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UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

VISA INTERNATIONAL SERVICE)
ASSOCIATION, a Delaware)
corporation,) CV-S-01-0294-LRH(LRL)
Plaintiff,) ORDER
v.)
JSL CORPORATION, a Nevada)
corporation,)
Defendant.)

On November 13, 2001, Plaintiff Visa International Service Association ("Visa International" filed a Motion for Summary Judgment (Docket #39) on its dilution claim. On November 26, 2001, Defendant JSL filed a Motion for Partial Summary Judgment (Docket #47 on Visa International's claims for trademark infringement. On December 20, 2001, Defendant JSL filed a Motion for Partial Summary Judgment (Docket #80) on Visa International's claim for cybersquatting and Visa International subsequently counter moved for summary judgment on the claim (Docket #86). For the reasons set out below, the Court finds that Plaintiff is entitled to injunctive relief and grants the Plaintiff's Summary

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1 Judgment Motion on the dilution claim. Additionally, for the
 2 reasons set out below, the Court denies other summary judgment
 3 motions and counter motions as hereafter discussed.

4 I. BACKGROUND

5 This case involves a dispute over the rights to a trademark
 6 and Internet domain name. Visa International is the financial
 7 services company that owns the trademark and service mark *Visa*.
 8 Defendant JSL Corporation ("JSL") has adopted and is using the
 9 mark *eVisa* and the domain name <evisa.com> for its business. On
 10 March 15, 2001, Visa International filed a complaint against JSL
 11 for trademark infringement under 15 U.S.C. § 1124, unfair
 12 competition under 15 U.S.C. § 1125(a), trademark dilution under 15
 13 U.S.C. § 1125(c), cybersquatting under 15 U.S.C. § 1125(d), common
 14 law trademark infringement, deceptive trade practices under N.R.S.
 15 § 598.0915, and intentional interference with prospective economic
 16 advantage. On April 23, 2001, JSL filed an answer and asserted
 17 counterclaims for trademark infringement under 15 U.S.C. § 1125(a)
 18 and common law trademark infringement.

19 On March 30, 2001, Visa International moved for a
 20 preliminary injunction on its trademark dilution and trademark
 21 infringement claims. At the preliminary injunction hearing on
 22 July 6, 2001, the court held that Visa International was likely to
 23 succeed on the merits of its trademark dilution claim, but denied
 24 granting a preliminary injunction. The court based its decision
 25 on Visa International's failure to establish that it would suffer
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1 irreparable harm absent the granting of injunctive relief. On
2 December 20, 2001, the court stayed remaining discovery in this
3 matter pending ruling on Visa International's Motion for Summary
4 Judgment on Dilution. The case was reassigned to this Court on
5 January 14, 2002.

6 **II. FACTS**

7 Visa International first used the *Visa* mark in 1976 and has
8 used the *Visa* mark continuously ever since. It first registered
9 the *Visa* mark with the United States Patent and Trademark Office
10 ("PTO") in 1977. Visa International owns forty-three (43) federal
11 trademark registrations containing *Visa*, which are used for a
12 variety of goods and services.

13 In addition to its federally registered trademarks, Visa
14 International filed several applications for federal trademarks
15 containing *Visa* that were pending before the PTO as of
16 November 2001, including but not limited to: *E-Visa; E Visa;*
17 *EVisa; Visa Web; The Future Takes Visa; Visa Smart; Verified by*
18 *Visa; Visa Buxx; Visa RiskUSA; Visa Business Partner; and*
19 *Visabusiness.com (& Design).*

20 The *Visa* mark has been used in each of the 50 states in the
21 United States and around the world, including in over 300
22 countries and territories, and on the Internet. Visa
23 International has over 21,000 licensees of the *Visa* mark located
24 around the world, including over 14,000 in the United States.
25 Over 750 million *Visa*-branded payment cards have been issued to
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1 cardholders worldwide, including over 350 million in the United
2 States. *Visa*-branded cards are accepted for financial
3 transactions at more than 21 million merchants and automated
4 teller machines worldwide, including over 4.3 million of such
5 acceptance locations in the United States.

6 Under service agreements with its member banks, *Visa*
7 International's *Visa*-branded payment cards are used in over \$1.8
8 trillion in payment transactions per year worldwide, with over
9 \$811 billion per year in the United States. Moreover, *Visa*-
10 branded payment cards were used for over \$19.5 billion of Internet
11 transactions for the twelve-month period ending September 2001.
12 In the United States, *Visa* International processes more than 12
13 billion transactions per year.

