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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

NISSAN MOTOR CO., LTD.;)	Case No. CV 99-12980 DDP (Mcx)
NISSAN NORTH AMERICA, INC.,)	
)	ORDER
Plaintiffs,)	(1) DENYING DEFENDANT'S MOTION
)	TO DISMISS; AND
v.)	(2) GRANTING PLAINTIFFS' MOTION
)	FOR PRELIMINARY INJUNCTION
NISSAN COMPUTER CORPORATION,)	[Motions filed on 12-10-99 and
)	2-4-00]
Defendant.)	
_____)	

The defendant's motion to dismiss and the plaintiffs' motion for a preliminary injunction came before the Court for oral argument on March 13, 2000. After reviewing and considering the materials submitted by the parties and hearing oral argument, the Court adopts the following order.

I. Background

Plaintiff Nissan Motor Co., Ltd., is a large Japanese automaker. Its subsidiary, plaintiff Nissan North America, Inc., markets and distributes Nissan vehicles in the United States. Nissan Motor Co. owns, and Nissan North America is the exclusive

1 licensee of, various registered trademarks using the word "Nissan"
2 in connection with automobiles and other vehicles. (Rinek Decl.
3 ¶¶ 4-5.) The first such trademark was registered in 1959. (Id.)
4 Nissan North America also operates an Internet website at
5 "www.nissan-usa.com."

6 The defendant, Nissan Computer Corporation, is a North
7 Carolina company in the business of computer sales and services.
8 The company was incorporated in 1991 by Uzi Nissan, its current
9 president. (Nissan Decl. re: Prelim. Inj. ¶ 6.) Mr. Nissan has
10 used his surname in connection with various businesses since 1980.
11 (Id. ¶¶ 2-3.) Nissan is also a term in the Hebrew and Arabic
12 languages. (Id. ¶ 2 & Ex. 38.) In 1995, the defendant registered
13 a trademark for its Nissan Computer logo with the state of North
14 Carolina. (Id. Ex. 45.)

15 The defendant registered the Internet domain names
16 "nissan.com" and "nissan.net" in May 1994 and March 1996,
17 respectively. (Compl. Exs. B, C.) For the next several years, the
18 defendant operated websites at these addresses providing computer-
19 related information and services. In July 1995, the plaintiffs
20 sent the defendant a letter expressing "great concern" about use of
21 the word Nissan in the defendant's domain name. (Nissan Decl. re:
22 Prelim. Inj. ¶ 15 & Ex. 44.)

23 In August 1999, the defendant altered the content of its
24 "nissan.com" website. (Davis Decl. Ex. E.) The website was
25 captioned "nissan.com," and displayed a "Nissan Computer" logo that
26 is allegedly confusingly similar to the plaintiffs' "Nissan" logo.
27 (Id. Exs. E, G.) In addition, the website displayed banner
28 advertisements and web links to various Internet search engines and

1 merchandising companies. (Id. Ex. E.) These advertisements
2 included links to automobile merchandisers, such as
3 "cartrackers.com" and "1StopAuto.com;" links to auto-related
4 portions of search engines; and links to topics such as "Car
5 Quotes," "Auto Racing," and "Off Road." (Id. Ex. E; Schindler
6 Decl. re: Prelim. Inj. Ex. E.)

7 In October 1999, the parties met to discuss the possible
8 transfer of the nissan.com domain name. (Nissan Decl. re: Mot.
9 Dism. ¶¶ 9-10; Davis Decl. ¶¶ 11-12.) In the course of these
10 discussions, Mr. Nissan admittedly stated that he would not sell
11 the domain name except for several million dollars, and made a
12 proposal involving monthly payments in perpetuity. (Davis Decl. ¶
13 11; Def.'s Opp'n re: Prelim. Inj. at 9-10.) Negotiations were
14 unsuccessful.

15 On December 10, 1999, the plaintiffs filed a complaint in this
16 Court alleging: (1) trademark dilution in violation of federal and
17 state law; (2) trademark infringement; (3) domain name piracy; (4)
18 false designation of origin; and (5) state law unfair competition.
19 Also on December 10, the Court denied the plaintiffs' request for a
20 temporary restraining order and scheduled the matter for a
21 preliminary injunction hearing. The Court also approved limited
22 expedited reciprocal discovery.

23 The plaintiffs' motion for a preliminary injunction came
24 before the Court for oral argument on February 7, 2000. The
25 plaintiffs seek an order, inter alia, enjoining the defendant from
26 displaying advertisements and links on its websites and requiring
27 the defendant to display a disclaimer and link to the plaintiffs'
28 website. Alternatively, the plaintiffs seek an order restraining

1 the defendant from using the nissan.com and nissan.net websites
2 pending resolution of this action.

