



1 made for its rocker-bottom footwear products, including Shape-ups, Tone-ups, and the Skechers  
2 Resistance Runner.

3 4. The Attorney General has reason to believe that this action is in the public  
4 interest.

5 5. This Complaint is being filed concurrently with a Stipulated General Judgment.  
6 The Defendant has agreed to waive the requirement of ten days' notice of contemplated legal  
7 action as set forth in ORS 646.632(2).

### 8 JURISDICTION AND VENUE

9 6. This Court has personal jurisdiction over Defendant pursuant to ORCP 4 A(4).  
10 Venue is proper in Marion County pursuant to ORS 646.605(1)(c), as it is where the alleged  
11 unfair and deceptive practices have taken place and the Defendant has transacted business.

### 12 THE PARTIES

13 7. Plaintiff, State of Oregon ex rel. John Kroger, Attorney General, is charged with  
14 enforcing the Unlawful Trade Practices Act, ORS 646.605 to 646.656, which prohibits  
15 unconscionable or deceptive acts or practices committed in the course of trade or commerce.  
16 Pursuant to ORS 646.632(1), the Attorney General may initiate civil law enforcement  
17 proceedings in the name of the State to stop violations of the UTPA and to secure such equitable  
18 and other relief as may be appropriate in each case. The State of Oregon brings this action to  
19 secure a permanent injunction, attorneys' fees, civil penalties, and other equitable relief against  
20 the Defendant for engaging in unfair and deceptive acts or practices in connection with the  
21 advertising, marketing, and sale of its footwear products.

22 8. The Defendant, Skechers USA, Inc., is incorporated in Delaware with its principal  
23 place of business in Manhattan Beach, California. The Defendant has marketed, distributed, and  
24 sold shoe products to consumers throughout the United States, including Oregon. Skechers  
25 USA, Inc. is a publicly traded corporation.

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## GENERAL ALLEGATIONS

The State of Oregon alleges that at all times material herein:

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9. The Defendant has made health-related claims in the marketing, packaging, advertising, offering, and selling of its line of rocker-bottom shoe products including Shape-ups, Tone-ups, and the Skechers Resistance Runner that were not substantiated by competent and reliable scientific evidence at the time the claims were made.

10. The Defendant has asserted, without adequate support, that its rocker-bottom shoe products cause one to lose weight, burn calories, improve one's circulation, fight cellulite, firm, tone or strengthen thigh, buttock and back muscles.

## SPECIFIC ALLEGATIONS

11. Rocker-bottom shoes are shoes that are designed to be unstable when worn. Unlike traditional shoes, rocker-bottom shoes contain a deeper, curved midsole that purports to simulate walking on sand and the kinematics of long-distance, barefoot runners.

12. In 2008, following the commercial success of a smaller competitor Masai Barefoot Technology (MBT) with rocker-bottom shoes, Skechers USA, Inc. launched its own line of rocker-bottom footwear products nationwide.

13. Skechers' version of a rocker-bottom shoe is made of firm and compressible polyurethane and is much lighter and more flexible than the MBT version.

14. Skechers sold its line of rocker-bottom shoes to consumers in Oregon through its websites (myshapeups.com and skechers.com), through its own brick-and-mortar retail stores, and through third party retailers like Famous Footwear, Footlocker, Dillard's and others.

15. From the product launch until the present, Skechers rocker-bottom shoes have sold at various retail prices, but have most often been sold for between \$110 and \$120.

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1           16. In the course of marketing its rocker-bottom shoe lines including in  
2 advertisements such as Exhibit A to this Complaint, Skechers has asserted a wide-range of  
3 purported benefits, including that its products:

- 4 • Create or promote weight loss;
- 5 • Burn more calories;
- 6 • Firm buttocks muscles;
- 7 • Reduce or fight cellulite;
- 8 • Improve blood circulation;
- 9 • Firm calf muscles;
- 10 • Reduce joint stress;
- 11 • Tone and firm thigh muscles;
- 12 • Tighten abdominal muscles;
- 13 • Strengthen back muscles;
- 14 • Improve sleep; and
- 15 • Reduce stress

16 when it did not have competent and reliable scientific evidence to substantiate the claims at the  
17 time that they were made.

18           17. Skechers has marketed its rocker-bottom footwear products to both men and  
19 women, but has focused most of its marketing efforts on fitness-conscious or fitness-aspiring  
20 women in their 20's and 30's.

21           18. In marketing to women, Skechers especially highlighted the purported ability of  
22 its rocker-bottom shoes to cause weight loss and firm buttocks muscles as shown in Exhibit B to  
23 this Complaint.

