

**Contact:**

Lindsey Carlin  
Cohn & Wolfe  
[lindsey.carlin@cohnwolfe.com](mailto:lindsey.carlin@cohnwolfe.com)  
(917) 607-1194

Esther Rawlings  
Cohn & Wolfe  
[esther.rawlings@cohnwolfe.com](mailto:esther.rawlings@cohnwolfe.com)  
(213) 268-1433

## **Innovation First Winning Fight Against Knock-offs of HEXBUG® Nano™ Toy**

*Lawsuits and investigations lead to over 1,000 successful enforcement actions worldwide*

**New York – February 13, 2011** – On the morning of the American International Toy Fair in New York, Innovation First International is pleased to report numerous victories in its fight against a global surge of knock-off and counterfeit products that imitate the company's highly successful HEXBUG® Nano™ brand toys. Since the launch of an aggressive campaign last year, the company reports over 1,000 successful enforcement actions thus far worldwide. At the recent Hong Kong, London and Nuremburg toy fairs, the company was successful at removing copycat products from the displays of over 40 separate infringing companies. Additionally, numerous websites and wholesale trade portals have removed products found to be in violation.

Innovation First has also been successful in courtroom litigation, having successfully resolved the lawsuit filed last May against Urban Trend, LLC. The case, filed in United States District Court for the Northern District of Texas, claimed trade dress infringement, violations of the Lanham Act and other wrongful conduct in offering knock-offs. Key terms of the settlement include a cash payment to Innovation First, the transfer of ownership of the "i-insect" brand to Innovation First, and the transfer of all worldwide intellectual property rights owned by Urban Trend in the "i-insect" to Innovation First. Further, Urban Trend agreed to cease the design, manufacture and sale of the "i-insect" products and vibrating locomotion toys immediately. Urban Trend will also deliver the molds, dies and tooling used for creating i-insect to Innovation First in China.

"The successful enforcement actions along with the Urban Trend settlement are significant steps in our ongoing global campaign to protect our HEXBUG® Nano™ intellectual property," said Tony Norman, president and chief executive officer of Innovation First International, Inc. "Along with our litigation victory, we are pleased with our recent successes in removing knock-off products from the internet and from the floor of the major international toy fairs. We will continue aggressively to pursue any and all violators who infringe our intellectual property, and we intend to police the upcoming New York Toy Fair for violators."

Another major asset in the war on knock-offs is the new European distribution partner for HEXBUG®, Spin Master Ltd. The global brand building power of Spin Master now gives the HEXBUG® Nano™ visibility throughout Europe, making knock-off products less appealing to retailers. Spin Master assembled an extensive worldwide network of investigators, enforcement agents and legal teams during their successful three year battle against knock-offs of the Bakugan Toy and Entertainment property. This network has recently been made available to Innovation First, and Innovation First has obtained outstanding initial results using this network against knock-off producers.

"We are very pleased to be partnering with a great brand like HEXBUG®, and a highly creative company like Innovation First," said Anton Rabie, president and chief executive officer of Spin Master. "We have a vested interest in the success of HEXBUG® and have given Innovation First full access to all of our resources in this important fight against HEXBUG® knock-offs."

Additionally, lawsuits filed last year, asserting claims for common law misappropriation, unjust enrichment and violations of other intellectual property rights, remain pending against companies accused of manufacturing, advertising, promoting, distributing and/or selling products that were derived from innovative components of the HEXBUG® Nano™ micro robotic toy. These matters have been, and will continue to be pursued aggressively. Although legal battles will continue through the court system, consumers may have already rendered their verdict as offending product is starting to show up on clearance shelves. Innovation First has also pursued, and will continue to pursue, patent protection for the HEXBUG® Nano™. The product is extremely unique in form and function, which lends to the very broad and defensible copyrights, trademarks, design and utility patents that Innovation First is seeking and has obtained.

###



### **About HEXBUG and Innovation First:**

HEXBUG® is a product line developed by Innovation First Inc., and distributed and marketed by Innovation First Labs, Inc., both wholly owned subsidiaries of privately held Innovation First International, Inc. The company was founded on the belief that innovation very early in the design process is necessary to produce simple and elegant product designs. Innovation First began developing electronics for unmanned mobile ground robots and is now an industry leader in research and development for the hobby, competition, education and toy markets.

Innovation First International's three main subsidiaries, VEX Robotics, Inc., Innovation First Labs, Inc. (makers of HEXBUG® Micro Robotic Creatures), and RackSolutions, Inc. span the education, consumer and business-to-business markets. The VEX® Robotics Design System is the leading platform for middle school and high school education and competitive robotics. Leveraging the company's core competency in electrical and mechanical engineering, the RackSolutions® division works closely with all major computer OEMs to provide custom mounting solutions and industry-wide rack compatibility for data installations of all sizes.

In the 2009 the company added offices in Hong Kong, China and the United Kingdom to better serve the global marketplace. This network was expanded to Canada in 2010 with the addition of an office, warehouse and distribution center located in Toronto. With an advanced in-house metal fabrication plant, distribution center and corporate office located together in a 13-acre complex in Greenville, Texas, the company is poised to continue on a rapid growth path. Please visit [www.innovationfirst.com](http://www.innovationfirst.com) for additional information.

