

SKECHERS USA, Inc. Sues Maker of Bernie Mev Footwear for Infringing on Its Skech-Air® by SKECHERS® Line

MANHATTAN BEACH, Calif.--(BUSINESS WIRE)-- <u>SKECHERS USA, Inc.</u> (NYSE:SKX), a global leader in the lifestyle and performance footwear industry and the number two footwear brand in the United States, today announced that it filed a lawsuit against Eliya, Inc., maker of Bernie Mev footwear, for marketing and distributing footwear that infringes on its popular Skech-Air® by SKECHERS® product line.



Skech-Air® by SKECHERS® and Bernie Mev outsole design (Photo: Business Wire)

The suit, filed in the United States District Court for the Central District of California, seeks compensatory and punitive damages as well as injunctive relief for infringing on multiple SKECHERS' patents and the unique Skech-Air by SKECHERS trade

dress and for breaching a prior settlement agreement between the parties relating to the Skech-Air by SKECHERS footwear design. The suit states that Eliya is selling the infringing products as part of its Bernie Mev Gummies collection.

"SKECHERS has invested tremendous resources into designing, developing, advertising and patenting our Skech-Air by SKECHERS product lines and has built them into a name and look globally recognized and synonymous with SKECHERS," stated David Weinberg, chief operating officer and chief financial officer of SKECHERS. "We confronted Eliya about the Bernie Mev Gummies styles last fall when we saw them advertised and they represented to us that they made no sales of the infringing products in the United States and would not do so. However, the infringing Bernie Mev footwear is now in domestic sales channels where the SKECHERS products are sold, and we believe this is impacting our brand image and sales. Considering our investment in the Skech-Air by SKECHERS product lines, including national advertising campaigns, we will not allow anyone to infringe on our valuable intellectual properties. We plan on taking similar action against any company that develops any products that infringe on the patents and trade dress of the Skech-Air by SKECHERS product line or any of our other popular product lines, and any retailer that sells the Bernie Mev Gummies style."

<u>SKECHERS</u> is being represented in the suit by Marshall Lerner and Vivian Wang of Kleinberg & Lerner in Los Angeles.

About SKECHERS USA, Inc.

SKECHERS USA, Inc., based in Manhattan Beach, California, designs, develops and markets a diverse range of lifestyle footwear for men, women and children, as well as performance footwear for men and women. SKECHERS footwear is available in the United States and over 160 countries and territories worldwide via department and specialty stores, more than 1,410 SKECHERS Company-owned and third-party retail stores, and the Company's e-commerce website. The Company manages its international business through a network of global distributors, joint venture partners in Asia, and wholly-owned subsidiaries in Brazil, Canada, Chile, Japan, Latin America and throughout Europe. For more information, please visit skechers.com and follow us on Facebook (facebook.com/SKECHERSUSA).

This announcement contains forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forwardlooking statements include, without limitation, the Company's future domestic and international growth, financial results and operations including expected net sales and earnings, its development of new products, future demand for its products, its planned domestic and international expansion and opening of new stores, the completion of the expansion and upgrade of the Company's European Distribution Center, and advertising and marketing initiatives. Forward-looking statements can be identified by the use of forwardlooking language such as "believe," "anticipate," "expect," "estimate," "intend," "plan," "project," "will be," "will continue," "will result," "could," "may," "might," or any variations of such words with similar meanings. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in forward-looking statements. Factors that might cause or contribute to such differences include international economic, political and market conditions including the uncertainty of sustained recovery in Europe; entry into the highly competitive performance footwear market; sustaining, managing and forecasting costs and proper inventory levels; losing any significant customers; decreased demand by industry retailers and cancellation of order commitments due to the lack of popularity of particular designs and/or categories of products; maintaining brand image and intense competition among sellers of footwear for consumers; anticipating, identifying, interpreting or forecasting changes in fashion trends, consumer demand for the products and the various market factors described above; sales levels during the spring, back-to-school and holiday selling seasons; and other factors referenced or incorporated by reference in the Company's annual report on Form 10-K for the year ended December 31, 2015. The risks included here are not exhaustive. The Company operates in a very competitive and rapidly changing environment. New risks emerge from time to time and the companies cannot predict all such risk factors, nor can the companies assess the impact of all such risk factors on their respective businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results. Moreover, reported results should not be considered an indication of future performance.

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