

THE UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

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2007 Aug -1 P 3: 22

VIBRAM S.P.A.

Plaintiff,

v.

KEEN, LLC CORPORATION and
KEEN, INC. CORPORATION

Defendants,

U.S. DISTRICT COURT
DISTRICT OF MASS

Civil Action No.

07-40202

COMPLAINT

Plaintiff, Vibram S.p.A. ("Vibram"), by and through its attorneys, allege as follows against Defendants, Keen LLC Corporation and Keen, Inc. Corporation (collectively "Keen"):

THE PARTIES

1. Plaintiff Vibram S.p.A is a corporation organized and existing under the laws of the country of Italy, having a principal place of business at Via Cristoforo Colombo 5-21041 Albizzate (Varese), Italy. Vibram S.p.A's licensees in the United States, Vibram USA, Inc. and Quabaug Corporation, are located in Concord, Massachusetts and North Brookfield, Massachusetts, respectively.

2. Defendants, Keen LLC Corporation and Keen, Inc. Corporation, upon information and belief, are affiliated Oregon corporations having a principal place of business at 926 NW 13th Avenue, Suite 210, Portland, Oregon 97209.

JURISDICTION AND VENUE

3. This is a civil action for trademark infringement, trademark dilution and false designation of origin under sections 32 and 43 of the Lanham Act, 15 U.S.C. §§ 1114 and 1125, as amended, and related claims under the statutory and common laws of

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the Commonwealth of Massachusetts. Subject matter jurisdiction is conferred upon this Court pursuant to 15 U.S.C. §1121 and 28 U.S.C. §§1331, 1332(a) and 1338(a) and (b).

4. Personal jurisdiction over Defendants is vested in the United States District Court for the District of Massachusetts pursuant to Mass. Gen. Laws ch. 223A, § 3 and the due process provisions of the United States Constitution because, upon information and belief, Defendants do business in this District, Defendants' acts within or directed toward this District have caused Vibram's injuries alleged herein, and Defendants have purposefully availed themselves of the privilege of conducting activities within this District, thus invoking the benefits and protections of its laws.

5. Venue is proper in this District under 28 U.S.C. §§1391.

GENERAL ALLEGATIONS

6. Vibram, established in Italy in or about 1937, is a worldwide leader in the manufacture of rubber soles for footwear. The founder of the company, Vitale Bramani, is credited with inventing the first rubber soles for shoes in the 1930s.

7. Vibram's rubber soles have been manufactured and marketed in the United States for several decades. Quabaug Corporation, located in North Brookfield, Massachusetts, has been a licensed manufacturer of Vibram rubber soles in North America since 1965. In addition, Vibram's U.S. affiliate, Vibram USA Inc., is located in Concord, Massachusetts.

8. Vibram markets its rubber soles in connection with a trademark comprising a polygonal profile and, in addition, with a trademark comprising a yellow polygonal profile (hereinafter collectively referred to as "Vibram's Polygonal Trademark" or simply the "Polygonal Trademark"). On Vibram's products, the Polygonal Trademark is typically found directly on the sole of the footwear. Vibram has

marketed its rubber soles using the Polygonal Trademark continuously since at least 1969.

9. In addition to its rights to the Polygonal Trademark at common law, Plaintiff owns U.S. Trademark Registration No. 997,609, issued on November 5, 1974, 1972 (hereinafter “the ‘609 Registration”) and U.S. Trademark Registration No. 1,089,946, issued on April 18, 1978 (hereinafter “the ‘946 Registration”). The ‘609 Registration and the ‘946 Registration are valid and in full force and effect. Copies of the ‘609 Registration and the ‘946 Registration are attached as Exhibits A and B, respectively.

10. Prior to the acts of Keen complained of herein, Vibram has continuously and exclusively marketed, advertised, offered for sale, and sold its footwear in connection with the Polygonal Trademark for many years.

11. Vibram’s Polygonal Trademark, by virtue of its substantial use and promotion, has acquired great value as an identifier of Vibram’s products, and distinguishes Vibram’s products from those of its competitors.

12. As a result of Vibram’s extensive advertising and sales, customers in this District and elsewhere readily recognize, identify and distinguish Vibram’s products from the products of others by the Polygonal Trademark.

13. The Polygonal Trademark is an extremely valuable symbol of Vibram and its quality products and the substantial customer goodwill that Vibram has earned over many years in the United States market.

