

1 Tanya L. Greene (Cal. Bar No. 267975)  
2 tgreene@mcguirewoods.com  
3 Nicholas J. Hoffman (Cal. Bar No. 284472)  
4 nhoffman@mcguirewoods.com  
5 McGUIREWOODS LLP  
6 355 South Grand Ave., Suite 4200  
7 Los Angeles, CA 90071-3103  
8 Telephone: (213) 627-2268  
9 Facsimile: (213) 627-2579

10 Lucy Jewett Wheatley (admitted *Pro Hac Vice*)  
11 lwheatley@mcguirewoods.com  
12 Claire Hagan Eller (admitted *Pro Hac Vice*)  
13 celler@mcguirewoods.com  
14 McGUIREWOODS LLP  
15 800 East Canal Street  
16 Richmond, VA 23219-3916  
17 Telephone: (804) 775-4320  
18 Facsimile: (804) 698-2017

19 Attorneys for Plaintiffs Vans, Inc. and VF Outdoor, LLC

20 UNITED STATES DISTRICT COURT  
21 CENTRAL DISTRICT OF CALIFORNIA

22 VANS, INC.; and VF OUTDOOR,  
23 LLC,

24 Plaintiffs,

25 vs.

26 WALMART, INC.; THE DOLL  
27 MAKER, LLC; and TRENDY  
28 TRADING, LLC,

Defendants.

Case No. 8:21-cv-01876 -DOC-KES

Hon David O. Carter

**PLAINTIFFS' MOTION FOR  
ORDER TO SHOW CAUSE TO  
DEFENDANT WALMART, INC.  
RE: CIVIL CONTEMPT AND  
SANCTIONS; MEMORANDUM OF  
POINTS AND AUTHORITIES IN  
SUPPORT THEREOF**

[Declaration and Proposed Order Filed  
concurrently]

Date: August 22, 2022

Time: 8:30 a.m.

Court: 10A

Complaint Filed: 11/15/2021

1 **TO DEFENDANT WALMART, INC. AND ITS ATTORNEYS OF RECORD:**

2 PLEASE TAKE NOTICE that, on August 22, 2022, at 8:30 a.m., or as soon  
3 thereafter as the parties may be heard in Courtroom 10A of the Ronald Reagan  
4 Federal Building and United States Courthouse, 411 West Fourth Street, Santa Ana,  
5 CA, 92701, Plaintiffs Vans, Inc. and VF Outdoor, LLC (collectively, “Vans”), by  
6 and through their undersigned counsel, will and hereby do move for an order to  
7 show cause why Defendant Walmart, Inc. (“Walmart”) should not be held in civil  
8 contempt for failing to comply with the Court’s Preliminary Injunction (Dkt. 65).  
9 This motion seeks relief pursuant to the Court’s “inherent power to enforce  
10 compliance with [its] lawful orders through civil contempt.” *Shillitani v. United*  
11 *States*, 384 U.S. 364, 370 (1966).

12 The motion seeks an order of civil contempt and sanctions for Walmart’s  
13 continued failure to comply with the provision of this Court’s March 31, 2022  
14 Permanent Injunction that specifically enjoins Walmart from “advertising,  
15 marketing, importing, manufacturing, promoting, offering for sale, distributing, or  
16 selling the [set of pictured] sneakers, any other colorways of the same shoe designs,  
17 [or] colorable imitations of the [pictured] shoes.” *See* Order (Dkt. 65) at 27.  
18 Walmart has violated this order by continuing to advertise, market, manufacture,  
19 promote, offer, and sell shoes that are specifically pictured and identified in this  
20 order along with colorable imitations of those shoes, as well as by using marks that  
21 are substantially similar to Vans’ protected intellectual property.

22 This motion is made following the conference of counsel pursuant to Local  
23 Rule 7-3, which was conducted through correspondence dated May 2, 2022, May  
24 13, 2022, June 24, 2022, July 5, 2022, July 10, 2022, and July 14, 2022.

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## **MEMORANDUM AND POINTS OF AUTHORITIES**

### **I. INTRODUCTION**

On March 31, 2022, this Court issued a definite and specific order enjoining Defendant Walmart, Inc. (“Walmart”) from “advertising, marketing, importing, manufacturing, promoting, offering for sale, distributing, or selling the [set of pictured] sneakers, any other colorways of the same shoe designs, [or] colorable imitations of the [pictured] shoes.” *See* Order Granting Plaintiffs’ Motion for Preliminary Injunction (Dkt. 65) (the “Order” or the “Injunction”). The Court included several pages showing images of shoes that Walmart has sold which were subject to this Injunction, along with “colorable imitations” of those shoes. The Order further specifically enjoins Walmart from using the “Vans’ Side Stripe Mark, Old Skool trade dress, SK8-Hi trade dress, Old Skool Toddler trade dress ..., or any of Vans’ registered trademarks, or any trade dress or trademark that is substantially similar thereto, on or in connection with Defendants’ shoes or related services.” *Id.* at 30.

Walmart has failed to abide by this Injunction. Not only has Walmart continued to sell, advertise, promote, manufacture, distribute, and offer some of the models of shoes that are specifically identified in the Court’s Order, but Walmart is doubling down on its counterfeiting scheme by introducing a new model of shoe that closely mimics Vans’ protected Side Stripe Mark and trade dress. Given Walmart’s actions, it is appropriate here for the Court to find that Walmart is in civil contempt and issue appropriate sanctions to ensure Walmart complies with the Injunction in the future.