3 The defendant now moves to dismiss for lack of personal
4 jurisdiction or, in the alternative, for improper venue. The Court
5 deferred ruling on the preliminary injunction pending settlement
6 discussions and briefing on the defendant's motion.

7

8 **II. Defendant's Motion to Dismiss for Lack of Personal**
9 **Jurisdiction**

10 A. Legal Standard

11 A federal court's exercise of personal jurisdiction must
12 comport both with the long-arm statute of the state in which it
13 sits and with the constitutional requirement of due process.
14 California's long-arm statute is coextensive with due process
15 requirements. See Cal. Civ. Proc. Code § 410.10; Data Disc, Inc.
16 v. Systems Tech. Assocs., Inc., 557 F.2d 1280, 1286 (9th Cir.
17 1977). Due process requires that the nonresident defendant have
18 "certain minimum contacts with [the forum] such that the
19 maintenance of the suit does not offend 'traditional notions of
20 fair play and substantial justice.'" International Shoe Co. v.
21 Washington, 326 U.S. 310, 316 (1945) (internal citation omitted).

22 As discussed further below, a federal court may exercise
23 either general or specific personal jurisdiction. The plaintiff
24 bears the burden of establishing the necessary jurisdictional
25 facts. See Flynt Distrib. Co., Inc. v. Harvey, 734 F.2d 1389, 1392
26 (9th Cir. 1984). To survive a motion to dismiss for lack of
27 personal jurisdiction, however, the plaintiff need only make a
28 prima facie showing of jurisdiction. See Ziegler v. Indian River

1 County, 64 F.3d 470, 473 (9th Cir. 1995). In determining whether
2 the plaintiff has met this burden, the Court must take the
3 allegations in the plaintiff's complaint as true and resolve
4 disputed jurisdictional facts in the plaintiff's favor. See AT&T
5 Co. v. Compagnie Bruxelles Lambert, 94 F.3d 586, 588-89 (9th Cir.
6 1996).

7 B. General Personal Jurisdiction

8 General personal jurisdiction may be exercised as to any cause
9 of action, if the defendant is domiciled in the forum state or if
10 its activities there are "substantial" or "continuous and
11 systematic." Helicopteros Nacionales de Colombia, S.A. v. Hall,
12 466 U.S. 408, 414-16 (1984).

13 In this case, the plaintiffs do not argue that the Court has
14 general personal jurisdiction over the defendant. (Opp'n at 12
15 n.5.) Moreover, there is no evidence that the defendant has
16 "substantial" or "continuous and systematic" contacts with
17 California. The defendant has offices and employees only in North
18 Carolina, offers only local Internet access, and apparently limits
19 its sales and advertising to the East Coast. (Nissan Decl. re:
20 Mot. Dism. ¶¶ 4-5.) Accordingly, the Court finds that the
21 plaintiffs have not established a basis for general personal
22 jurisdiction over the defendant.

23 C. Specific Personal Jurisdiction

24 Specific personal jurisdiction may be exercised when the
25 "nature and quality" of the defendant's contacts with the forum
26 state are significant in relation to the specific cause of action.
27 Data Disc, 557 F.2d at 1287. Specific jurisdiction requires a
28 showing that: (1) the nonresident defendant purposefully directed

1 its activities toward the forum state; (2) the plaintiff's claim
2 arises out of or results from the defendant's forum-related
3 activities; and (3) the forum's exercise of personal jurisdiction
4 is reasonable. See Burger King Corp. v. Rudzewicz, 471 U.S. 462,
5 477-78 (1985); Lake v. Lake, 817 F.2d 1416, 1421 (9th Cir. 1987).

6 1. Purposeful availment

7 To establish purposeful availment, the plaintiffs must show
8 that the defendant has deliberately engaged in "significant
9 activities" within a state or has created "continuing obligations"
10 between himself and the forum. See Gray & Co. v. Firstenberg Mach.
11 Co., 913 F.2d 758, 760 (9th Cir. 1990) (quoting Burger King, 471
12 U.S. at 475-76). In the Internet context, alleged trademark
13 infringement in connection with the domain name of a passive
14 website does not itself subject the defendant to personal
15 jurisdiction in the plaintiff's forum state. See Cybersell, Inc.
16 v. Cybersell, Inc., 130 F.3d 414, 419 (9th Cir. 1997). Rather,
17 there must be "'something more' to indicate that the defendant
18 purposefully (albeit electronically) directed his activity in a
19 substantial way to the forum state." See id. at 418.

