commercial activities.

11 36. Defendants’ acts constitute the use in commerce of false designations of
12 origin, false and/or misleading descriptions or representations, and trade dress
13 infringement, tending to describe and/or represent, in a false or misleading fashion,
14 Defendants’ products as those of Burberry in violation of Section 43(a) of the Lanham
15 Act, 15 U.S.C. § 1125(a).

16 37. Defendants’ wrongful acts will continue unless enjoined by this Court.

17 38. Defendants’ acts have caused and will continue to cause irreparable injury
18 to Burberry. Burberry has no adequate remedy at law and is thus damaged in an
19 amount not yet determined.

20 39. Because Defendants have willfully intended to infringe Burberry’s marks,
21 Burberry is entitled, pursuant to 15 U.S.C. §§ 1117 and 1125(c)(2), to recover the
22 following: (i) Defendants’ profits; (ii) Burberry’s damages; (iii) Burberry’s costs of
23 suit; and (iv) Burberry’s reasonable attorneys’ fees. Based upon the circumstances of
24 the case, including the willful nature of Defendants’ conduct, Burberry is further
25 entitled to recover treble the amount found as actual damages pursuant to 15 U.S.C.
26 § 1117.

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1 **THIRD CLAIM FOR RELIEF**

2 **TRADEMARK DILUTION**

3 **IN VIOLATION OF SECTION 43(c) OF THE LANHAM ACT**

4 40. Burberry hereby incorporates by reference and re-alleges each and every
5 allegation contained in Paragraphs 1–39 above.

6 41. Plaintiffs' BURBERRY CHECK and BURBERRY® mark are famous
7 and distinctive within the meaning of Section 43(c) of the Lanham Act, 15 U.S.C.
8 § 1125(c).

9 42. The BURBERRY CHECK is an inherently distinctive mark that has been
10 in use for decades nationwide, and plays a prominent role in Plaintiffs' marketing,
11 advertising, and the popularity of their products across many different media. So, too,
12 the BURBERRY® word mark is distinctive and has acquired significant secondary
13 meaning through longstanding use. Both of these marks became famous long before
14 Defendants began using the Infringing Check on their products. The BURBERRY
15 CHECK and BURBERRY® mark have garnered widespread publicity and public
16 recognition in California and elsewhere nationwide. To enhance its rights further,
17 Burberry has obtained several federal registrations entitling it to nationwide rights in
18 these marks.

19 43. Defendants use their Infringing Check and the BURBERRY® word mark
20 in U.S. commerce in connection with their distribution, sale and/or offering for sale of
21 their goods.

22 44. Defendants' use of the Infringing Check and BURBERRY® mark actually
23 dilutes, or is likely to dilute, the distinctive quality of the BURBERRY CHECK and
24 BURBERRY® word mark, and thus lessens the capacity of the BURBERRY CHECK
25 and BURBERRY® word mark to identify and distinguish Burberry's goods.
26 Defendants' unlawful use of the Infringing Check and BURBERRY® mark cause
27 blurring in the minds of consumers between Burberry and Defendants, as well as
28 between genuine BURBERRY® merchandise and Defendants' goods, thereby lessening

1 the capacity of the BURBERRY CHECK and BURBERRY® word mark to serve as a
2 unique identifiers of Burberry's products.

3 45. By the acts described above, Defendants have intentionally and willfully
4 diluted, or are likely to dilute, the distinctive quality of the famous BURBERRY
5 CHECK and BURBERRY® word mark in violation of Section 43(c) of the Lanham
6 Act, 15 U.S.C. § 1125(c).

7 46. Defendants' wrongful acts will continue unless enjoined by this Court.

8 47. Defendants' acts have caused and will continue to cause irreparable injury
9 to Burberry. Burberry has no adequate remedy at law and is thus damaged in an
10 amount not yet determined.

11 **FOURTH CLAIM FOR RELIEF**

12 **TRADEMARK DILUTION**

13 **IN VIOLATION OF CALIFORNIA BUS. & PROF. CODE § 14247**

14 48. Burberry hereby incorporates by reference and re-alleges each and every
15 allegation contained in Paragraphs 1–47 above.

16 49. By virtue of Burberry's prominent, long, and continuous use of the
17 BURBERRY CHECK and BURBERRY® mark in interstate commerce and within the
18 State of California, such marks have become famous and distinctive within the meaning
19 of California Business & Professions Code § 14247 since long before Defendants began
20 use of the Infringing Check and began misappropriating the BURBERRY® word mark.
21 Among other things, the BURBERRY CHECK and BURBERRY® word mark are
22 widely recognized by the general consuming public of California, and nationwide, as a
23 designation of source of the goods of Burberry.