### **II. STATEMENT OF FACTS AND PROCEDURAL HISTORY**

On November 15, 2021, Vans filed this lawsuit alleging that Walmart is promoting and selling knockoff shoes that create a likelihood of confusion with Vans’ trademarks and trade dress. Walmart’s unauthorized use of Vans’ trademarks and

1 trade dress rights caused actual consumer confusion and harmed Vans' goodwill and  
2 reputation, particularly since Walmart's fakes are cheaply made and inferior in  
3 quality compared to genuine Vans shoes. Vans brought claims against Walmart along  
4 with The Doll Maker, LLC and Trendy Trading, LLC for trademark infringement in  
5 violation of 15 U.S.C. § 1114, false designation of origin / unfair competition in  
6 violation of 15 U.S.C. § 1125(a), unfair competition in violation of Cal. Bus. & Prof.  
7 Code §§ 17200, *et seq.*, and common law trademark infringement and unfair  
8 competition.

9 Vans subsequently moved for a preliminary injunction because Walmart and  
10 the other Defendants continued to escalate their infringing activities and flood the  
11 market with cheap knockoff shoes.<sup>1</sup> Walmart contested this motion, and following  
12 the parties' briefing and argument, this Court granted Vans' motion on March 31,  
13 2022. (Dkt. 65.)

14 The Injunction covered trademarks and trade dress rights used on Vans' most  
15 iconic shoe lines, including the OLD SKOOL shoes and SK8-Hi shoes. Order (Dkt.  
16 65) at 12-14. These shoe lines feature intellectual property owned by Vans, including  
17 its Side Stripe Mark, Stitching Mark, Old Skool Trade Dress, Old Skool Toddler  
18 Trade Dress, and SK8-Hi Trade Dress. *See* Order (Dkt. 65) at 2-4, 10-13 (describing  
19 the trademark and trade dress rights at issue and finding that Vans was likely to prove  
20 that it owns valid and enforceable rights in this intellectual property). A chart  
21 summarizing the trademark and trade dress rights found by the Court is below:  
22  
23  
24  
25

---

26 <sup>1</sup>Defendants The Doll Maker, LLC and Trendy Trading, LLC entered into a Consented Interim  
27 Injunction, filed on January 4, 2022, wherein they agreed to refrain from selling, marketing, offering, or  
28 distributing shoes at issue in this case. (Dkt. 25.) Vans is not seeking relief against these Defendants at this  
time.

Side Stripe Mark



Stitching Mark



Old Skool Trade Dress

The distinctive combination of (1) Vans Side Stripe Mark on the shoe upper; (2) a rubberized sidewall with a consistent height around the perimeter of the shoe; (3) the uppermost portion of the sidewall having a three-tiered or grooved appearance; (4) a texturized toe box outer around the front of the sidewall; (5) visible stitching, including where the eyestay meets the vamp; and (6) the placement and proportion of these elements in relation to one another.

Old Skool Toddler Trade Dress

The distinctive combination of (1) Vans Side Stripe Mark on the shoe upper; (2) a rubberized sidewall with a consistent height around the perimeter of the shoe; (3) the uppermost portion of the sidewall having a three-tiered or grooved appearance; (4) a texturized toe box outer around the front of the sidewall; (5) visible stitching; and (6) the placement and proportion of these elements in relation to one another.



SK8-Hi Trade Dress

The distinctive combination of: (1) the Vans Side Stripe Mark on the shoe upper; (2) a rubberized sidewall with a consistent height around the perimeter of the shoe; (3) the uppermost portion of the sidewall having a three-tiered or grooved appearance; (4) a textured toe box outer around the front of the sidewall; (5) a ribbed collar formation that encircles the uppermost part of the shoe; (6) visible stitching, including separating the individual ankle collar corrugations; and (7) the placement and proportion of these elements in relation to one another.

In addition to determining that Vans would likely succeed in proving in this lawsuit that it owns valid and enforceable trademark and trade dress rights, the Court further determined that Vans will likely succeed in showing that Walmart infringed on these rights. *See* Order (Dkt. 65) at 14-23. The Court accordingly granted Vans' request for a preliminary injunction, issuing the following Order:

- (1) During the pendency of this litigation, Defendants, their agents, officers, employees, attorneys, and all persons who are in active concert or participation with Defendants, including but not limited to any e-commerce websites who receive actual notice of this order, are enjoined from advertising, marketing, importing, manufacturing, promoting, offering for sale, distributing, or selling the [sneakers pictured in the Order], any other colorways of the same shoe designs, colorable imitations of the [pictured] shoes, and/or facilitating, inducing, or assisting any of the foregoing conduct;
- (2) During the pendency of this litigation, Defendants, and their agents, officers, employees, attorneys, and all persons who are in active concert or participation with Defendants are enjoined from using Walmart's side stripe mark depicted on the [pictured] shoes, or any mark substantially

1 similar thereto, on or in connection with any of Walmart's shoes or  
2 related services.

3 (3) During the pendency of this litigation, Defendants, and their agents,  
4 officers, employees, attorneys, and all persons who are in active concert  
5 or participation with Defendants, are enjoined from using Vans' Side  
6 Stripe Mark, Old Skool Trade Dress, SK8-Hi trade dress, Old Skool  
7 Toddler trade dress (each as defined in Vans' Complaint in this action),  
8 or any of Vans' registered trademarks, or any trade dress or trademark  
9 that is substantially similar thereto, on or in connection with Defendants'  
10 shoes or related services.