14 Over the past 25 years, *Visa* International, directly and
15 through its licensees, spent billions of dollars on advertising
16 and marketing the *Visa* brand in print and other media around the
17 world, including on the Internet. During the four-year period
18 from 1997 through 2000, *Visa* International spent more than \$1
19 billion on advertising in the United States.

20 *Visa* International has used a variety of advertising
21 channels to market the *Visa* brand, including television and print
22 advertisements in newspapers and periodicals, including the Wall
23 Street Journal and New York Times, through promotions, on the
24 Internet and over the radio. *Visa* International has also promoted
25 the *Visa* mark through sponsorships. The *Visa* card is the official
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1 card of the National Football League, the official card of NASCAR,
2 the official card of the Triple Crown horse races, and the
3 official card of the 2002 Winter Olympics in Salt Lake City.

4 In a 1997 study entitled "The World's Greatest Brands" by
5 Interbrand, *Visa* ranked as the 14th top brand in the world. Among
6 financial services brands, *Visa* ranked 1st

7 On or before March 8, 1994, Visa International registered
8 the domain name <Visa.com>. Visa International has operated a Web
9 site on the Internet at <Visa.com> since at least as early as
10 November 1994. The <Visa.com> Web site provides information on a
11 variety of products and services including, but not limited to,
12 financial services, payment services (such as "Visa ePay"
13 Internet shopping, and information on new technologies.

14 The <Visa.com> Web site has received approximately twenty-
15 five million visits since its inception. During August 2001,
16 there were more than 3.4 million page views by visitors to the
17 <Visa.com> Web site. In addition to <Visa.com>, Visa
18 International owns many other domain names containing the *Visa*
19 marks, including <Visabusiness.com> and <e-Visa.com>.

20 According to a 2001 study focused on online payment methods
21 by bizrate.com, "Visa continues to be the leading brand owned
22 among online buyers for the seventh consecutive quarter." *Visa* is
23 the most used brand for online purchases with approximately 50% of
24 the market share. In a study entitled "The Power of Internet
25 Branding," by Greenfield Online, Inc., *Visa* ranked as the 17th

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1 strongest brand on the Internet in a survey of consumers in the
2 United States.

3 Defendant, Joseph Orr, is the sole owner and sole officer
4 of Defendant JSL Corporation.¹ JSL does not have any employees
5 and has never had any employees. JSL Corporation operates out of
6 Defendant's apartment in New York City and uses a post office box
7 in Las Vegas, Nevada, as its business address.

8 Defendant Orr resided in Japan from approximately 1989 to
9 1998 or 1999. During this time, defendant and another individual
10 founded an English language school in Japan. They decided to name
11 the school "Eikaiwa Visa." "Eikaiwa" means English conversation
12 in Japanese. Someone involved in the school suggested that they
13 use the name "visa." They wanted a name that "already had some
14 positive associations," and a name that suggested "world travel"
15 and "global. Defendant chose the word "visa" as part of the name
16 for the language school without first consulting with a trademark
17 attorney.

18 At some point, Defendant decided to register a domain name
19 for Eikaiwa Visa. His first choice was <evisa.com>, but someone
20 had already registered that domain name. Instead, Defendant
21 registered <EVISA-jp.com>. Defendant later registered <evisa.com>
22 on August 27, 1997, after it was no longer registered to someone
23 else. Defendant adopted the name (eVisa) and the domain name
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25 ¹ As the principal of JSL, Joseph Orr will also be referred to
26 as "Defendant" in this Order.

1 <evisa.com> because he thought eVisa to be short, catchy and
2 associated with travel.

3 JSL posted Web sites on the Internet at both <evisa.com>
4 and <evisa-jp.com>. JSL has used the eVisa mark in several
5 different ways on its Web sites, including:

6
7 its Visa mark on Visa-brand payment cards and on its <Visa.com>
8 Web site; (b) in mixed upper and lowercase letters: eVisa; and
9 (c) in all lowercase letters with the letter "e" appearing in red
10 and "visa" appearing in blue against a white background.²

11 As of 1997, when JSL began using the eVisa mark, Visa
12 International had used the Visa mark for more than twenty (20)
13 years, it had appeared on more than 524 million Visa-branded
14 payment cards and on decals at more than 12.9 million merchants
15 and ATMs, and had been used to purchase hundreds of billions of
16 dollars of goods and services, including \$981 billion in 1996
17 alone. However, Visa International had never used the "evisa"
18 mark.

