

State of Delaware, having its principal place of business at 5055 N. Greeley Avenue in Portland, Oregon 97217-3254.

4. Upon information and belief, defendant adidas Promotional Retail Operations Inc. (“adidas-Promotional”) is and has been a corporation organized under the laws of the State of Oregon, having its principal place of business at 5055 N. Greeley Avenue in Portland, Oregon 97217-3254. adidas-Salomon, adidas-America, and adidas-Promotional will be referred to collectively as “defendants.”

JURISDICTION AND VENUE

5. This is an action for patent infringement arising under the patent laws of the United States, 35 U.S.C. §§ 1 *et seq.* This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

6. This Court has personal jurisdiction over defendants because defendants conduct business in this judicial district and in the State of Texas and have committed acts of patent infringement and/or have contributed to or induced acts of patent infringement by others in this judicial district (and elsewhere in Texas and in the United States).

7. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(b), 1391(c) and 1400(b) because defendants are subject to personal jurisdiction in this judicial district, have regularly conducted business in this judicial district, and certain of the acts complained of herein occurred in this judicial district.

NIKE’S PATENTS IN SUIT

8. On December 3, 2002, the United States Patent and Trademark Office duly and legally issued U.S. Patent No. 6,487,796 B1 entitled “Footwear With Lateral Stabilizing Sole” (the “’796 patent”). A true and correct copy of the ’796 patent is attached hereto as Exhibit A.

9. On October 2, 2001, the United States Patent and Trademark Office duly and legally issued U.S. Patent No. 6,298,314 B1 entitled “Detecting The Starting And Stopping Of Movement Of A Person On Foot” (the “’314 patent”). A true and correct copy of the ’314 patent is attached hereto as Exhibit B.

10. NIKE is the owner of all right, title, and interest in and to the ’796 patent and the ’314 patent by assignment, with full and exclusive right to bring suit to enforce each of these patents, including the right to recover for past infringement.

COUNT ONE

INFRINGEMENT OF THE ’796 PATENT

11. NIKE realleges and incorporates herein the allegations of paragraphs 1 through 10 as if fully set forth herein.

12. The ’796 patent is valid and enforceable.

13. Upon information and belief, in violation of 35 U.S.C. § 271, defendants make, use, offer to sell, and sell within the United States, and/or import into the United States, products that infringe the ’796 patent, including, but not limited to, the adidas_1 shoe, the adidas a³ line of shoes, multiple versions of the Kevin Garnett Signature shoe, the adidas Cushion shoe, and the adidas Adistar Cush M shoe.

14. Upon information and belief, in violation of 35 U.S.C. § 271, defendants also contribute to and/or induce infringement of the ’796 patent.

15. Upon information and belief, defendants have willfully infringed the ’796 patent.

16. Upon information and belief, defendants’ acts of infringement of the ’796 patent will continue after service of this complaint unless enjoined by the Court.

17. As a result of defendants' infringement, NIKE has suffered and will suffer damages.

18. NIKE is entitled to recover from defendants the damages sustained by NIKE as a result of defendants' wrongful acts in an amount subject to proof at trial.

19. Unless defendants are enjoined by this Court from continuing their infringement of the '796 patent, NIKE will suffer additional irreparable harm and impairment of the value of its patent rights. Thus, NIKE is entitled to an injunction against further infringement.

COUNT TWO

INFRINGEMENT OF THE '314 PATENT

20. NIKE realleges and incorporates herein the allegations of paragraphs 1 through 10 as if fully set forth herein.

21. The '314 patent is valid and enforceable.

22. Upon information and belief, in violation of 35 U.S.C. § 271, defendants make, use, offer to sell, and sell within the United States, and/or import into the United States, products that infringe the '314 patent, including, but not limited to, the adidas_1 shoe.

23. Upon information and belief, in violation of 35 U.S.C. § 271, defendants also contribute to and/or induce infringement of the '314 patent.

24. Upon information and belief, defendants have willfully infringed the '314 patent.

25. Upon information and belief, defendants' acts of infringement of the '314 patent will continue after service of this complaint unless enjoined by the Court.

26. As a result of defendants' infringement, NIKE has suffered and will suffer damages.

27. NIKE is entitled to recover from defendants the damages sustained by NIKE as a result of defendants' wrongful acts in an amount subject to proof at trial.

28. Unless defendants are enjoined by this Court from continuing their infringement of the '314 patent, NIKE will suffer additional irreparable harm and impairment of the value of its patent rights. Thus, NIKE is entitled to an injunction against further infringement.

PRAYER FOR RELIEF

WHEREFORE, NIKE prays for judgment and relief as follows:

(a) That defendants have infringed the '796 patent and the '314 patent under 35 U.S.C. § 271;

(b) That defendants' infringement of the '796 patent and the '314 patent has been willful;

(c) That defendants be ordered to pay damages adequate to compensate NIKE for defendants' infringement of the '796 patent and the '314 patent pursuant to 35 U.S.C. § 284, including an accounting;

(d) That defendants be ordered to pay treble damages pursuant to 35 U.S.C. § 284;

(e) That defendants be ordered to pay NIKE's attorney fees pursuant to 35 U.S.C. § 285;

(f) That defendants, their officers, agents, and employees, and those persons acting in active concert or in participation with them, and their successors and assigns, be enjoined from further infringement of the '796 patent and the '314 patent pursuant to 35 U.S.C. § 283;

(g) That defendants be ordered to pay prejudgment interest;

(h) That defendants be ordered to pay all of NIKE's costs associated with this action; and

(i) That NIKE be granted such other and additional relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

NIKE demands a trial by jury on all issues so triable.

Dated: March 3, 2006

By: /s/ J. Thad Heartfield

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