11 Order (Dkt. 65) at 27-30.

12 The Injunction went into effect immediately upon Vans' filing of the \$50,000  
13 bond ordered by this Court, which was posted on April 5, 2022. *See* Decl. of Tanya  
14 L. Greene ("Greene Decl."), ¶ 3.

15 Subsequently, Vans identified several instances in which Walmart had failed  
16 to comply with the Order. *See* Greene Decl., ¶¶ 4 & Exh. 1. Most troubling, Vans  
17 became aware that Walmart had begun selling new styles of shoes that are  
18 substantially similar to many of the shoe styles Vans raised in the preliminary  
19 injunction. Vans refers to these recently introduced styles as the "**Modified Side  
20 Stripe Shoes**" for clarity:



26 The Modified Side Stripe Shoes are slightly modified versions of the Vans knock-  
27 offs it introduced in 2019 (and which are specifically called out through images in  
28

1 the Injunction). *See* Order (Dkt. 65) at 27-29 (images of Walmart shoes). The  
2 Modified Side Stripe Shoes feature two changes from the earlier styles: (i) the color  
3 of stitching matches the shoe, and (ii) the shape of the side stripe is altered to be even  
4 more similar to the Vans Side Stripe Mark. *See* Greene Decl., ¶ 5. Vans did not learn  
5 that Walmart was selling Modified Side Stripe Shoes until after the Court held its  
6 hearing on Vans’ preliminary injunction motion and the Order issued. *Id.* ¶ 6.

7 Vans sent a letter to Walmart on May 2, 2022, setting out several  
8 advertisements appearing on Walmart’s website that showed enjoined shoes, and also  
9 raising that Walmart’s sale of the Modified Side Stripe Shoes violates the Order. *See*  
10 Exh. 1 to Greene Decl. Vans requested that Walmart remedy these deficiencies and  
11 also provide a full explanation of the steps it undertook to comply with the Order. *Id.*

12 Walmart responded to Vans by email dated May 13, 2022. Walmart advised  
13 that it took the following steps to comply with the Injunction: (1) issuing a “pull and  
14 hold” instruction to retail stores, instructing them “to remove all enjoined shoes from  
15 shelves”; (2) implementing a “sales restriction” at retail stores so that if an enjoined  
16 shoe is “presented to a point-of-sale terminal, sale would not be permitted”; and  
17 (3) unpublishing “all listings for the enjoined shoes” from online sales which would  
18 “remove[] the items from display and sale.” *See* Exh. 2 to Greene Decl. As for the  
19 Modified Side Stripe Shoes, Walmart took the position that these shoes are not  
20 subject to the Injunction because they were not specifically pictured in the Injunction  
21 and are not “a colorable imitation of the enjoined shoes or otherwise subject to the  
22 order.” Walmart further stated that this shoe line is being discontinued. *See* Exh. 2  
23 to Greene Decl.

24 Vans subsequently learned that Walmart has committed other violations of the  
25 Order. Specifically, Vans became aware of two retail stores (located in Levelland,  
26 Texas and in Simi Valley, California) that continued to display shoes pictured in the  
27 Injunction and thus clearly covered by the Order. *See* Greene Decl., ¶¶ 9-11. Further,  
28

Vans became aware that another shoe style specifically pictured in and covered by the Injunction remains for sale on Walmart’s website. *See* Greene Decl., ¶¶ 12-13. Vans continued engaging Walmart to resolve these issues, but although Walmart has stated that it will take steps to cease their ongoing infringement, Walmart has yet to actually follow through. *See* Greene Decl., ¶¶ 14-16. Rather, Vans has continued to learn of new instances of infringement. *See* Greene Decl., ¶ 17.

In light of Walmart’s ongoing failure to comply with the Injunction, Vans has brought this motion, seeking that Walmart be held in civil contempt and that the Court impose sanctions to both coerce compliance and compensate Vans for the fees and costs incurred in bringing this motion.

### **III. LEGAL STANDARD**

“Courts have inherent power to enforce their orders through civil contempt.” *See Spallone v. United States*, 493 U.S. 265, 276 (1990) (citing *Shillanti v. United States*, 384 U.S. 364, 370 (1966)); 18 U.S.C. § 401 (granting courts the “power to punish by fine or imprisonment, or both, at its discretion, such contempt of its authority” including for failing to abide by a lawful order or command). In the Ninth Circuit, a finding of civil contempt is proper when a party disobeys a specific and definite court order by failure to take all reasonable steps within the party’s power to comply. *See Go-Video, Inc. v. Motion Picture Ass’n of America*, 10 F.3d 693, 695 (9th Cir. 1993) (imposing this standard). In this inquiry, the district court has wide discretion to find contempt and impose sanctions. *Stone v. City & County of San Francisco*, 968 F.2d 850, 856 (9th Cir. 1992). While civil contempt proceedings focus on the defendant’s actions, the defendant’s intent is “irrelevant” if it has failed to take all reasonable steps to comply with the court’s order. *See id.* (“Intent is irrelevant to a finding of civil contempt and, therefore, good faith is not a defense.” (and collecting cases)).