14. On information and belief, Keen is a U.S.-based footwear manufacturer founded in or about 2003. Many of Keen’s footwear products directly compete with, and

are marketed and sold in the same channels of trade as, footwear products having soles made by Vibram.

15. Keen's footwear products have labels that comprise a polygonal profile and have varying amounts of yellow coloring, including a yellow border, a yellow background, yellow lettering, or combinations of the above (hereinafter collectively referred to as "the Infringing Keen Label"). Like Vibram's Polygonal Trademark, the Infringing Keen Label is found on the sole of the footwear.

16. The Infringing Keen Label is nearly identical to Vibram's Polygonal Trademark in terms of shape, dimension, color, and location on the footwear, and is therefore deceptively similar to the Polygonal Trademark.

17. Keen is aware and has been aware of the Vibram's Polygonal Trademark for several years due to Vibram's substantial use and promotion of the Polygonal Trademark and, moreover, Vibram has previously supplied rubber soles incorporating the Polygonal Trademark to Keen for use in Keen's footwear.

18. Keen's practice of manufacturing, marketing, selling and distributing footwear in connection with the Infringing Keen Label is in willful and wanton disregard of Vibram's rights and property and the interests of the consuming public, and constitutes a knowing attempt by Keen to misappropriate the customers of Vibram.

19. Keen's aforesaid conduct has caused and continues to cause Vibram to suffer irreparable injury to its goodwill and reputation, for which Vibram has no adequate remedy at law.

20. Vibram is informed and believes, and thereupon alleges, that without permission or authority from Vibram, Keen has infringed the Polygonal Trademark in interstate commerce by various acts including, but not limited to, marketing, selling and

distributing footwear in connection with the Infringing Keen Label in the same channels of trade as Vibram's product.

21. Vibram is informed and believes, and thereupon alleges, that actual confusion has already occurred as a result of Keen's aforementioned conduct.

22. Vibram is informed and believes, and thereupon alleges, that Keen's aforementioned conduct is intended to trade upon the goodwill and substantial recognition associated with the Polygonal Trademark and, further, is an attempt to associate Keen with Vibram, or otherwise trade on Vibram's reputation.

23. Vibram is informed and believes, and thereupon alleges, that Keen's aforementioned conduct is intended to cause confusion, mistake or deception.

24. By virtue of these acts, Keen has created a likelihood of injury to Vibram's business, has caused a strong likelihood of customer confusion as to the source of Keen's products, and has otherwise unfairly competed with Vibram.

25. Keen's acts complained of herein have caused damage to Vibram and have irreparably injured the public recognition and goodwill associated with Vibram's Polygonal Trademark. Said acts will result in further damage and irreparable injury if Keen is not restrained by this Court from further violation of Vibram's rights, for which Vibram has no adequate remedy at law.

26. Vibram believes that it has lost, and will continue to lose, sales as a direct result of Keen's aforesaid conduct. Vibram has lost sales and revenue, and is now forced to expend monies to counteract the negative effects of Keen's actions.

COUNT I
LANHAM ACT - TRADEMARK INFRINGEMENT

27. Vibram repeats and realleges the allegations set forth in paragraphs 1-26 of this Complaint.

28. This is a claim for federal trademark infringement under the Lanham Act, 15 U.S.C. §1051, *et seq.*

29. Keen had actual knowledge of Vibram's prior use and registration of the Polygonal Trademark and, without the consent of Vibram, has used Vibram's Polygonal Trademark to trade upon Vibram's reputation and goodwill by creating a likelihood of confusion and mistake among customers and the public, and by deceiving them.

30. By these acts, Keen has infringed Vibram's federally registered trademarks mark in violation of 15 U.S.C. §1051, *et seq.*

31. Keen's aforesaid acts of infringement have injured and violated the rights of Vibram in an amount to be determined at trial. Further, by these acts, Keen has irreparably injured Vibram and such injury will continue unless enjoined by this Court.

COUNT II
SECTION 43(a) OF THE LANHAM ACT-FALSE DESIGNATION OF ORIGIN

32. Vibram repeats and realleges the allegations set forth in paragraphs 1-31 of this Complaint.

33. This is a claim for false designation of origin under section 43(a) of the Lanham Act, 15 U.S.C. §1125(a).

34. Upon information and belief, at the time of committing certain acts alleged herein, Keen had actual knowledge of Vibram's ownership and prior use of the Polygonal Trademark.