20 a. Transaction of Business

21 The plaintiffs contend that the defendant's transaction of
22 business in California establishes purposeful availment. The
23 general rule is that merely contracting with a resident of the
24 forum state is insufficient to confer specific jurisdiction over a
25 nonresident defendant. See Burger King, 471 U.S. at 479; Ziegler,
26 64 F.3d at 473. However, solicitation of business in the forum
27 state may constitute purposeful availment "if that solicitation
28 results in contract negotiations or the transaction of business."

1 Shute v. Carnival Cruise Lines, 897 F.2d 377, 381 (9th Cir. 1990),
2 rev'd on other grounds, 499 U.S. 585 (1991).

3 The plaintiffs submit evidence that the defendant contracted
4 with five companies based in California: Asimba, Inc.; Ask Jeeves,
5 Inc.; CNET, Inc.; GoTo.com, Inc.; and RemarQ Communities, Inc.
6 (Schindler Decl. re: Mot. Dism. Exs. 1-5.) The defendant displayed
7 advertising banners and links from these companies on the
8 nissan.com website, and received a commission each time a visitor
9 clicked through to an advertiser's website. According to the
10 plaintiffs, more than 90,000 customers clicked through from the
11 nissan.com website to the websites of the California advertisers
12 between August and December 1999. (Id. ¶ 19.) In addition, the
13 plaintiffs submit evidence that the defendant directly solicited
14 auto-related advertising business from another California-based
15 company, Autoweb.com, although this solicitation did not result in
16 the transaction of business. (Id. Exs. 15-16.)

17 The defendant responds that it arranged the advertising on its
18 website through a Massachusetts-based intermediary, Be Free, and
19 that it never knowingly reached out to California companies. The
20 Court rejects this argument. The plaintiffs submit evidence that
21 the defendant contracted directly with the five California-based
22 advertisers. Specifically, by enrolling with advertisers on Be
23 Free's website, the defendant agreed to be bound by contracts with
24 those advertisers. (Schindler Decl. re: Mot. Dism. Exs. 6-12;
25 Greenstein Decl. in Reply to Mot. Dism., Ex. 85 at 21.) In each
26 case, the defendant also received e-mail acceptance notices
27 directly from the California advertisers. (Id. Exs. 18-24.)
28 Finally, the plaintiffs submit evidence that each of the

1 defendant's contracts with the California advertisers provided that
2 the contract would be governed by California law. (Id. Exs. 8-12.)
3 This factor alone is sufficient to establish purposeful availment.
4 See Decker Coal Co. v. Commonwealth Edison Co., 805 F.2d 834, 840
5 (9th Cir. 1986).

6 The Court finds that the defendant purposefully directed its
7 activity in a substantial way toward California. Accordingly, the
8 plaintiffs have met their burden to show purposeful availment.

9 b. Effects Doctrine

10 The plaintiffs also argue that personal jurisdiction is proper
11 under the "effects doctrine." Under that doctrine, personal
12 jurisdiction may also be based on "(1) intentional actions (2)
13 expressly aimed at the forum state (3) causing harm, the brunt of
14 which is suffered -- and which the defendant knows is likely to be
15 suffered -- in the forum state." Core-Vent Corp. v. Nobel Indus.
16 AB, 11 F.3d 1482, 1486 (9th Cir. 1993) (interpreting Calder v.
17 Jones, 465 U.S. 783 (1984)). In the Internet context, the Ninth
18 Circuit has found personal jurisdiction where the defendant
19 deliberately registered the domain name for the purposes of
20 extortion and with the effect of injuring the plaintiff in the
21 forum state. See Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316,
22 1322 (9th Cir. 1998).

23 Here, as in Panavision, the defendant's alleged activities
24 satisfy the effects test. The defendant is not alleged to have
25 deliberately registered domain names for purposes of extortion.
26 However, the evidence supports a finding that the defendant
27 intentionally changed the content of its website in August 1999 to
28 exploit the plaintiffs' goodwill by profiting from consumer

1 confusion. The brunt of the harm was suffered in the forum state
2 because Nissan North America, Inc., the exclusive licensee of the
3 Nissan trademarks, is based in Gardena, California. (Compl. ¶ 2;
4 Opp'n at 8 n.17.)