1 In a motion for an order to show cause regarding contempt, “the moving party  
 2 has the burden of showing by clear and convincing evidence that the contemnors  
 3 violated a specific and definite order of the court. The burden then shifts to the  
 4 contemnors to demonstrate why they were unable to comply.” *FTC v. Enforma*  
 5 *Natural Prods., Inc.*, 362 F.3d 1204, 1211 (9th Cir. 2004) (citation and quotation  
 6 marks omitted). A summary claim of inability to comply is insufficient; rather, the  
 7 alleged contemnor must submit evidence to support his claim, and must demonstrate  
 8 he made, in good faith, all reasonable efforts to comply. *Citronelle-Mobile*  
 9 *Gathering, Inc. v. Watkins*, 943 F.2d 1297, 1301 (11th Cir. 1991); *see also Rolex*  
 10 *Watch, U.S.A., Inc. v. Crowley*, 74 F.3d 716, 720 (6th Cir. 1996) (“[A] defendant  
 11 must show categorically and in detail why he or she is unable to comply with the  
 12 court’s order[.]”) (internal quotations and citation omitted)). An enjoined party may  
 13 not challenge the merits of the underlying injunction in a contempt proceeding. *Irwin*  
 14 *v. Mascott*, 370 F.3d 924, 931 (9th Cir. 2004) (internal quotations and citation  
 15 omitted).

#### 16 **IV. ARGUMENT**

##### 17 **A. Walmart is Violating the Injunction Order and Continues its** 18 **Unauthorized Use of Vans’ Trademarks and Trade Dress in a** 19 **Manner Likely to Cause Consumer Confusion.**

20 Walmart is violating the Injunction. The Court clearly and specifically  
 21 enjoined Walmart from using Vans’ trademarks and trade dress, along with any  
 22 confusingly similar marks. The Order requires that Walmart must, during this  
 23 litigation, refrain from:

- 24 1) “advertising, marketing, importing, manufacturing, promoting, offering  
 25 for sale, distributing, or selling the [set of pictured] sneakers, any other  
 26 colorways of the same shoe designs, [or] colorable imitations of the  
 27 [pictured] shoes”;

1           2) “using Walmart’s side stripe mark depicted on the [pictured] shoes, or  
2           any mark substantially similar thereto, on or in connection with any of  
3           Walmart’s shoes or related services”; and




4           3) “using Vans’ Side Stripe Mark, Old Skool trade dress, SK8-Hi trade  
5           dress, Old Skool Toddler trade dress (each as defined in Vans’  
6           Complaint in this action), or any of Vans’ registered trademarks, or any  
7           trade dress or trademark that is substantially similar thereto, on or in  
8           connection with Defendants’ shoes or related services.”

9       See Order (Dkt. 65) at 27-30. That is, under the first term, Walmart may not advertise,  
10       market, import, promote, offer, distribute, or sell either the shoes pictured in the Order  
11       or any “colorable imitations” of those shoes. *Id.* And under the third term, Walmart  
12       may not use Vans’ trademarks or trade dress, including anything “substantially  
13       similar thereto” on its shoes or related services. *Id.* This language is clear and  
14       unequivocal. Yet Walmart has failed to follow the Court’s Injunction in multiple  
15       respects, thereby continuing to harm Vans.

16                     ***1. Walmart is Violating the Order by Selling its “No Boundaries”***  
17                     ***Shoes Online.***

18           First, Walmart’s website is currently selling, advertising, offering, and  
19       distributing one of the shoes that is specifically depicted in the Injunction. This  
20       shoe—called the “No Boundaries” Men’s low top sneaker appears on Walmart’s  
21       website at the URLs [https://www.walmart.com/ip/No-Boundaries-Men-s-Low-](https://www.walmart.com/ip/No-Boundaries-Men-s-Low-Retro-Sneakers/539403103)  
22       [Retro-Sneakers/539403103](https://www.walmart.com/ip/No-Boundaries-Men-s-Mid-Retro-Lace-up-Casual-Sneakers/375500736) and [https://www.walmart.com/ip/No-Boundaries-Men-](https://www.walmart.com/ip/No-Boundaries-Men-s-Mid-Retro-Lace-up-Casual-Sneakers/375500736)  
23       [s-Mid-Retro-Lace-up-Casual-Sneakers/375500736](https://www.walmart.com/ip/No-Boundaries-Men-s-Mid-Retro-Lace-up-Casual-Sneakers/375500736). See Greene Decl., ¶¶ 12, 16, 17  
24       & Exhs. 6-7. A comparison of the Court’s Order and Walmart’s website leaves no  
25       doubt that this shoe is identical to the “No Boundaries Men’s Low-Top Shoe” that  
26       the Order clearly enjoins:  
27  
28



<b><i>Shoes Covered by the Court's Injunction</i></b>	<b><i>Shoes Being Sold by Walmart through its website</i></b>
 <p data-bbox="308 850 868 892"><b>No Boundaries Men's Low-Top Shoe</b></p> <p data-bbox="289 955 836 1134"><i>See Order (Dkt. 65) at 30 (including the image of this shoe to make clear that this shoe is within the scope of the Injunction).</i></p>	 <p data-bbox="885 703 1485 997"><i>See Greene Decl., ¶ 12; see also Exh. 4 to Greene Decl. (investigator report confirming he successfully purchased this shoe from Walmart's website on June 16, 2022); Greene Decl., ¶ 17 &amp; Exh. 6 (showing this shoe for sale as of July 21, 2022).</i></p>
 <p data-bbox="300 1669 868 1711"><b>No Boundaries Men's High-Top Shoe</b></p> <p data-bbox="289 1774 836 1869"><i>See Order (Dkt. 65) at 29 (including image of this shoe).</i></p>	 <p data-bbox="885 1711 1485 1848"><i>See Greene Decl. ¶ 17 &amp; Exh. 7 (showing this shoe listed for sale on Walmart's website as of July 21, 2022).</i></p>