19 On or about August 13, 1999, Ken Taylor of Marksmen (a
20 brand protection company hired by Visa International contacted
21 JSL about purchasing the <evisa.com> domain name. JSL initially
22 responded that the <evisa.com> domain name was not for sale.
23 After receiving the first communication from Marksmen, JSL

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25 ² For the sake of uniformity, the Court will use the "eVisa"
26 variant throughout this Order when referring to the mark used by
Defendant Orr/JSL.

1 suspected that Visa International was trying to buy the
2 <evisa.com> domain name or, alternatively, someone was trying to
3 buy the domain name to sell to Visa International, or somebody
4 wanted the domain name for a travel passport site.

5 After Marksmen offered \$10,000 for the domain name, JSL
6 responded that "[f]or the right price, evisa.com might be
7 available, but I'll have to check with a couple of people, one of
8 whom is in Japan and one of whom is on vacation." Defendant
9 admitted during his deposition that this was a false statement,
10 because he did not have to check with anybody in Japan or anyone
11 on vacation.

12 This appears to have been part of the negotiation between
13 the parties. In any event, in September 1999, Marksmen increased
14 the offer for the <evisa.com> domain name to \$50,000. On
15 September 13, 1999, Defendant responded: "That is starting to
16 sound a little more interesting, I must say, but I talked with the
17 principals, and they still don't want to sell . . . I think if we
18 got an offer in the range of \$150,000 we'd be pretty tempted to
19 sell. Defendant eventually increased his price for the
20 <evisa.com> domain name to \$250,000.

21 Although JSL registered the <evisa.com> domain name in
22 August 1997, JSL did not have any content on the <evisa.com> Web
23 site before the time that Marksmen first contacted JSL about
24 purchasing the domain name in August 1999. JSL did not file a
25 trademark application for eVisa until October 5, 1999 - eight
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1 weeks after Marksmen first contacted JSL about the <evisa.com>
2 domain name.

3 JSL did not seek legal counsel prior to the time that JSL
4 decided to register the <evisa.com> domain name. It was after
5 Marksmen contacted JSL about purchasing the <evisa.com> domain
6 name that JSL sought legal advice regarding its use of eVisa

7 Defendant has incorporated and uses two corporate entities
8 with identical names but with different states of incorporation:
9 JSL Corporation (a Nevada corporation located in Las Vegas, ^{irrelevant}
10 Nevada) and JSL Corporation (a Delaware corporation located in ^{proposed} New
11 York City). Defendant states that JSL's principal place of
12 business is a post office box at a Mail Boxes Etc. on Sahara
13 Avenue in Las Vegas, Nevada. Defendant stated that JSL (Delaware)
14 owns the eVisa trademark and domain name. However, JSL's
15 registration of the <evisa.com> domain name identifies the
16 registrant's address as in Las Vegas, Nevada. In JSL's
17 application to register the eVisa mark and JSL's notices of
18 opposition filed with the United States Patent and Trademark
19 Office, JSL represented that JSL (Nevada) owned the eVisa mark.

20 JSL filed three trademark opposition actions on or about
21 February 7, 2001, against Visa International's service mark
22 applications for the eVisa, e-Visa, and e Visa marks for financial
23 services in the United States Patent and Trademark Office
24 ("USPTO").

25 Prior to the date on which Visa International filed this
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1 lawsuit, JSL stated on its Web site that it provides e-commerce,
 2 Web site development, and payment services, including online ^{also they} ~~credit~~ ^{card} ~~processing~~ ^{processing}. After Visa International (filed this suit,) ^{to}
 3 credit card processing. After Visa International (filed this suit,) ^{to}
 4 JSL removed the reference to credit card processing from its Web
 5 site and Defendant then claimed in his sworn declaration that JSL
 6 does not provide payment services.