35. In violation of 15 U.S.C. §1125(a), Keen has created and will continue to create a false designation of origin by using the Infringing Keen Label in commerce without permission of Vibram, which confuses or is likely to confuse potential customers into believing that Keen's products are associated with, sponsored by, or approved by Vibram.

36. Keen's aforesaid acts have injured and violated the rights of Vibram in an amount to be determined at trial. Further, by its actions, Keen has irreparably injured Vibram, and such irreparable injury will continue unless this Court enjoins Keen.

COUNT III
LANHAM ACT – TRADEMARK DILUTION

37. Vibram repeats and realleges the allegations set forth in paragraphs 1-36 of this Complaint.

38. This is a claim for federal trademark dilution under the Lanham Act, 15 U.S.C. §1125(c). Vibram's Polygonal Trademark became famous prior to Keen's aforementioned conduct.

39. Keen's aforementioned conduct tarnishes, diminishes, and/or dilutes or is likely to tarnish, diminish, and/or dilute the distinctive quality of the Vibram's Polygonal Trademark.

40. Keen's use of the Infringing Keen Label in the manner complained of herein has eroded, tarnished, and diminished or is likely to erode, tarnish, and diminish, the goodwill Vibram has long enjoyed in its Polygonal Trademark.

41. Upon information and belief, at the time of committing certain acts alleged herein, Keen had actual knowledge of Vibram's ownership and prior use of the Polygonal Trademark.

42. In violation of 15 U.S.C. §1125(c)(1), Keen has deliberately and willfully diluted the distinctive qualities of Vibram Polygonal Trademark, and has caused irreparable damage to Vibram's business, reputation and goodwill and such injury will continue unless enjoined by this Court.

COUNT IV
COMMON LAW UNFAIR COMPETITION

43. Vibram repeats and realleges the allegations set forth in paragraphs 1-42 this Complaint.

44. In addition to its rights under the Lanham Act as set forth above, Vibram has, with respect to its products and services, valid common law rights in the Polygonal Trademark.

45. Vibram's Polygonal Trademark is inherently distinctive and/or has acquired secondary meaning. Purchasers associate the Polygonal Trademark only with Vibram's products. This is a result of both the trademark's inherent distinctiveness and of extensive advertising and sales throughout the United States of goods bearing the Polygonal Trademark.

46. Keen's use of the Infringing Keen Label is in violation and derogation of Vibram's common law rights and is likely to cause confusion, mistake and deception among customers and the public as to the source, origin, sponsorship, affiliation or quality of its services, thereby causing loss, damage, and injury to Vibram and the purchasing public. Keen knew, or in the exercise of reasonable caution should have known, that its conduct was likely to cause confusion, mistake and deception among customers and the public.

47. The foregoing conduct by Keen has been knowing, willful, deliberate, intended to cause confusion, mistake and/or deception, and is in disregard of Vibram's rights.

48. Keen's wrongful acts as alleged herein have permitted or will permit it to make substantial sales and profits on the strength of Vibram's statewide, national and international marketing, advertising, sales and customer recognition.

49. As a direct and proximate result of Keen's wrongful conduct, as alleged herein, Vibram has been and will be deprived of substantial sales in an amount as yet unknown but to be proved at trial, and has been and will be deprived of the value of its trademark as a commercial asset in an amount as yet unknown but to be proved at trial.

50. Vibram has no adequate remedy at law for, and is being irreparably harmed by, Keen's continuing violation of its rights as set forth herein, and such harm will continue unless Keen is enjoined by this Court.

COUNT V
UNJUST ENRICHMENT

51. Vibram repeats and realleges the allegations set forth in paragraphs 1-50 this Complaint.

52. Keen's unauthorized commercial exploitation of the Vibram's Polygonal Trademark unjustly enriches Keen under the common law of the Commonwealth of Massachusetts. By trading on Vibram's valuable Polygonal Trademark, Keen is unjustly obtaining profits and business. Such enrichment thereby causes Vibram immediate and irreparable damages, and unless enjoined, will continue to cause Vibram immediate and irreparable harm for which it has no adequate remedy at law.

53. As a further and direct and proximate result of the acts of Keen, Vibram has sustained and will continue to sustain loss of value of its business and associated good will, loss of revenue, and other monetary damages in an amount which is presently indeterminable.

COUNT VI
VIOLATION OF MASS. GEN. L. ch. 93A

54. Vibram repeats and realleges the allegations set forth in paragraphs 1-53 of this Complaint.

55. At all times relevant hereto, Keen was engaged in trade or commerce within the meaning of Mass. Gen. L. ch. 93A, § 1(b).