Walmart is actively advertising, promoting, offering, distributing, and selling these “No Boundaries” shoes through its website. In fact, Vans’ investigator viewed one of the shoes at the above-listed URL on June 16, 2022, and submitted an order to purchase a pair of these shoes through the website that same day. *See* Exh. 4 to Greene Decl. at 3. Walmart filled the order and shipped the shoe, which was delivered on June 17, 2022. *Id.* The shoe actually received by the investigator also matches the image of the shoe set out in the Order and shown on Walmart’s website:



*See id.* at 10 (images of shoes that investigator received from Walmart). And as of July 21, 2022, this shoe remains available for sale on Walmart’s website. *See* Greene Decl., ¶ 16 & Exh. 6. More alarmingly, Vans learned on July 21, 2022, that the second style shown above (in white) is also now posted for sale on Walmart’s website. *See* Greene Decl., ¶ 17 & Exh. 7.

By advertising, offering, selling, and distributing these shoes, Walmart is violating the Order’s first term, which specifically prohibits these actions in connection with the shoes pictured by the Court and all colorable imitations thereof. *See* Order (Dkt. 65) at 27, 30. Without question, Walmart should be held in contempt for its failure to comply with the Injunction.



**2. *Walmart is Violating the Order by Selling Modified Side Stripe Shoe Styles both Online and in Retail Stores.***

Walmart is selling these shoes both online and in retail stores. Examples of these styles of shoes were identified by Vans' investigator at the Levelland, Texas Walmart retail store. *See* Exh. 3 to Greene Decl. (investigator report). The investigator observed and was able to purchase the following three pairs of these

shoes from this store on June 11, 2022:

While Walmart has now indicated that it will pull these shoes from stores and its website, Walmart has not provided any confirmation that these steps have actually been taken—or that its “pull and hold” efforts have been successful. *See* Greene Decl., ¶¶ 14-15. In Vans’ view, Walmart must actually show that its “pull and hold” orders are followed in its retail stores. This is crucial given that Vans has seen that the “pull and hold” efforts Walmart has taken with respect to other infringing shoes have *not* been followed at its retail locations. *Infra* § IV.A.3. Walmart must take

1 reasonable steps to ensure compliance, and this includes steps that will actually yield  
2 results.

3 Walmart has taken the position that the Modified Side Stripe Shoes are not  
4 subject to the Injunction Order. *See* Exh. 2 to Greene Decl. at 2 (correspondence  
5 from Walmart regarding compliance efforts). But that position is unsupported.  
6 Multiple terms of the Injunction encompass these shoes. The Order is not limited in  
7 scope to only the specific shoe styles and SKUs that are pictured therein. The scope  
8 of the Order is broader, prohibiting Walmart from (i) advertising, offering,  
9 promoting, distributing, and selling “colorable imitations” of the shoes that are  
10 pictured, and (ii) “using” any trademark or trade dress that is “substantially similar”  
11 to Vans’ trademarks and traded dress. *See* Order (Dkt. 65) at 27-30. Here, the  
12 Modified Side Stripe Shoes are colorable imitations of the shoes that the Court  
13 specifically identified in the Order, and also use trademarks and a trade dress that is  
14 substantially similar to Vans’ protected rights.

15 A “colorable imitation” of a trademark means a mark that is confusingly  
16 similar. 15 U.S.C. §§ 1171, 1114(1). The first term of the Order, then, encompasses  
17 shoes that are confusingly similar to those pictured in the Order and not just the  
18 specific SKUs or other colorways of the pictured shoes. *See Wolfard Glassblowing*  
19 *Co. v. Vanbragt*, 118 F.3d 1320, 1323-24 (9th Cir. 1997) (interpreting a similar  
20 provision enjoining “colorable imitations” as encompassing conduct beyond just  
21 “exact copies” of the infringing mark, and noting that “[t]he injunction’s prohibition  
22 of ‘colorable imitations’ would be of no effect” if a different interpretation was  
23 given). And here, the Modified Side Stripe Shoes incorporate nearly every element  
24 of the side stripe shoes that are pictured in the Order. In fact the primary distinction  
25 between these shoes and the shoes shown in the Order is that on the Modified Side  
26 Stripe Shoes, the side stripe is even more similar to the Vans Side Stripe Mark. These  
27 overwhelming similarities mean these Modified Side Stripe Shoes are “colorable  
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1 imitations.” *See id.* at 1323 (new lamp designed and sold by defendant was a  
2 “colorable imitation” of enjoined lamp where new lamp was nearly the same, with  
3 only a change in design shape). The Order consequently prohibits Walmart from  
4 advertising, promoting, offering, distributing, and selling these shoes. *See Order*  
5 (Dkt. 65) at 27.

6 Further, the Modified Side Stripe Shoes are substantially similar to Vans’  
7 protected Side Stripe Mark and protected trade dress, meaning that Walmart is  
8 violating the third term of the Order by selling these shoes. *See Order* (Dkt. 65) at  
9 30. These Modified Shoes contain nearly all the elements of the Old Skool trade  
10 dress and Old Skool Toddler trade dress that the Court protected in the Order. The  
11 sole differences—the color of the stitching and the shape of the side stripe—do little  
12 to distinguish the Modified Side Stripe Shoes from the other enjoined shoes that the  
13 Court has already found likely violate Vans’ trademark rights.

