



**FOR IMMEDIATE RELEASE** – July 25<sup>th</sup>, 2008

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## **CANADA'S HOLEYS WINS DECISION AT ITC OVER U.S. SHOE GOLIATH CROCS**

On July 25, 2008, the United States International Trade Commission (ITC) issued its final determination terminating its investigation of Canadian lifestyle company Holey Soles (formerly Holey Soles) regarding allegations of patent infringement made by Crocs. The ITC found that Holey Soles clogs do not infringe 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 utility and design patents. While some companies have folded under the crippling costs of litigation, Holey Soles was one of the five companies remaining to defend their rights to sell shoes in the US.

"Shoes now make up only one of Holey Soles' diversified lines of lifestyle collections, but we stood our ground throughout this hugely expensive and drawn out process. We believed the facts and law were on our side. Our integrity is a key value for Holey Soles' employees and our expanding base of loyal customers," said Holey Soles CEO Joyce Groote. "Holey Soles is now a distinctly different company with its own markets. We have responded to popular demand to become a world leader designing a new generation of foam lifestyle products for fun-loving adults and children."

CEO Groote added: "Holey Soles had its best year ever in 2007, and 2008 looks even brighter. Holey Soles' Home and Garden, and our Recreation and Retreat lines, plus the too-cute-for-words kids' lines have been a hit. Now that the ITC has spoken, Holey Soles will be focussing on more innovative product lines as we continue to evolve."

For Crocs, however, this latest legal blow 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Earlier in the same year, based on information provided by Holey Soles, the Canadian Intellectual Property Office also rescinded its preliminary decision to give Crocs patent rights.

### **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 at a stunning pace 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, hats, bags and accessories for fun-loving, energetic adults and children.

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 starring on the feet of Mike Myers in his recently released movie "The Love Guru".



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