56. Keen's wrongful acts as alleged herein have permitted or will permit it to make substantial sales and profits on the strength of Vibram's statewide, national and international marketing, advertising, sales and customer recognition. Such acts constitute unfair methods of competition and unfair or deceptive acts or practices in the conduct of trade or commerce within the meaning of Mass. Gen. L. ch. 93A, § 2.

57. All conditions precedent to Vibram's rights to bring this action and to obtain the relief requested herein have occurred.

PRAYER FOR RELIEF

WHEREFORE, Vibram respectfully prays for relief as follows:

A. That Defendants be adjudged to have willfully and deliberately infringed Vibram's registered trademarks in violation of § 32 of the Lanham Act;

B. That Defendants be adjudged to have competed unfairly with Vibram under § 43(a) of the Lanham Act;

C. That this Court declare pursuant to 28 U.S.C. § 2201 that Defendants have no right to use Vibram's Polygonal Trademark or any infringing variation thereof, including without limitation the Infringing Keen Label, and that Defendants' use of the Infringing Keen Label infringes Vibram's Polygonal Trademark and has caused, and will cause, confusion amongst purchasers and potential consumers of Vibram's products;

D. That this Court declare that Defendant has diluted the distinctive quality of Vibram's valid federally registered trademarks in violation of 15 U.S.C. §1125(c)(1).

E. That this Court enter judgment that the Defendants have been unjustly enriched by trading on Vibram's Polygonal Trademark;

F. That this Court declare that the Defendants have unfairly competed with Vibram under the laws of Massachusetts;

G. That this Court enter judgment that the Defendants' actions amount to violations of Mass. Gen. L. ch. 93A and award Vibram its attorneys' fees and treble damages under the Act;

H. That this Court grant a preliminary and permanent injunction enjoining Defendants, their officers, subsidiaries parents, divisions, agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise, pursuant to 15 U.S.C §1116, from:

1. Manufacturing, marketing, selling and/or distributing their products in conjunction with Vibram's Polygonal Trademark or any infringing variation thereof, including without limitation the Infringing Keen Label;
2. Falsely designating the origin of Defendants' products;

3. Causing a likelihood of confusion in the public as to the source or endorsement of Defendants' products;
4. Otherwise infringing Vibram's trademark rights;
5. Unfairly competing with Vibram in any manner whatsoever;
6. Continuing to perform in any manner whatsoever any of the other acts complained of herein.

I. That this Court order Defendants to file with this Court and serve on Vibram within thirty (30) days after the service of the injunction, a report, in writing, under oath, setting forth in detail a manner and form in which Defendants have complied with the injunction.

J. That this Court order Defendants to pay Vibram its damages, trebled, and Vibram's lost profits caused by Defendants' false descriptions and misrepresentations.

K. That this Court order Defendants to account to Vibram for any and all profits derived by Defendants and all damages sustained by Vibram by reason of Defendants' acts complained of herein.

L. That this Court order Defendants to pay Vibram its damages, both compensatory and statutory by reason of Defendants' unfair competition

M. That this Court order Defendants to pay over to Vibram all damages which Vibram has sustained as a consequence of the acts complained of herein, subject to proof at trial, and that Vibram be awarded Defendants' profits derived by reason of said acts, all as determined by said accounting.

N. That this Court declare that Defendants' acts as complained of herein shall be deemed willful, and that this case be deemed an exceptional case pursuant to 15

U.S.C. §1117(a). Further that that this Court award Vibram treble damages pursuant to 15 U.S.C. §1117(a).

O. That this Court order that Vibram recover exemplary damages.

P. That this Court order that Defendants account for all gains, profits, advantages, and unjust enrichment derived from its violations of law.

Q. That this Court grant Vibram its costs and disbursements in this action, including reasonable attorney's fees.

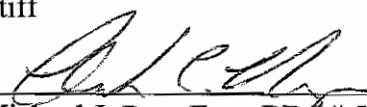
R. That this Court grant Vibram such other and further relief as this Court may deem just.

