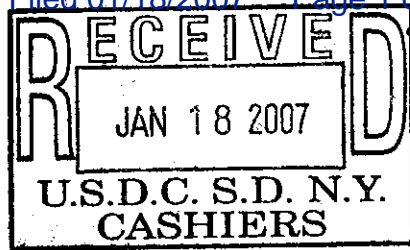


FROSS ZELNICK LEHRMAN & ZISSU, P.C.
Barbara A. Solomon (BS 8845)
Michael Chiappetta (MC 7644)
866 United Nations Plaza
New York, NY 10017
Tel: (212) 813-5900
Fax: (212) 813-5901



Attorneys for Plaintiff

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
ESCADA (USA) INC. :

Plaintiff, :

-against- :

RENAISSANCE WORLDWIDE, INC, :

Defendant. :
-----X

JUDGE KARAS

07 CV 398

Civil Action No.

COMPLAINT

Plaintiff Escada (USA) Inc., by its attorneys, Fross Zelnick Lehrman & Zissu, P.C., for its complaint alleges:

SUBSTANCE OF THE ACTION

1. This is an action for breach of contract; unfair competition and false advertising under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a); deceptive trade practices under Section 349 of the New York General Business Law; and unfair competition under the common law of New York, all arising out of defendant's knowing, intentional and willful use of the ESCADA mark. Plaintiff seeks injunctive relief and damages.

JURISDICTION AND VENUE

2. This Court has jurisdiction under Section 39 of the Lanham Act, 15 U.S.C. § 1121, under Sections 1331, 1338, and 1367 of the Judicial Code, 28 U.S.C. §§ 1331, 1338, and §1367, and under principles of pendent jurisdiction.

3. Venue is proper in this district under Section 1391(b) of the Judicial Code, 28 U.S.C. § 1391(b), in that a substantial part of the events or omissions giving rise to the claims, including the infringing conduct complained of herein, occurred in this district, and defendant is transacting business in this district, including making unlawful use of the ESCADA mark to advertise its products.

THE PARTIES

4. Plaintiff Escada (USA) Inc. ("Plaintiff"), is a corporation organized and existing under the laws of the state of Delaware with a principal place of business at 1412 Broadway, New York, New York 10018.

5. Defendant Renaissance Worldwide, Inc. ("RWI") is a corporation organized and existing under the laws of the state of Florida, with its principal place of business at 2906 NW 72nd Avenue, Miami, Florida 33122.

FACTS COMMON TO ALL CLAIMS FOR RELIEF

6. Escada is a luxury goods company that sells clothing, jewelry, footwear, cosmetics, accessories, fragrances and a variety of other goods and services under the famous ESCADA name and trademark. Since 1982, the ESCADA brand has had a significant presence

in the United States. ESCADA branded products are available in over 25 free standing Escada boutiques in the United States and in more than 150 other U.S. retail locations, including Plaintiff's flagship store in this district. For the last five years alone, sales of ESCADA branded products in the United States have exceeded \$145 million. The ESCADA brand is among the top luxury apparel brands in the U.S. as measured by annual revenue.

7. Plaintiff, a wholly-owned subsidiary of Escada AG, has the sole and exclusive right by license from its parent company, to use the ESCADA mark in the United States and is responsible for all of Escada AG's U.S. operations under the ESCADA mark. Plaintiff advertises ESCADA branded products in dozens of publications in the United States including such nationally circulated publications as *Vogue*, *Elle*, *The New York Times*, *In Style* and *W*. Plaintiff spends in excess of \$2 million in the U.S. each year to advertise goods under the ESCADA mark. Also, ESCADA branded products and designs are a staple of red-carpet and celebrity events. As a result, there is extensive publicity surrounding ESCADA branded goods.

8. As a result of extensive efforts by Plaintiff, the ESCADA mark has become extremely well known in the U.S. to the public and the trade as identifying and distinguishing Plaintiff and its parent company exclusively and uniquely as the source of ESCADA products. In addition, the ESCADA mark has come to be associated by the public and the trade with products that are of the very highest quality and reputation. Plaintiff places an enormous value on the ESCADA mark and the goodwill of the business associated therewith.