7 JSL has registered domain names containing trademarks of
 8 other major corporations. In August 1999, JSL registered the
 9 domain name <usadirect-online.com>, which contains AT&T's USA ^{doesn't} ~~USA~~ ^{recognize}
 10 DIRECT mark for long distance telephone services. AT&T has three ^{of its marks} ~~three~~ ^{between}
 11 federal trademark registrations for USA DIRECT dating back to ^{Common} ~~1988~~ ^{word trademark}
 12 1988. In addition, JSL registered the domain name
 13 <picturebookmaker.com> that contains Sony's PICTURE BOOK mark for ^{and} ~~for~~ ^{arbitrary} ~~trademark~~ ^{trademarks}
 14 notebook computers. JSL registered the <picturebookmaker.com>
 15 domain name in 1999, one year after Sony applied for its federal
 16 trademark registration for PICTURE BOOK. In 1997, JSL registered
 17 the <jserv.com> domain name, which according to Defendant's
 18 deposition was supposed to call to mind the COMPUSERVE trademark
 19 owned by CompuServe Incorporated. As Defendant explained, "[i]t
 20 was supposed to be a clever variation on compuserve You know,
 21 compuserve - jserv? But it wasn't as clever as I thought because
 22 I thought that compuserve was spelled without an 'E,' so I left
 23 the 'E' out." COMPUSERVE is a federally registered trademark of
 24 CompuServe.

25 Finally, JSL received e-mail messages at its <evisa.com>
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1 Web site that, based on the content of the messages, were intended
2 for Visa International.

3 **III. STANDARD FOR SUMMARY JUDGEMENT**

4 A motion for summary judgment is a procedure that
5 terminates, without a trial, actions in which "there is no genuine
6 issue as to any material fact and that the moving party is
7 entitled to a judgment as a matter of law." Fed. R. Civ. P.
8 56(c). A summary judgment motion may be made in reliance on the
9 "pleadings, depositions, answers to interrogatories, and
10 admissions on file, together with the affidavits, if any." Id.

11 The movant is entitled to summary judgment if the nonmoving
12 party, who bears the burden of persuasion, fails to designate
13 "specific facts showing that there is a genuine issue for
14 trial." Celotex Corp. v. Catrett, 477 U.S. 317, 324 (1986)
15 (quoting Fed. R. Civ. P. 56(e) Thus, to preclude a grant of
16 summary judgment, the nonmoving party must set forth "specific
17 facts showing that there is a genuine issue for trial.

18 Matsushita Elec. Indust. Co., Ltd. v. Zenith Radio Corp., 475 U.S.
19 574, 587 (1986) (quoting Fed. R. Civ. P. 56(e) [The substantive
20 law defines which facts are material. Anderson v. Liberty Lobby,
21 Inc., 477 U.S. 242, 248 (1986).] All justifiable inferences must
22 be viewed in the light most favorable to the nonmoving party.
23 County of Tuolumne v. Sonora Cmty. Hosp., 236 F.3d 1148, 1154 (9th
24 Cir 2001 (citing Zenith Radio Corp., 475 U.S. at 587).

25 Although the nonmoving party has the burden of persuasion,
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1 the party moving for summary judgment bears the initial burden of
 2 showing the absence of a genuine issue of material fact. Metro
 3 Indust., Inc. v. Sammi Corp., 82 F.3d 839, 847 (9th Cir 1996).
 4 That burden is met by showing an absence of evidence to support
 5 the nonmoving party's case. Celotex Corp., 477 U.S. at 325 The
 6 burden then shifts to the nonmoving party to set forth specific
 7 facts demonstrating that there is a genuine issue for trial
 8 Liberty Lobby, Inc., 477 U.S. at 250. In meeting this burden, the
 9 nonmoving party must go "beyond the pleadings and by its own
 10 evidence present specific facts showing that there is a genuine
 11 issue for trial. Far Out Prod. v. Oskar, 247 F.3d 986, 997 (9th
 12 Cir. 2001 (citing Keenan v. Allan, 91 F.3d 1275, 1279 (9th Cir.
 13 1996 (quotations omitted).

14 IV. DISCUSSION

15 A. DILUTION CLAIM

16 Visa International has moved for summary judgment on its
 17 claim for trademark dilution under the Federal Trademark Dilution
 18 Act ("FTDA" , 15 U.S.C. 1125(c). Courts in this Circuit and
 19 District have granted summary judgment on dilution claims and have
 20 found defendants to have violated the FTDA as a matter of law. See
 21 Panavision International, L.P. v. Toeppen, 141 F.3d 1316 (9th Cir.
 22 1998); Mirage v. Stirpe, 152 F.Supp.2d 1208, 1216-17 (D. Nev.
 23 2000).