5 The defendant argues that it is not subject to personal
6 jurisdiction because it merely operated a passive website. The
7 defendant further argues that, under the Court's analysis, a
8 passive Internet infringer could be sued anywhere in the country.
9 The Court rejects this characterization of the defendant's
10 activity. Although the defendant did not directly sell goods to
11 consumers on its websites, it derived advertising revenue by
12 intentionally exploiting consumer confusion. This intentional
13 exploitation of consumer confusion supplies the "something more"
14 indicating that the defendant deliberately and substantially
15 directed its activity toward the forum state.

16 Citing Core-Vent Corp., 11 F.3d at 1487, the defendant also
17 argues that a corporation does not suffer harm in a particular
18 location. However, the Ninth Circuit held in Panavision that a
19 corporation may suffer harm in its principal place of business.
20 See Panavision, 141 F.3d at 1322 n.2. The defendant also argues
21 that a trademark licensee cannot bring an infringement suit.
22 However, this argument does not address whether the plaintiffs
23 suffered harm in California. The Ninth Circuit has approved a
24 finding of personal jurisdiction in a trademark infringement suit,
25 where the plaintiff used the trademark in the forum state. See id.
26 at 1322 (approving analysis in Indianapolis Colts, Inc. v.
27 Metropolitan Baltimore Football Club Ltd. Partnership, 34 F.3d 410
28 (7th Cir. 1994)).

1 The Court finds that the defendant's alleged conduct satisfies
2 the effects test. Accordingly, personal jurisdiction is also
3 proper on that ground.

4 2. Forum-Related Activities

5 The plaintiffs must also establish that their claims arise out
6 of or result from the defendant's forum-related activities. This
7 element is established if the plaintiffs would not have been
8 injured "but for" the defendant's activities. See Panavision, 141
9 F.3d at 1322; Ballard v. Savage, 65 F.3d 1495, 1500 (9th Cir.
10 1995). Activities that are "too attenuated" do not satisfy the
11 but-for test. Doe v. American Nat'l Red Cross, 112 F.3d 1048, 1051
12 (9th Cir. 1997).

13 Here, the plaintiffs' trademark infringement and dilution
14 claims arise out of the defendant's California-related activities.
15 The defendant's contracts with California-based advertisers
16 allegedly resulted in the diversion of the plaintiffs' potential
17 customers to other websites and the exploitation of the plaintiffs'
18 goodwill. In addition, under the effects test, the defendant's
19 intentional exploitation of the plaintiffs' goodwill and diversion
20 of the plaintiffs' potential customers had the effect of injuring
21 Nissan North America in California. But for the defendant's
22 conduct, this injury would not have occurred. See Panavision, 141
23 F.3d at 1322. Accordingly, the Court finds that this prong is
24 satisfied.

25 3. Reasonableness

26 An otherwise valid exercise of personal jurisdiction is
27 presumed to be reasonable. See Ballard, 65 F.3d at 1500.
28 Accordingly, once a court finds purposeful availment, it is the

1 defendant's burden to "present a compelling case" that the exercise
2 of jurisdiction would be unreasonable. Id. (citing Burger King,
3 471 U.S. at 477). This determination requires the balancing of
4 seven factors: (1) the extent of purposeful interjection; (2) the
5 burden on the defendant of defending in the forum; (3) the extent
6 of conflict with the sovereignty of the defendant's state; (4) the
7 forum state's interest in the dispute; (5) the most efficient forum
8 for judicial resolution of the dispute; (6) the importance of the
9 forum to the plaintiff's interest in convenient and effective
10 relief; and (7) the existence of an alternative forum. See Gray &
11 Co., 913 F.2d at 761.

12 The defendant has not carried its burden to show
13 unreasonableness. The first factor, purposeful interjection, is
14 analogous to that of purposeful availment. See Sinatra v. National
15 Enquirer, Inc., 854 F.2d 1191, 1199 (9th Cir. 1988). As discussed
16 above, the defendant's activities in California satisfy this
17 requirement. The other factors do not weigh strongly in favor of
18 either side. Although other forums are available, advances in
19 communication and transportation have reduced the burden of cross-
20 country litigation. See id. Moreover, the defendant's burden of
21 litigating in this forum must be weighed against the plaintiffs'
22 convenience. Neither forum provides any marked efficiency over the
23 other. Any conflicting sovereignty interests are accommodated
24 through choice-of-law rules. See Gray & Co., 913 F.2d at 761.
25 Finally, California has a strong interest in protecting its
26 citizens from trademark infringement and consumer confusion.