14 An examination of the side stripe detail on the Modified Shoes highlights the  
15 issue. In granting Vans’ preliminary injunction motion, the Court found that the  
16 shoes Walmart began selling in 2019 likely infringe on Vans’ Side Stripe Mark and  
17 will lead to consumer confusion. *See Order* (Dkt. 65) at 23 (summarizing analysis  
18 and conclusion of likelihood of confusion factors). This same conclusion must be  
19 reached with respect to the Modified Side Stripe Shoes, which feature a side stripe  
20 that resembles the Vans’ Mark even more closely, as shown here:  
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<i>Vans' Side Stripe</i>	<i>Walmart's prior side stripe shoes (pictured in the Injunction Order)</i>	<i>Modified Side Stripe Shoes</i>
	 Wonder Nation Toddler Shoe	

The tweaks that Walmart made in designing the Modified Side Stripe Shoes **increase** the association between these shoes and Vans, and the length, angles, and positioning of the side stripe on the Modified Shoe is even more similar to Vans' Mark. There is no credible basis for Walmart to assert that the Modified Side Stripe Shoes do not use a stripe that is substantially similar to Vans' protected Side Stripe Mark. *See, e.g., HM Electronics, Inc. v. R.F. Technologies, Inc.*, 2014 WL 12059031, at \*4 (S.D. Cal. Apr. 18, 2014) (finding that defendant in civil contempt for using "substantially similar" marks where defendant used similar marks on his website after injunction issued). Accordingly, Walmart is violating the third provision of the Injunction Order because it is using a trademark and trade dress that are substantially similar to Vans'. *See* Order (Dkt. 65) at 30.

Because the Order's scope encompasses the Modified Side Stripe Mark, Walmart's advertising, offering, distribution, and sale of these shoes online and in retail stores violates the Court's Order. *See Jerry's Famous Deli, Inc. v. Papanicolaou*, 383 F.3d 998, 1002-04 (9th Cir. 2004) (affirming order of contempt where defendant continued to use trademarks in violation of preliminary injunction). Walmart should be held in civil contempt.

1                   3.     ***Walmart Retail Stores Continue to Offer and Advertise Shoes***  
2                   ***Specifically Covered by the Injunction.***

3             Third, Walmart is violating the Order because Walmart is advertising, offering,  
4     distributing, and selling shoes covered by the Injunction in retail stores across the  
5     country. For example, retail stores in Levelland, Texas and Simi Valley, California  
6     both have enjoined shoes displayed in their merchandise:

<i>Shoes Covered by the Court's Injunction</i>	<i>Shoe Being Displayed in Walmart Retail Stores</i>
 <p data-bbox="386 1751 821 1782">Wonder Nation Boys' Low-Top Shoe</p> <p data-bbox="289 1860 678 1898"><i>See Order (Dkt. 65) at 27.</i></p>	  <p data-bbox="959 1797 1479 1917"><i>See Greene Decl., ¶ 11 (images of shoes displayed at Simi Valley location).</i></p>



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*See Greene Decl., ¶ 11 (images of shoes displayed at Simi Valley location).*



*See Ex. 3 to Greene Decl. (images of shoes displayed at Levelland, Texas location).*



**Wonder Nation Toddler Shoe**

*See Order (Dkt. 65) at 28.*



No Boundaries Men's High-Top Shoe

*See Order (Dkt. 65) at 28.*



*See Greene Decl., ¶ 11 (images of shoes displayed at Simi Valley location).*

Walmart is violating the Order enjoining it from offering and advertising these shoes. There can be no dispute here that the shoes pictured above are covered by the Order, meaning that Walmart is prohibited from advertising, offering, distributing, promoting, and selling these shoes. *See* Exh. 2 to Greene Decl. at 2 (correspondence from Walmart acknowledging that the shoes specifically pictured in the preliminary injunction order are enjoined). While Walmart represents that it has implemented procedures throughout its retail stores that prevent the enjoined shoes from actually being purchased, this mechanism does not satisfy the requirements here. Even if a consumer cannot actually complete a purchase of one of these shoes, consumers still see these shoes displayed in Walmart's stores and will believe that these shoes are for sale and can be purchased, meaning that the shoes are still being advertised, promoted, and offered by Walmart. *See Honor Plastic Indus. Co. Ltd. v. Lollicup USA, Inc.*, 466 F. Supp. 2d 1217, 1222-23 (E.D. Cal. 2006) (finding defendant in civil contempt of order enjoining the advertisement of goods bearing plaintiff's mark where defendant's website continued to show those goods even though no goods were

1 actually sold or delivered). Having these enjoined shoes on display in the same aisles  
2 that Walmart displays and sells the Modified Side Stripe Shoes exacerbates the  
3 problem, increasing the likelihood that consumers will believe these shoes and the  
4 Modified Side Stripe Shoes are genuine Vans' products. *See* Greene Decl., ¶ 11 &  
5 Exh. 3 (showing pictures of shoes being sold in the same displays); *Jerry's Famous*  
6 *Deli*, 383 F.3d at 1003-04 (affirming finding of civil contempt where defendant used  
7 a layout that was substantially similar to layout covered by preliminary injunction,  
8 and that the similarities between the trade dress would likely result in customer  
9 confusion despite a number of minor differences). Finally, there is no guarantee that  
10 sales restrictions will be effective. If a consumer encounters one of these enjoined  
11 shoes in a Walmart location and attempts to purchase it, a sales associate or manager  
12 may override any precautions.

13 Because these enjoined shoes are still being displayed for sale in Walmart retail  
14 locations, Walmart is not in compliance with this Court's Order.