PLAINTIFF REQUESTS A JURY TRIAL ON ALL ISSUES SO TRIABLE

Respectfully Submitted,

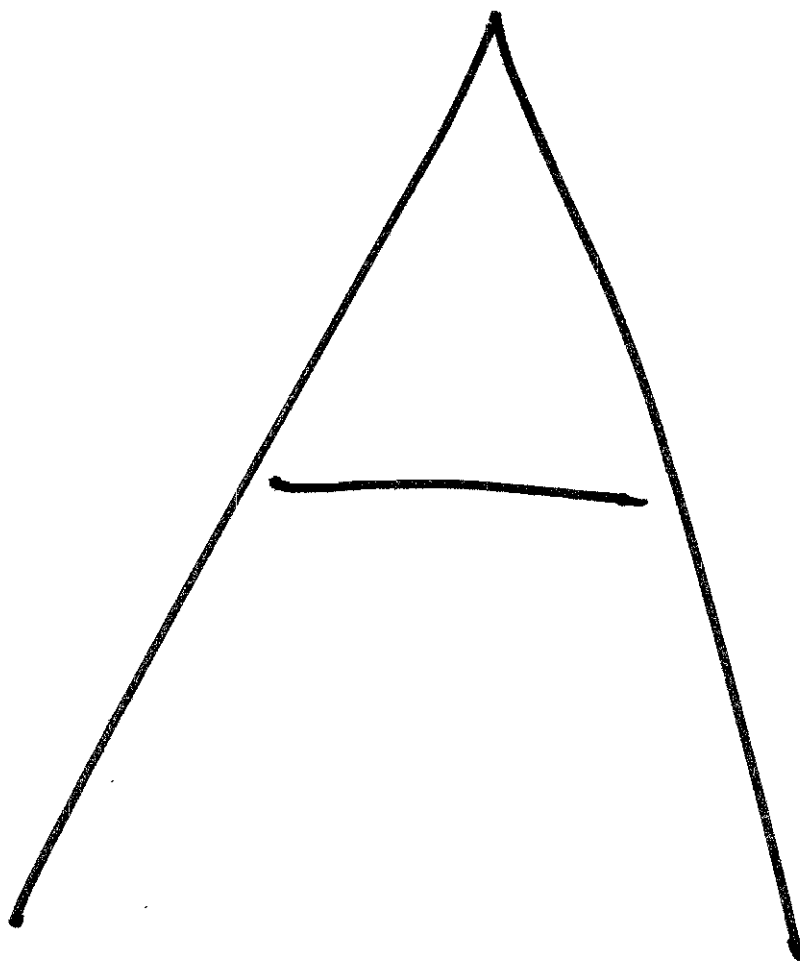
VIBRAM S.P.A.,
Plaintiff

Date: August 1, 2007

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Int. Cl.: 25

Prior U.S. Cl.: 39

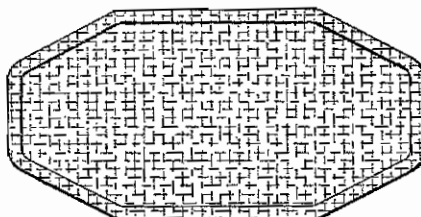
United States Patent Office

Reg. No. 997,609

Registered Nov. 5, 1974

TRADEMARK

Principal Register



Vibram S.p.A. (Italian corporation)
Via Cristoforo Colombo, 5
21041 Albizzate (Varese), Italy

For: BOOT SOLES AND HEELS, in CLASS 39 (INT. CL. 25).

First use prior to Mar. 26, 1969; in commerce prior to Mar. 26, 1969.

The drawing is lined for yellow.

Ser. No. 418,018, filed Mar. 10, 1972.

P. P. GRALNICK, Supervisory Examiner

B

Int. Cl.: 25

Prior U.S. Cl.: 39

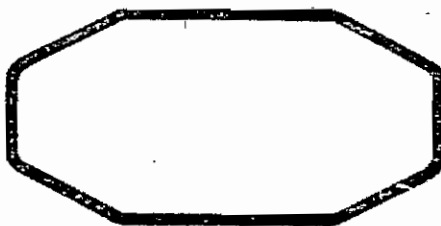
United States Patent Office

Reg. No 1,089,946

Registered Apr. 18, 1978

TRADEMARK

Principal Register



Vibram S.p.A. (Italian corporation)
Via Cristoforo Colombo, 5
21041 Albizzate (Varese), Italy

For: SHOE AND BOOT SOLES AND HEELS, in
CLASS 39 (INT. CL. 25).

First use prior to January 1959; in commerce prior to
January 1959.

Owner of Reg. No. 997,609.

Ser. No. 455,494, filed Apr. 25, 1973.

PAUL F. GAST, Examiner