27 Upon balancing these factors, the Court finds that an exercise
28 of personal jurisdiction over the defendant would be reasonable.

1 D. Conclusion

2 The Court finds that the plaintiffs have made a prima facie
3 showing of specific personal jurisdiction over the defendant.
4 Accordingly, the Court denies the defendant's motion to dismiss.

5
6 **III. Defendant's Motion to Dismiss for Lack of Venue**

7 A. Legal Standard

8 In a federal question case, venue is proper in a judicial
9 district in which: (1) any defendant resides, (2) "a substantial
10 part of the events or omissions giving rise to the claim occurred,
11 or a substantial part of property that is the subject of the action
12 is situated;" or (3) the defendants are subject to personal
13 jurisdiction, if there is no other district in which the action
14 could be brought. 28 U.S.C. § 1391(b). If a state has more than
15 one judicial district, a defendant corporation is deemed to reside
16 in any district "within which its contacts would be sufficient to
17 subject it to personal jurisdiction if that district were a
18 separate State." 28 U.S.C. § 1391(c).

19 If venue is improper, the court must either dismiss or, in the
20 interests of justice, transfer the case to a district having proper
21 venue. See 28 U.S.C. § 1406(a). Although there is some
22 disagreement, most courts hold that the plaintiff bears the burden
23 of establishing proper venue. See Schwarzer et al., supra, ¶ 4:251
24 at 4-66 (arguing that placing the burden on plaintiff is the better
25 view). A prima facie showing of proper venue is sufficient to
26 defeat a motion to dismiss. See id., ¶ 9:139.1 at 9-34.

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1 B. Discussion

2 The defendant argues that venue is improper because it has
3 insufficient contacts with the Central District. Of the five
4 California-based companies that advertised on the defendant's
5 website, only one -- GoTo.com -- is allegedly based in this
6 district. It is not clear whether the defendant's transaction of
7 business with GoTo.com is itself sufficient to support specific
8 personal jurisdiction. However, the principal place of business of
9 plaintiff Nissan North America, Inc., is Gardena, California.
10 (Compl. ¶ 2.) Thus, although the parties do not raise the issue,
11 personal jurisdiction in this district would be proper under the
12 effects doctrine. Accordingly, the Court denies the defendant's
13 motion to dismiss for improper venue.

14

15 **IV. Plaintiffs' Motion for Preliminary Injunction**

16 A. Legal Standard

17 To obtain a preliminary injunction, the moving party must show
18 either: (1) a combination of probable success on the merits and the
19 possibility of irreparable injury without the injunction; or (2)
20 that serious questions are raised and the balance of hardships tips
21 sharply in favor of the moving party. See Dr. Seuss Enters. v.
22 Penguin Books USA, Inc., 109 F.3d 1394, 1397 n.1 (9th Cir. 1997).
23 A serious question is one to which the moving party has a "fair
24 chance of success on the merits." Sierra On-Line, Inc. v. Phoenix
25 Software, Inc., 739 F.2d 1415, 1421 (9th Cir. 1984). These
26 standards "'are not separate tests but the outer reaches of a
27 single continuum.'" International Jensen, Inc. v. MetroSound
28 U.S.A., 4 F.3d 819, 822 (9th Cir. 1993) (citation omitted).

1 B. Likelihood of Success on the Merits

2 The plaintiffs argue that they are likely to succeed on the
3 merits on all of their claims. However, the Court need only
4 address the plaintiffs' claim of trademark infringement in
5 violation of Section 32(a) of the Lanham Act, 15 U.S.C. § 1114(1).
6 To prevail on this claim, the plaintiffs must show that: (1) the
7 plaintiffs have a valid, protectable trademark interest in their
8 "Nissan" mark; and (2) the defendant is using a confusingly similar
9 mark. See Brookfield Communications, Inc. v. West Coast
10 Entertainment Corp., 174 F.3d 1036, 1046 (9th Cir. 1999).

11 1. Validity of Plaintiffs' Mark

12 The Nissan mark was first registered by plaintiff Nissan Motor
13 Co. in 1959, and has been used continuously since. (Rinek Decl.
14 ¶ 4.) The mark has become incontestable, and therefore immune from
15 attack on certain grounds. See 15 U.S.C. §§ 1115(b), 1065; Park 'N
16 Fly, Inc. v. Dollar Park & Fly, Inc., 469 U.S. 189, 205 (1985).
17 Accordingly, the Court finds that the plaintiffs have a valid,
18 protectable trademark interest in the "Nissan" mark.