15 **B. Walmart has Failed to Take Reasonable Steps to Comply with the**  
16 **Injunction.**

17 In light of these blatant violations of the Injunction, Walmart cannot meet its  
18 burden to show that it has taken reasonable measures to meet its duties. This is true  
19 with respect to both Walmart's online sales and its brick and mortar locations.

20 Walmart has represented that it undertook several steps in order to comply with  
21 the obligations set forth in the Order: (i) unpublishing the listings for enjoined shoes  
22 sold online; and (ii) issuing a "pull and hold" notice to retail stores concerning the  
23 enjoined shoes and instituting a sales restriction so that enjoined shoes cannot be  
24 purchased in stores. *See* Exh. 2 to Greene Decl. at 2 (correspondence from Walmart  
25 detailing compliance efforts to date). Accepting these representations as true,  
26 Walmart's efforts fall short—with respect to both (i) the shoes that Walmart concedes  
27 are enjoined, and (ii) the shoes that it (unreasonably) asserts are not enjoined.  
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1 First, Walmart has not taken reasonable steps to comply with the Order even  
2 with the shoes that are indisputably covered by the Order. Walmart continues to sell  
3 enjoined shoes online (including shoes that are specifically pictured in the Injunction  
4 and indisputably covered), and Walmart retail stores continue to display enjoined  
5 shoes (including shoes pictured in the Order) on shelves. *See* Greene Decl., ¶¶ 10-  
6 13, 16-17 & Exhs. 3-4, 6-7. The measures that Walmart undertook have not been  
7 effective, as described above. *See supra* § IV.A.1-3. Confirming Walmart’s  
8 indifference to its obligations, Walmart has not implemented steps to confirm  
9 whether or not its efforts have been successful. For instance, while Walmart  
10 unpublished most of the enjoined shoes from its website, at least two of these shoes  
11 are still being actively sold online. Exhs. 4, 6, 7 to Greene Decl. (showing sneakers  
12 currently available online for sale). For its retail stores, Walmart may have executed  
13 a “pull and hold” notice, but it has not implemented any tracking or follow-up  
14 procedures to ensure that individual stores carried out this directive—and it is clear  
15 that some stores have not followed through. *See* Greene Decl., ¶¶ 10-11 & Exhs. 2-  
16 3 to Greene Decl. Walmart must take reasonable actions to **fully** comply with the  
17 Injunction. Half measures are not enough. *See, e.g., Lollicup*, 466 F. Supp. 2d at  
18 1224 (imposing civil contempt sanctions where defendant made some efforts to  
19 comply with preliminary injunction but failed to fully comply, including by  
20 continuing advertisements bearing the enjoined mark).

21 With Walmart failing to take reasonable steps to ensure that its remedial  
22 measures have been successful, Walmart has effectively offloaded the burden onto  
23 Vans to scour Walmart’s operations to flag noncompliance. Vans is not well  
24 positioned to monitor Walmart retail stores for compliance and this responsibility  
25 should not fall on Vans in any event. *FTC v. Affordable Media*, 179 F.3d 1228, 1241  
26 (9th Cir. 1999) (“[T]he party asserting the impossibility defense must show  
27 ‘categorically and in detail’ why he is unable to comply” with injunction to avoid  
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1 contempt). Walmart is responsible for complying with the Order **in full**, and Walmart  
2 has not made reasonable efforts to do so here. *See HM Electronics*, 2014 WL  
3 12059031, at \*5 (finding that defendant had not taken reasonable steps to comply  
4 with injunction even where defendant corrected some issues that had been caused by  
5 “inadvertent error” based on court’s determination that defendant had continued to  
6 commit other violations of injunction).

7       Second, Walmart is not taking reasonable steps to comply with the Order  
8 because it has been outright flouting the Injunction with respect to the Modified Side  
9 Stripe Shoes. Walmart at first refused to take any action to stop selling these shoes.  
10 *See* Exh. 2 to Greene Decl. (correspondence from Walmart); Greene Decl., ¶¶ 5, 11  
11 & Exh. 3 (Modified Side Stripe Shoes being sold online and in stores). While  
12 Walmart has now softened its tune and made representations that it will cease its  
13 infringement with respect to these shoes as well, Walmart has not shown that it is  
14 actually putting its words into action. *See* Greene Decl., ¶¶ 14-15. As explained  
15 above, *supra* § IV.A.2, these shoes are covered by multiple provisions of the Order,  
16 and Walmart is prohibited from advertising, offering, selling, promoting,  
17 manufacturing, or distributing these shoes while the Injunction is in effect. *See* Order  
18 (Dkt. 65) at 27-31. Walmart must be held to the same standard with respect to the  
19 Modified Side Stripe Shoes that applies with respect to the other shoes specifically  
20 pictured in the Order. *Toyo Tire & Rubber Co. v. Hong Kong Tri-Ace Tire Co.*, 281  
21 F. Supp. 3d 967, 987 (C.D. Cal. 2017) (“Quite frankly, Defendants do not really deny  
22 that they could have complied with the injunction, but rather, only provide insight as  
23 to why they chose not to comply with the injunction.”).

### 24       **C. Sanctions are Warranted**

25       Vans has shown clear and convincing evidence that Walmart has violated this  
26 Court’s order. Because Walmart’s conduct has made clear that it will continue to  
27 violate the Order unless and until this Court takes further steps to enforce its  
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1 Injunction, Vans respectfully requests that the Court order coercive sanctions to  
 2 prevent further violations and order Walmart to pay Vans' attorneys' fees and costs  
 3 incurred in bringing this motion.

