



## **Old Friend® Footwear Files Motion in Patent Case**

***The company announces action to vigorously defend its right to sell and distribute its proprietary-designed NOTHINZ foam clog – Claims Inequitable Conduct By Crocs – Seeks damages***

For Immediate Release

Contact: Cheryl Engstrom  
425-487-0682  
[Cheryl@engstrompr.com](mailto:Cheryl@engstrompr.com)  
Denise Gaffney Neu  
206-790-0907  
[denise@neuideasgroup.com](mailto:denise@neuideasgroup.com)

**Las Vegas, Nevada – (August 1, 2006)** – Australia Unlimited, Inc., owner of Old Friend® Footwear, announced at the World Shoe Association (“WSA”) trade show in Las Vegas its formal responses to Crocs’ patent infringement suit and the filing of a Motion with the United States International Trade Commission (“ITC”) for a partial summary determination in its favor.

The company filed a Motion with the ITC seeking removal of NOTHINZ from Crocs’ patent infringement claims brought pursuant to US Patent No. 6,993,858 (the ‘858 patent). The Company also asks for attorney’s fees in connection with defending what it and many others have called frivolous litigation on behalf of Crocs.

Crocs’ patent infringement suit was filed against Australia Unlimited and ten other importers of lightweight foam clogs with the ITC and federal district court in Colorado. The Colorado litigation is currently stayed pending a determination by the ITC. The ITC is a quasijudicial federal agency responsible for investigating matters relating to U.S. foreign trade. Australia Unlimited took action to protect its right to continue to import and sell its proprietary-designed foam footwear marketed under the NOTHINZ brand.

“We view Crocs’ actions as desperate attempts to eliminate us as a competitor,” says Jim Klavano, Australia Unlimited’s founder and president. “Crocs’ action has no legitimate basis. We plan to vigorously defend our right to sell our full line of shoes. We are part of a small group currently fighting Crocs’ baseless claims, but we probably won’t be the last.”

Australia Unlimited contends that the continued maintenance of infringement claims based on the ‘858 patent caused the company unnecessary expense and damage to its reputation. Crocs is seeking the general exclusion of a wide array of moldable foam footwear, including foam footwear of a general look and style that was sold by others in this category well before Crocs entered the market.

In today’s court filings Australia Unlimited claims:

- That Crocs filed its Complaint with the ITC accusing a shoe that Australia Unlimited no longer makes despite having knowledge of that fact;
- That material information about the original design of Crocs’ shoe, which includes activities in 2000 by an Italian designer, was not disclosed by Crocs during prosecution of its patents in the U.S.;

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- That NOTHINZ has not infringed on any patents or trade dress claimed by Crocs, because, among other things, NOTHINZ are sold in distinctive packaging and NOTHINZ have a distinctively different ventilator pattern than Crocs.

The company's formal response to the Colorado litigation includes a Countersuit, seeking a Court order invalidating Crocs' patents and holding them unenforceable due to failure to disclose material information to the U.S. Patent and Trademark office. Australia Unlimited also seeks its attorney's fees and damages for alleged patent misuse by Crocs.

Australia Unlimited's claims against Crocs must await a final ruling from the ITC on Crocs' pending investigation.

"We sincerely hope that the courts will view this lawsuit with a fair eye toward small business," says Klavano. "Giant companies, like Crocs, should not be able to misuse patent laws to lock up public ideas and concepts in order to gain an unfair competitive advantage."

### **About Old Friend® Footwear**

Old Friend® Footwear is a division of Australia Unlimited, Inc. The company manufactures Old Friend® Sheepskin Slippers and footwear, Old Friend® Reflex Massage Sandals, and NothinZ™ lightweight polymer clogs in men's, women's, children's, and wide styles and sizes. The company's footwear is imported and distributed globally; and throughout the U.S. at some 3,500 independent retailer locations, from online retailers such as [www.zappos.com](http://www.zappos.com) and [www.slipperstore.com](http://www.slipperstore.com), and through popular catalogues. Australia Unlimited is a privately-held corporation with headquarters in Kent, Washington. Additional information is available at [www.olderfriendsslipper.com](http://www.olderfriendsslipper.com).

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