19 The defendant argues that Mr. Nissan has been using his
20 surname in connection with various businesses since the 1980s.
21 Although there is no absolute right to use one's name as a
22 trademark, the Ninth Circuit has recognized a "judicial reluctance
23 to enjoin use of a personal name." E. & J. Gallo Winery v. Gallo
24 Cattle Co., 967 F.2d 1280, 1288 (9th Cir. 1992). However, use of
25 an infringing name may still be limited by a carefully tailored
26 injunction. See id.

27 Incontestable status also does not preclude the defendant from
28 disputing the strength of the mark. See McCarthy on Trademarks

1 § 32:155 at 32-221 (1999). This issue is addressed further below,
2 in the discussion of likelihood of confusion.

3 2. Likelihood of Confusion

4 The central issue in a trademark infringement suit is the
5 likelihood of consumer confusion. See, e.g., Dr. Seuss Enters.,
6 109 F.3d at 1403-04. In the Ninth Circuit, a court determines the
7 likelihood of consumer confusion by considering the following set
8 of factors: (1) the strength of the plaintiff's mark; (2) the
9 relatedness or proximity of the parties' goods or services; (3) the
10 similarity of the parties' marks; (4) evidence of actual confusion;
11 (5) the marketing channels used; (6) the degree of care likely to
12 be exercised by the purchaser; (7) the defendant's intent in
13 selecting the mark; and (8) the likelihood of expansion of the
14 product lines. See Brookfield, 174 F.3d at 1054 (citing AMF Inc.
15 v. Sleekcraft Boats, 599 F.2d 341, 348-49 (9th Cir. 1979)). This
16 set of factors is not exhaustive, and should not be applied rigidly
17 in the Internet context. See id.

18 One type of actionable consumer confusion is known as "initial
19 interest" confusion. See Interstellar Starship Servs. Ltd. v. Epix
20 Inc., 184 F.3d 1107, 1110 (9th Cir. 1999); Brookfield, 174 F.3d at
21 1062. The Ninth Circuit has explicitly recognized that an
22 infringement claim may be based on "the use of another's trademark
23 in a manner calculated to capture initial consumer attention," even
24 if the confusion does not result in a sale. See Brookfield, 174
25 F.3d at 1062 (internal citations omitted).

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1 In Brookfield, the Ninth Circuit applied this doctrine to
2 enjoin the confusing use of Internet metatags.¹ See id. at 1062-
3 63. The court found that, by using a trademark in such a way as to
4 divert consumers to its website, an infringer "improperly benefits
5 from the goodwill that [the plaintiff] developed in its mark." Id.
6 at 1062. To prevail on such a theory, the plaintiff need not
7 demonstrate that the consumer was confused as to the source of the
8 products or even that the consumer ultimately made a purchase. See
9 id. at 1062-63.

10 a. Strength of Plaintiffs' Mark

11 The parties dispute the strength of the plaintiffs' mark.
12 The defendant argues that the Nissan mark is inherently weak
13 because it is a surname and a word in Hebrew and Arabic. Personal
14 names used as trademarks are generally not inherently distinctive,
15 but may be treated as strong marks upon a showing of secondary
16 meaning. See E. & J. Gallo Winery, 967 F.2d at 1291.

17 Here, the plaintiffs submit evidence that the Nissan mark has
18 been in continuous use in the automobile industry since 1959.
19 (Rinek Decl. ¶ 6.) The plaintiffs have also extensively promoted
20 the mark, spending about \$400 million on advertising and promotions
21 in the United States in 1999. (Id. ¶ 6.) The plaintiffs also
22 submit evidence of strong consumer recognition of the mark. A 1988
23 newspaper article listed Nissan as one of the top 200 consumer-
24 identified brands in the United States. (Lawrence Decl. Ex. F.)
25 Moreover, a recent survey shows that 92% of consumers would expect

27 ¹ Metatags are a form of HTML code, used by Internet search
28 engines to match websites to the search terms entered by the web
user. See Brookfield, 174 F.3d at 1061 n.23.

1 to find a car company at the nissan.com and nissan.net websites.
2 (Schindler Decl. re: Prelim. Inj. Ex. C.) Based on this evidence,
3 the Court finds that the Nissan mark has secondary meaning and
4 should be treated as a strong mark.