4 ***1. Walmart Should be Ordered to Pay Vans' Attorneys' Fees and***  
 5 ***Costs Incurred in Connection with this Motion.***

6 It is well within a district court's discretion, after finding a party in contempt  
 7 of an order enjoining a defendant from infringing a trademark, to award attorneys'  
 8 fees to a party who successfully establishes civil contempt. Moreover, "civil  
 9 contempt need not be willful to justify a discretionary award of fees and expenses as  
 10 a remedial measure." *Perry v. O'Donnell*, 759 F.2d 702, 704 (9th Cir. 1985). A  
 11 contrary rule would prevent a party proving contempt from being fully compensated  
 12 in many cases. *Id.* at 705.

13 Here, an award of attorneys' fees and costs to Vans is appropriate and  
 14 warranted as compensation for compelling Walmart to do what it should have done  
 15 in the first place—fully comply with the Court's Order. If Walmart had respected  
 16 the Court's Order and complied with the Injunction, Vans would have no reason to  
 17 bring this motion to compel obedience. *See Harcourt Brace Jovanovich Legal &*  
 18 *Prof'l Publ'ns v. Multistate Legal Studies*, 26 F.3d 948, 953 (9th Cir. 1994) (granting  
 19 district court discretion to award attorneys' fees for civil contempt orders). The Court  
 20 should find that Vans is entitled to an award of attorneys' fees here so that Walmart  
 21 (not Vans) faces the financial burdens of bringing Walmart into compliance. *See*  
 22 *Hous. Rts. Ctr. v. Sterling*, No. CV 03-859 DSF, 2004 WL 3610228, at \*3 (C.D. Cal.  
 23 Dec. 29, 2004) (ordering contemnor to reimburse other party for attorneys' fees  
 24 incurred in bringing contemnor into compliance). This award should also require  
 25 Walmart to reimburse Vans for its related costs, including the costs to hire  
 26 investigators to research and document Walmart's noncompliance with the Order.  
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1 Here again, if Walmart had properly complied with its obligations, then Vans would  
2 not have been forced to incur these costs.

3 **2. The Court Should Impose a Schedule of Fines to Compel**  
4 **Walmart's Compliance.**

5 The Court should also establish a schedule of fines on a going-forward basis  
6 should Walmart continue to fail to comply with the Order. Courts often impose fines  
7 where a party is in civil contempt, as a monetary fine can coerce compliance. *See*  
8 *Int'l Union v. Bagwell*, 512 U.S. 821, 829 (1994). “If the fine, or any portion of the  
9 fine, is coercive, it should be payable to the court. In determining how large a  
10 coercive sanction should be the court should consider the character and magnitude of  
11 the harm threatened by continued contumacy, and the probable effectiveness of any  
12 suggested sanction.” *General Signal Corp. v. Donallco, Inc.*, 787 F.2d 1376, 1380  
13 (9th Cir. 1986) (citations omitted). Courts also should take into account “the amount  
14 of defendant’s financial resources and the consequent seriousness of the burden to  
15 that particular defendant.” *United States v. United Mine Workers*, 330 U.S. 258, 304  
16 (1947).

17 Vans submits that a fine of \$3,000 per day is both reasonable and appropriate  
18 if Walmart continues to fail to comply with the Order. *United States v. Ayres*, 166  
19 F.3d 991, 995 (9th Cir. 1999) (“One of the paradigmatic civil contempt sanctions is  
20 a per diem fine imposed for each day a contemnor fails to comply with an affirmative  
21 court order.”) (internal citations and quotations omitted). A fine of this amount would  
22 be effective in encouraging Walmart to satisfy its obligation to undertake all  
23 reasonable efforts to comply with the Injunction. *See, e.g., Lollicup*, 466 F. Supp. 2d  
24 at 1225 (fine of \$3,000 per day); *HM Electronics*, 2014 WL 12059031, at \*6 (daily  
25 fine of \$2,500 until defendant came into compliance with order).

1 **V. CONCLUSION**

2 Vans has shown clear and convincing evidence that Walmart has violated this  
 3 Court's order. Walmart's conduct has made clear that it will continue to violate the  
 4 preliminary injunction unless and until this Court takes further steps to enforce its  
 5 order. Vans requests this Court issue an Order to Show Cause re: Civil Contempt  
 6 and Sanctions and find Walmart in civil contempt based on the violations outlined in  
 7 this motion. Vans further requests this Court issue coercive sanctions to prevent  
 8 further violations and order Walmart to pay Vans' attorneys' fees and costs incurred  
 9 in bringing this motion.

10  
 11 DATED: July 22, 2022

MCGUIREWOODS LLP

12  
 13 By */s/ Tanya L. Greene*

14 :

\_\_\_\_\_  
 15 Tanya L. Greene  
 16 Lucy Jewett Wheatley  
 17 Nicholas J. Hoffman  
 18 Claire Hagan Eller

19 Attorneys for Plaintiffs Vans, Inc.  
 20 and VF Outdoor, LLC  
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**CERTIFICATE OF SERVICE**

I hereby certify that on **July 22, 2022**, I electronically transmitted the foregoing document to the Clerk's Office using the CM/ECF System for filing and service via transmittal of a Notice of Electronic Filing.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on **July 22, 2022**, at Los Angeles, California.

/s/ Tanya L. Greene  
Tanya L. Greene  
McGuireWoods LLP