24 The FTDA protects famous trademarks from third-party use
 25 that dilutes "the distinctive quality of the mark." 15 U.S.C.

26

1 §1125(c). "Dilution" means the "lessening of the capacity of a
 2 famous mark to identify and distinguish goods or services,
 3 regardless of the presence or absence of (1) competition between
 4 the owner of the famous mark and other parties, or (2) likelihood
 5 of confusion, mistake or deception." 15 U.S.C. §1127. Under the
 6 FTDA, the owner of a famous mark is entitled to an injunction
 7 against another's commercial use of the mark or trade name, if
 8 such use began after the mark became famous and causes dilution of
 9 the distinctive quality of the mark. 15 U.S.C. §1125(c)(1).

10 A trademark can be diluted either by "blurring" or by
 11 "tarnishment." Blurring is the "whittling away" of the selling
 12 power and value of a trademark caused by unauthorized use of the
 13 mark. Panavision Int'l. L.P. v. Toepfen, 945 F. Supp. 1296, 1304
 14 (C.D. Cal. 1996), aff'd, 141 F.3d 1316 (9th Cir. 1998).

15 Tarnishment occurs when a famous mark is used for poor quality
 16 products or services or is used in a manner that is unwholesome or
 17 demeans the character of the trademark owner. Panavision, 141
 18 F.3d at 1326 n. 7; see also Toys "R" Us v. Akkaoui, 40 U.S.P.Q. 2d
 19 1836, 1838 (N.D. Cal. 1996).

20 Visa International seeks summary judgment based on dilution
 21 by blurring. To establish that JSL has violated the FTDA based on
 22 its use of the eVisa mark and the <evisa.com> domain name, Visa
 23 International must show that: (1) its Visa mark is famous; (2) JSL
 24 is making a commercial use of the trademark in commerce; (3) JSL's
 25 use began after Visa International's Visa mark became famous; and

1 4 JSL's use of the mark presents a likelihood of dilution of the
 2 distinctive value of Visa International's Visa mark See Avery
 3 Dennison Corp. v. Sumpton, 189 F.3d 868, 874 (9th Cir. 1999);
 4 Panavision, 141 F.3d at 1324.

5 1. The Visa Mark is famous within the meaning of the
 6 FTDA

7 As noted above, to demonstrate that JSL has violated the
 8 FTDA, Visa International must show the four part test is
 9 satisfied The first part of the test considers whether Visa
 10 International's Visa mark is famous within the meaning of the
 11 FTDA. To determine this, a court may consider the eight
 12 nonexclusive considerations set forth in the FTDA:

13 (1) the degree of inherent or acquired
 14 distinctiveness of the mark; (2) the duration
 15 and extent of use of the mark in connection
 16 with the goods or services with which the mark
 17 is used; (3) the duration and extent of
 18 advertising and publicity of the mark; (4) the
 19 geographical extent of the trading area in
 20 which the mark is used; (5) the channels of
 21 trade for the goods or services with which the
 22 mark is used; (6) the degree of recognition of
 23 the mark in the trading areas and channels of
 24 trade used by the marks' owner and the person
 25 against whom the injunction is sought; (7) the
 26 nature and extent of use of the same or
 similar marks by third parties; and (8) whether
 the mark is federally registered.

22 15 U.S.C. §1125(c). A court should weigh the eight considerations
 23 independently and "it is the cumulative effect of these
 24 considerations which will determine whether a mark qualifies for
 25 federal protection from dilution." S. Rep. 100-515, 1988

1 U.S.C.C.A.N. at 5605.

2 The first consideration in determining whether the **Visa**
3 mark is famous is the degree of inherent or acquired
4 distinctiveness of the mark. Trademarks that are inherently
5 distinctive are "afforded the greatest protection, because their
6 intrinsic nature serves to identify a particular source of a
7 product." Official Airline Guides v. Goss, 6 F.3d 1385, 1390 (9th
8 Cir. 1993) citing Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S.
9 763 (1992). A trademark is inherently distinctive when it is
10 suggestive, arbitrary or fanciful. Official Airline, 6 F.3d at
11 1390. A suggestive mark requires imagination to make a connection
12 between the mark and an attribute of the goods or services to
13 which it is applied. Id. at 1391. An arbitrary mark consists of a
14 common word or words that are not descriptive of the goods or
15 services to which the mark is applied. Id. at 1390-91. A fanciful
16 mark is a coined term, such as Kodak. Id.