9. Critical to the success of the ESCADA brand is its reputation as a high-end brand at the forefront of fashion industry trends. Given the ever-changing nature of the fashion industry, ESCADA products typically have a limited lifespan, and Plaintiff generally

discontinues selling products through its retail outlets after the products have been on the market for a period of time. When Plaintiff discontinues selling a product through its retail outlets, any remaining inventory of the product is sold in bulk to third party resellers.

10. In connection with such bulk sales to third party resellers, to prevent consumers from being confused to think that the discontinued products are current products or that they are being offered for sale by Plaintiff, and to maintain the image of the ESCADA brand as being at the forefront of fashion trends, third party resellers are contractually restricted from using the ESCADA mark in connection with the advertisement, marketing and/or promotion of such products.

Defendant's Unlawful Activities

11. On or about October 26, 2006, Plaintiff entered into an agreement with RWI (the "Agreement") concerning Plaintiff's sale and RWI's purchase of approximately 9800 units of discontinued ESCADA brand apparel from the 2004 season and earlier seasons (the "Merchandise"). Under the Agreement, Plaintiff is prohibited from any and all use of the ESCADA mark in connection with advertising, marketing or promotion of the Merchandise. A true and correct copy of the Agreement is annexed hereto as Exhibit A.

12. In or about early December 2006, Plaintiff became aware that RWI advertised the Merchandise in the classified section of *Women's Wear Daily* and on the *Women's Wear Daily* website. The most prominent aspect and feature of RWI's ads was its use of the ESCADA mark. Indeed, RWI included no other source-identifier, including RWI's own name. Such use of the ESCADA mark in connection with the advertisement, marketing and promotion of the

Merchandise is a direct and willful violation of the Agreement.

13. Upon information and belief, RWI engaged in the above conduct willfully, deliberately, with an intent to misappropriate the goodwill in the ESCADA mark, and in an attempt to unlawfully trade on the rights of Plaintiff in the ESCADA mark and the goodwill of the ESCADA mark.

14. RWI's conduct has caused and will continue to cause irreparable injury to Plaintiff unless enjoined by this Court. Plaintiff has no adequate remedy at law.

FIRST CLAIM FOR RELIEF
FOR BREACH OF CONTRACT

15. Paragraphs 1-14 above are realleged and incorporated by reference as if set forth in full.

16. RWI's aforementioned actions are in violation of the Agreement and constitute a material breach thereof. On information and belief, such material breach by RWI was done knowingly, willfully and with the intent to benefit from the goodwill in the ESCADA mark, which was prohibited by the express terms of the Agreement.

17. RWI has been unjustly enriched by its material breach of the Agreement.

18. The aforesaid conduct is causing Plaintiff irreparable harm, for which there is no adequate remedy at law and, unless restrained, will continue to cause irreparable harm.

SECOND CLAIM FOR RELIEF
FEDERAL UNFAIR COMPETITION
(15 U.S.C. § 1125(a))

19. Paragraphs 1-18 above are realleged and incorporated by reference as if set forth in full.

20. RWI's use of the ESCADA mark in connection with the advertisement, marketing and/or promotion of the Merchandise is likely to cause confusion, to cause mistake, or to deceive consumers and the trade as to the source of the advertisements or as to RWI's authorization to place the advertisements.

21. RWI's conduct was deliberate, willful and was undertaken with knowledge of Plaintiff's rights in the ESCADA mark and for the purpose of trading off the goodwill in the ESCADA mark, all to RWI's profit and Plaintiff's great damage and injury

22. RWI's aforementioned willful acts constitute unfair competition in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).

23. The aforesaid conduct is causing Plaintiff irreparable harm, for which there is no adequate remedy at law and, unless restrained, will continue to cause irreparable harm.

THIRD CLAIM FOR RELIEF
FALSE ADVERTISING
(15 U.S.C. § 1125(a))

24. Paragraphs 1-23 above are realleged and incorporated by reference as if set forth in full.

25. RWI's use of the ESCADA mark in its advertisements for the Merchandise is

likely to cause consumers to believe that the Merchandise consists of current ESCADA products or that the Merchandise is being offered for sale by Plaintiff, neither of which is true.

