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### **CANADA'S HOLEY SOLES WINS PRELIMINARY DECISION AT ITC OVER U.S. SHOE GOLIATH CROCS**

On April 11, 2008, the administrative law judge for the United States International Trade Commission (ITC) issued an Initial Determination in favour of Canadian lifestyle company Holey Soles (formerly Holey Soles) against allegations made by Crocs. At issue were a design and utility patent. The judge found that Holey Soles did not infringe either Crocs' design patent or Crocs' utility patent, and that Crocs' utility patent was invalid because it was an obvious invention. If the judge's determination is confirmed by the Commission, a Final Determination will issue that no Holey Soles footwear infringed any valid Crocs patent.

Holey Soles was defending its right to import and sell its iconic colourful foam clogs in the United States after Crocs, in 2006, filed complaints at the ITC against Holey Soles and 10 other respondents alleging infringement of its '858 utility patent and its '789 design shoe patent. Holey Soles is one of a few companies that remain to defend their case.

"We have continued to defend these legal actions because we strongly believe the facts and the law is on our side. We have always believed that Crocs' claims were part of a business strategy meant to divert resources and attention from building our company. As early as 2002, Holey Soles was selling the same clog base that Crocs uses, along with several other companies," said Holey Soles CEO Joyce Grootte. "We are pleased that the judge at the ITC has recognized that Crocs' was not the 'original' and did nothing more than take the obvious step of adding a pivoting strap to an existing clog design."

This latest legal blow to Crocs comes hard on the heels of another loss it suffered in December 2007. Based on a challenge from Holey Soles, the European Union's Office for Harmonization (OHIM) invalidated Crocs' Registered Community Design. Earlier in the same year, the Canadian Intellectual Property Office also rescinded its decision to give Crocs the equivalent of a Design Patent based on the same facts provided by Holey Soles.

#### **About Holey Soles**

Holey Soles (formerly Holey Soles) is a privately-owned Canadian lifestyle products company headquartered in Vancouver. It is a success story in its own right which grew from a garage in 2002 into the international company that it is today with distribution in over 40 countries. Holey Soles has a diverse innovative product line that includes shoes and accessories. It continues to grow at an amazing pace.

Holey Soles rebranded to Holey Soles in 2008 in order to reflect its "Play with Attitude" culture that believes in having fun and giving back. As part of its community work, Holey Soles has donated to efforts such as the Tsunami in Thailand and victims ravaged by Hurricane Katrina. More recently, Holey Soles donated an astounding 100,000 pairs of shoes to Soles4Souls, an organization which distributes much needed shoes to third world countries.



Holey Soles will be starring on the feet of Mike Myers in his next premiere movie release "The Love Guru" out in theatres soon.

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