5 The defendant argues that the Nissan mark is diluted due to
6 brand fragmentation, extensive third-party usage, and poor
7 trademark enforcement. (See, e.g., Vantress Decl. Exs. 54-55.)
8 Even if relevant to the strength of the mark, these factors are not
9 dispositive. See, e.g., Eclipse Assocs. Ltd v. Data General Corp.,
10 894 F.2d 1114, 1119 (9th Cir. 1990) (finding that evidence of other
11 unrelated infringers is irrelevant to trademark infringement
12 claim). Given the substantial evidence of secondary meaning, the
13 Court finds that the strength of the Nissan mark weighs in the
14 plaintiffs' favor.

15 b. Similarity of Marks

16 The marks at issue in this case are the plaintiffs' "Nissan"
17 mark and the defendant's "nissan.com" and "nissan.net" Internet
18 domain names. The only differences between these marks are the
19 domain name suffixes, which merely signify the domain level. The
20 marks are thus, "for all intents and purposes, identical in terms
21 of sight, sound, and meaning." Brookfield, 174 F.3d at 1055.
22 Accordingly, this factor weighs in the plaintiffs' favor.

23 c. Proximity of Goods

24 The use of similar marks to promote similar products weighs
25 heavily in favor of finding a likelihood of confusion. See id. at
26 1056. If the public would associate the defendant's products with
27 the plaintiffs, it is not dispositive that the parties' principal
28 lines of business are different. See id.

1 The defendant argues that the parties' principal lines of
2 business are different. The defendant contends that it principally
3 sells computers and Internet services, while the plaintiffs
4 principally sell cars and other vehicles. However, this case is
5 not suited to a traditional proximity-of-goods analysis. Starting
6 in August 1999, the defendant's nissan.com website primarily
7 promoted automobile-related products and services, through third-
8 party advertisements and web links, rather than the defendant's own
9 computer products. More than 90% of the defendant's website
10 advertising revenue is automobile-related. (Schindler Decl. re:
11 Prelim. Inj. Ex. G.) Whether or not a visitor to the defendant's
12 website ultimately makes an automobile purchase from an advertiser,
13 the defendant profits from the visitor's initial interest
14 confusion. By posting automobile-related links and advertisements,
15 the defendant derives advertising revenue due to the diversion of a
16 consumer's initial interest in Nissan vehicles. As in Brookfield,
17 the defendant is improperly appropriating the plaintiffs' goodwill.
18 Thus, in regards to its Internet-related activity, the defendant's
19 "product" is the exploitation of customer confusion. Accordingly,
20 this factor weighs in favor of the plaintiffs.

21 d. Overlapping Marketing Channels

22 Both parties also use the Internet as a marketing and
23 advertising channel. This factor further exacerbates the
24 likelihood of confusion, and therefore weighs in the plaintiffs'
25 favor. See Brookfield, 174 F.3d at 1057.

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1 e. Actual Confusion

2 Another important factor in this case is actual consumer
3 confusion. The plaintiffs submit evidence that consumers send e-
4 mail inquiries about Nissan vehicles to the defendant at
5 "info@nissan.com," and frequently search for information on Nissan
6 vehicles at the nissan.com website. (Schindler Decl. re: Prelim.
7 Inj. Exs. H, I.)

8 The plaintiffs also submit strong evidence of initial interest
9 confusion. Survey evidence shows that 92% of consumers would
10 expect to find information on cars at the nissan.com and nissan.net
11 websites. (Id. Ex. C.) The plaintiffs also submit evidence that
12 the majority of visitors arrive at nissan.com by directly typing in
13 the domain name or by launching from another car-related website.
14 (Id. Ex. K.) Accordingly, this factor weighs heavily in the
15 plaintiffs' favor.

16 f. Other Factors

17 The factors discussed above all weigh in favor of finding a
18 likelihood of confusion. On balance, the remaining Sleekcraft
19 factors do not alter this conclusion. As to the intent factor,
20 there is no evidence that the defendant registered the "nissan.com"
21 and "nissan.net" domain names with the intent to confuse consumers.
22 However, an intent to confuse may be inferred from the defendant's
23 alteration of its nissan.com website in August 1999 to display
24 automobile-related information and a confusingly similar logo.
25 Finally, the remaining two factors, degree of care exercised by the
26 consumer and the likelihood of expansion of product lines, are not
27 important in the context of this case.

28

1 The Court finds that the plaintiffs have demonstrated both a
2 valid mark and a likelihood of confusion. Accordingly, the Court
3 finds that the plaintiffs have demonstrated a likelihood of success
4 on the merits of their trademark infringement claim.