26. RWI's conduct was deliberate, willful and was undertaken with knowledge of Plaintiff's rights in the ESCADA mark and for the purpose of trading off of the goodwill in the ESCADA mark, all to RWI's profit and Plaintiff's great damage and injury

27. RWI's aforementioned willful acts constitute false advertising in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).

28. The aforesaid conduct is causing Plaintiff irreparable harm, for which there is no adequate remedy at law and, unless restrained, will continue to cause irreparable harm.

FOURTH CLAIM FOR RELIEF
COMMON LAW UNFAIR COMPETITION

29. Paragraphs 1-28 above are realleged and incorporated by reference as if set forth in full.

30. RWI's unauthorized offering for sale, advertising and promotion of products under the ESCADA trademark constitutes a false designation of origin and a false representation that Plaintiff approved of RWI's use of the ESCADA mark and that RWI's products are current ESCADA products, neither of which are true.

31. RWI's acts constitute unfair competition with Plaintiff in violation of the common law of New Jersey.

WHEREFORE, Plaintiff demands judgment as follows:

A. That RWI, its principals, employees, agents, officers, directors, shareholders, attorneys, representatives, successors and assigns, and all persons in active concert or participation with any of them, be permanently enjoined from:

(1) Using the ESCADA mark, or any reproduction, copy, counterfeit, variation, colorable imitation or simulation of such mark, either alone or in combination with any other designation, on or in connection with any business, goods or services, or the advertising or promotion thereof, or from otherwise infringing any of the names or trademark of which Plaintiff is an exclusive licensee;

(2) Using, authorizing or aiding in any way any third party to use any false designation of origin or false description, or performing any act which can, or is likely to, mislead members of the public or the trade to believe that a product advertised or promoted by RWI is being advertised or promoted by Plaintiff;

(3) Using, authorizing or aiding in any way any third party to use any false designation of origin or false description, or performing any act which can, or is likely to, mislead members of the public or the trade to believe that a product advertised or promoted by RWI is a current ESCADA product;

(4) Engaging in any other activity constituting unfair competition or false advertising with Plaintiff, or constituting an infringement of the ESCADA mark;
and

(5) Assisting, aiding or abetting any other person or business entity in engaging in or performing any of the activities referred to in subparagraphs (1) through (4) above.

B. That Plaintiff be granted such other relief as the Court may deem appropriate to prevent the public and the trade from deriving the erroneous impression that any advertisements or promotions of RWI are authorized by Plaintiff.

C. That RWI be required to cancel or withdraw from publication any advertisements or promotions bearing the ESCADA mark or any other mark that infringes Plaintiff's rights.

D. That RWI be directed to file with the Court and serve upon Plaintiff's counsel within thirty (30) days after entry of such judgment, a report in writing under oath, setting forth in detail the manner and form in which RWI has complied with the above.

E. That Plaintiff be awarded such damages as it has sustained or will sustain by reason of RWI's breach of contract, unfair competition, false advertising and deceptive trade practices, together with appropriate interest on such damages, and that, pursuant to Section 35 of the Lanham Act, 15 U.S.C. § 1117, such damages be trebled.

F. That RWI be ordered to pay over to Plaintiff all the profits, gains, savings and advantages realized by RWI from its acts of breach of contract, unfair competition, false advertising and deceptive trade practices,.

G. That RWI be ordered to pay to Plaintiff such exemplary damages as the Court finds appropriate.

H. That RWI be ordered to pay to Plaintiff the costs and disbursements of this action.

I. That RWI be ordered to pay to Plaintiff its attorney's fees.

J. That Plaintiff be granted such other and further relief as the Court may deem just and proper.

Dated: New York, New York
January 17, 2007

FROSS ZELNICK LEHRMAN
& ZISSU, P.C.

By: 

Barbara A. Solomon (BS 8845)
Michael Chiappetta (MC 7644)

866 United Nations Plaza
New York, New York 10017
(212) 813-5900
Attorneys for Plaintiff