24 50. As alleged above, Defendants' intentional use, without Burberry's
25 authorization or consent, of the Infringing Check and BURBERRY® mark, in U.S.
26 commerce is likely to dilute of Burberry's famous marks and to lessen the capacity of
27 the BURBERRY CHECK and BURBERRY® mark to identify and distinguish
28 Burberry's goods and services.

1 themselves and their products as those of Burberry, or as somehow related or associated
2 with, or sponsored or endorsed by, Burberry, thereby exploiting Burberry's reputation
3 and goodwill in the marketplace. Defendants' acts and conduct are likely to confuse the
4 public into believing that the products being sold or distributed by Defendants are
5 sponsored, approved or authorized by Burberry in violation of Burberry's rights under
6 the common law of unfair competition of the State of California.

7 59. Defendants' wrongful acts have injured and threaten to continue to injure
8 Burberry. Among other things, Defendants have, or imminently will, realize revenue
9 and profits by virtue of their wrongful acts that they would not otherwise have obtained
10 and to which they are is not entitled. Moreover, Burberry has been injured and will
11 continue to incur attorneys' fees and costs in bringing the present action.

12 60. Defendants' wrongful acts have caused and will continue to cause
13 Burberry substantial injury, including infringement of the BURBERRY CHECK and
14 BURBERRY® marks, confusion of existing and potential customers, and diminution in
15 the value of Burberry's marks.

16 61. Burberry has no adequate remedy at law for the foregoing wrongful
17 conduct. Burberry has been, and absent injunctive relief will continue to be, irreparably
18 harmed by Defendants' actions. Burberry is also entitled to damages and to reasonable
19 attorneys' fees and costs as a result of Defendants' willful conduct.

20 62. Upon information and belief, Defendants' conduct is oppressive,
21 fraudulent, and malicious, thus entitling Burberry to an award of punitive damages.

22 **PRAYER FOR RELIEF**

23 WHEREFORE, Burberry prays that the Court enter judgment against
24 Defendants and in Burberry's favor on all of the claims for relief set forth herein and
25 as follows:

- 26 1. For an injunction preliminarily and permanently restraining and
27 enjoining relief against Defendants and their divisions, subsidiaries, officers,
28 agents, servants, employees, and attorneys, and all those persons in active

1 concert or participation with them who receive actual notice of the order by
2 personal service or otherwise, from:

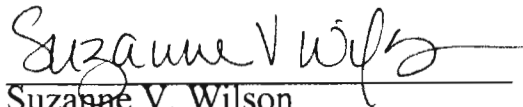
- 3 (1) Using the BURBERRY® mark and name, or any marks or names
4 confusingly similar thereto, in U.S. commerce;
5 (2) Using the BURBERRY CHECK, or any mark or trade dress
6 confusingly similar thereto, in U.S. commerce.

7 2. For an order awarding Burberry: (i) Defendants' profits derived from
8 their unlawful conduct and Burberry's actual damages to the full extent
9 provided for by Section 35 of the Lanham Act, 15 U.S.C. § 1117, with
10 damages awarded under 15 U.S.C. § 1117 trebled; (ii) Defendants' profits
11 derived from their unlawful conduct and Burberry's actual damages to the full
12 extent provided for by California Business & Professions Code §§ 14247 and
13 14250, with profits and damages trebled pursuant to California Business &
14 Professions Code § 14250; (iii) an award of restitution and disgorgement to the
15 full extent provided for by California Business & Professions Code §§ 17200,
16 *et seq.*; (iv) actual and punitive damages under the common law; and
17 (v) attorneys' fees and costs incurred herein.

18 3. For such other and further relief as this Court shall deem appropriate.
19

20 Dated: June 4, 2008

ARNOLD & PORTER LLP
Suzanne V. Wilson
Murad Hussain

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24 By: 
25 Suzanne V. Wilson
26 Attorneys for Plaintiff Burberry Limited
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1 JURY DEMAND

2 Pursuant to Fed. R. Civ. Proc. 38(b), Plaintiff Burberry Limited hereby
3 demands trial by jury of all issues so triable that are raised herein or which hereinafter
4 may be raised in this action.

5 Dated: June 4, 2008

6 ARNOLD & PORTER LLP
7 Suzanne V. Wilson
8 Murad Hussain

9 
10 Suzanne V. Wilson
11 Attorneys for Plaintiff Burberry Limited
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