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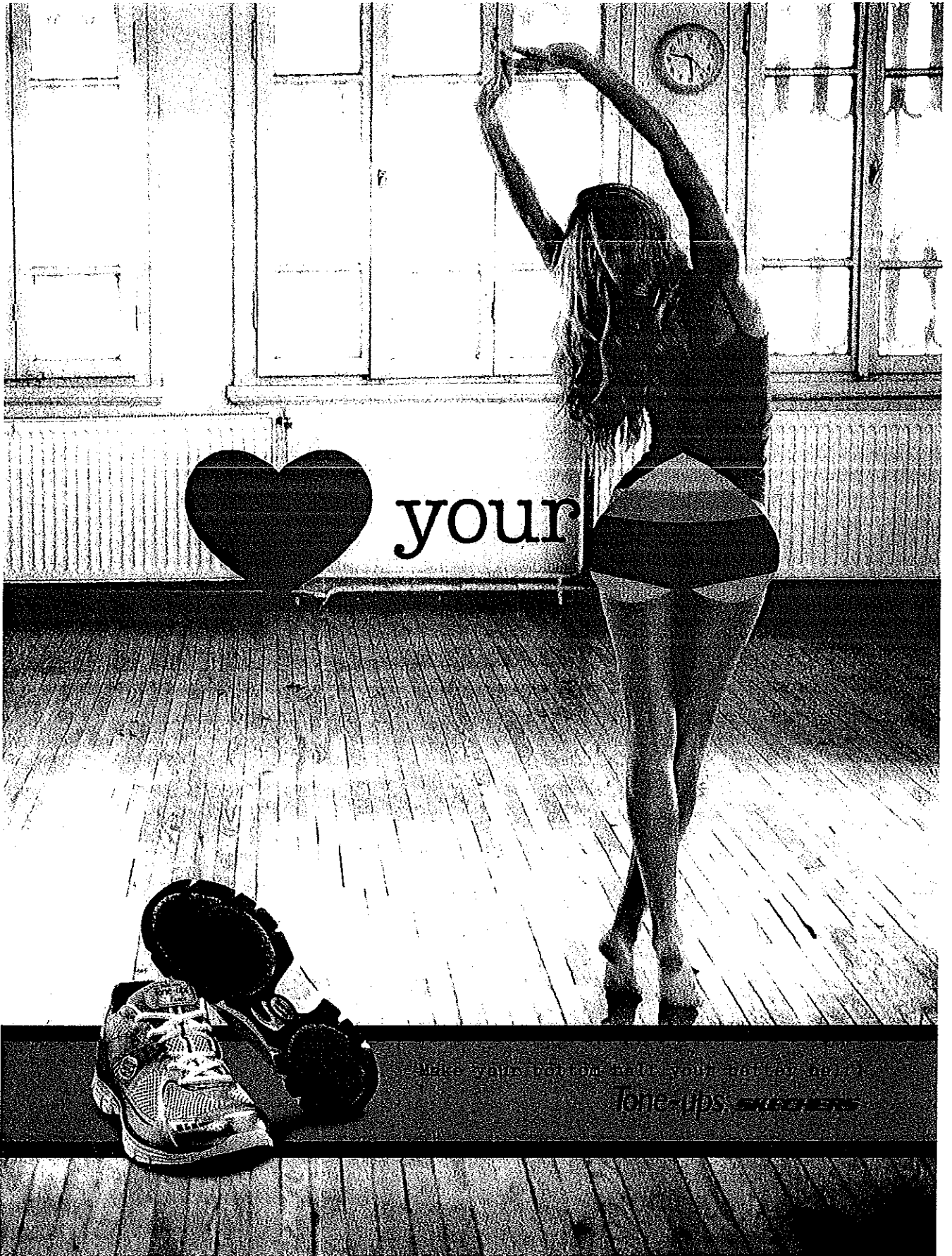


**EXHIBIT A**

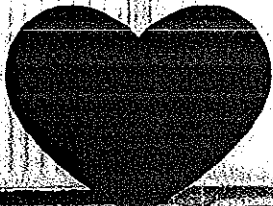




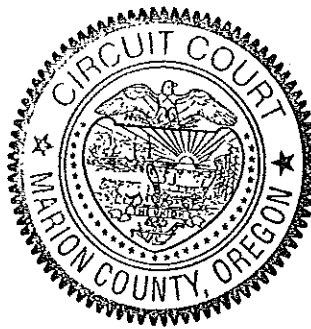
**EXHIBIT B**



your



More ways to love your feet. Introducing  
**Tone-Ups** SKECHERS



STATE OF OREGON } ss  
County of Marion

The foregoing copy has been compared and is certified by me as a full, true and correct copy of the original on file in my office and in my custody.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of the

Court on: 11/16/2012  
TRIAL COURT ADMINISTRATOR

By: [Signature]