5 C. Balance of Hardships

6 As the plaintiffs have demonstrated a likelihood of success on
7 their trademark infringement claim, irreparable injury is presumed.
8 See Schwarzer et al., supra, ¶ 13:44 at 13-14 (1999). Here,
9 irreparable injury is also apparent because the defendant is
10 trading on the plaintiffs' goodwill and diverting potential Nissan
11 car customers to other websites.

12 The defendant argues that the presumption of irreparable harm
13 is rebutted by the plaintiffs' delay in seeking injunctive relief.
14 The Court rejects this argument. The defendant notes that Mr.
15 Nissan has used his surname in business since the 1980s. The
16 defendant also notes that it began using the nissan.com website in
17 1994, and received a letter from the plaintiffs regarding the
18 website in July 1995. However, the plaintiffs respond that the
19 nissan.com website was altered in August 1999 to maximize and
20 exploit consumer confusion. The plaintiffs argue that they opened
21 settlement discussions soon after discovering these changes in
22 October 1999.

23 The Court finds that the plaintiffs sought timely relief.
24 Accordingly, the defendant has failed to rebut the presumption of
25 irreparable harm.

26 D. Terms of the Injunction

27 The remaining issue is the scope of the injunction. An
28 injunction limiting the use of an infringing personal name should

1 be "carefully tailored to balance the interest in using one's name
2 against the interest in avoiding public confusion." E. & J. Gallo
3 Winery, 967 F.2d at 1288.

4 The plaintiffs seek an order requiring the defendant to:

5 (1) refrain from offering advertisements, promotions or Internet
6 links on the nissan.com and nissan.net websites; (2) cease
7 providing Internet service on these websites; (3) post a disclaimer
8 informing visitors that these websites are not affiliated with the
9 plaintiffs; (4) include a link to the plaintiffs' website; and (5)
10 cease using the metatag "Nissan" in connection with the websites.

11 Alternatively, the plaintiffs request an order requiring the
12 defendant to transfer the nissan.com and nissan.net websites to the
13 plaintiffs. The defendant does not directly address the terms of
14 the requested injunction.

15 The Court finds that the likelihood of confusion may be
16 mitigated by less restrictive measures than proposed by the
17 plaintiffs. To reduce confusion, the defendant's websites must
18 prominently display, in the upper portion of the first page of the
19 websites: (1) a caption or statement identifying the websites as
20 affiliated with Nissan Computer Corporation; and (2) a statement
21 disclaiming affiliation with the plaintiffs and identifying the
22 location of Nissan North America's website. The disclaimer should
23 state something substantially similar to the following: "This
24 website is not affiliated with the Japanese automaker, Nissan Motor
25 Co., or with its North American subsidiary, Nissan North America,
26 Inc. Nissan North America's website is located at www.nissan-
27 usa.com." In addition, the defendant must not display any
28 automobile-related information, advertising, or web links,

1 including links to automobile-related portions of Internet search
2 engines.

3 The Court finds that the above measures will adequately
4 address consumer confusion. Accordingly, a link to the plaintiffs'
5 website is not required. The defendant may also display non-
6 automobile-related third-party advertisements and links on its
7 websites. Finally, the defendant may continue to conduct and
8 advertise its own computer business, including the provision of
9 Internet services, and may continue to use the word "Nissan" as a
10 metatag.

11
12 **V. Conclusion**

13 The Court denies the defendant's motion to dismiss for lack of
14 personal jurisdiction and improper venue, and grants the
15 plaintiffs' motion for a preliminary injunction.

16 IT IS HEREBY ORDERED that the defendant shall immediately, and
17 for the pendency of this action:

- 18 (1) post a prominent caption, in the upper portion of the
19 first web page of the nissan.com and nissan.net websites,
20 identifying these websites as affiliated with Nissan
21 Computer Corporation;
- 22 (2) post a prominent disclaimer, in the upper portion of the
23 first web page of the nissan.com and nissan.net websites,
24 informing visitors that the nissan.com and nissan.net
25 websites are not affiliated with the plaintiffs and
26 identifying the location of Nissan North America's
27 website; and

1 (3) refrain from displaying automobile-related information,
2 advertisements, promotions, or Internet links on the
3 nissan.com and nissan.net websites, except as set forth
4 above.

5 IT IS FURTHER ORDERED that this Order is granted on the
6 condition that the plaintiffs file a bond in the sum of \$100,000
7 within five business days of the entry of this Order to make good
8 such damages, not to exceed said sum, as may be suffered or
9 sustained by defendant if it is subsequently found to be wrongfully
10 restrained hereby.

11 IT IS SO ORDERED.

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14 Dated: _____

DEAN D. PREGERSON
United States District Judge

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