17 Visa International's **Visa** mark is inherently distinctive
18 when applied to Visa International's goods and services. The
19 dictionary meaning of the word "visa" is "an endorsement made by
20 an authorized representative of one country upon a passport issued
21 by another, permitting the passport holders entry into or transit
22 through the country making the endorsement." Webster's New
23 Unabridged Dictionary (1996). The **Visa** mark is arbitrary when
24 used in connection with the goods and services provided by Visa
25 International, such as financial and banking services, because the

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1 dictionary or common meaning of "visa" does not describe any
2 characteristic of these goods and services.

3 The *Visa* mark has previously been found to be inherently
4 distinctive. Visa International Service Association v. Bankcard
5 Holders of Arizona, 211 U.S.P.Q. 28, 40 (N.D. Cal. 1981 ("A strong
6 mark, such as the Visa trademark, is considered distinctive,
7 arbitrary or fanciful. The trademark, VISA, is a strong mark
8 which is entitled to protection against . the dilution of the
9 value of its trademark."); Visa International Service Association
10 v. VISA/Master Charge Travel Club, 213 U.S.P.Q. 629, 635 (N.D
11 Cal. 1981) "A strong mark, such as the VISA trademark, is
12 considered distinctive, arbitrary or fanciful").

13 The second consideration in determining whether the *Visa*
14 mark is famous is the duration and extent of use of the mark in
15 connection with the goods or services with which the mark is used.
16 The facts of this case show that Visa International has used the
17 *Visa* mark for more than twenty-five (25) years. The *Visa* mark has
18 been used in each of the fifty 50) states and around the world
19 including in more than 300 countries and territories Moreover,
20 Visa International has used the *Visa* mark on more than 750 million
21 payment cards, including 350 million in the United States. *Visa*
22 branded cards are accepted for payment at more than twenty-one
23 million merchants and automated teller machines worldwide,
24 including more than 4.3 million locations in the United States.

25

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1 The third consideration in determining whether the *Visa*
 2 mark is famous is the duration and extent of the advertising and
 3 publicity of the mark. Visa International has widely promoted and
 4 advertised the mark for more than twenty-five (25) years in print,
 5 television, radio and other media, including the Internet. Visa
 6 International, either directly or through its licensees, has spent
 7 billions of dollars on advertising. During the four-year period
 8 from 1997 through 2000, Visa International spent more than \$1
 9 billion on advertising.

10 The fourth consideration in determining whether the *Visa*
 11 mark is famous, is the geographical extent of the trading area in
 12 which the mark is used. The *Visa* mark has been used in each of
 13 the fifty (50) states and around the world, including in more than
 14 300 countries and territories, and on the Internet.

15 The fifth consideration in determining whether the *Visa*
 16 mark is famous is the channels of trade for the goods or services
 17 in which the mark is used. The *Visa* mark is used in numerous
 18 channels of trade for the purchase of goods and services,
 19 including twenty-one million merchant locations, and on the
 20 Internet, where more than \$19.5 billion in transactions were
 21 performed using the *Visa* card in the twelve-month period ending
 22 September 2001.

23 The sixth consideration in determining whether the *Visa*
 24 mark is famous is the degree of recognition of the mark in the
 25 trading areas and channels of trade used by the owner of the mark
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1 and the person against whom the injunction is sought. The *Visa*
2 mark has a high level of recognition based on the NOP Research
3 Group survey showing that 99% of U.S. consumers were aware of the
4 *Visa* brand of payment cards. Additionally, a study entitled "The
5 World's Greatest Brands" by Interbrand, ranked *Visa* as the 14th
6 top brand in the world. As noted, *Visa* ranked the 17th strongest
7 brand on the Internet in a survey of consumers in the United
8 States.

9 The seventh consideration in determining whether the *Visa*
10 mark is famous is the nature and extent of use of the same or
11 similar marks by third parties. Plaintiff asserts that there is no
12 evidence of widespread trademark use of the *Visa* mark by third
13 parties. Moreover, survey evidence submitted by Plaintiff
14 demonstrates that *Visa* is a famous mark, notwithstanding the
15 existence of any third-party use. The Court agrees. Although
16 Defendant submitted evidence of the mark being used by a tire
17 company and a golf club manufacturer, there is no evidence that
18 these brands are well known, or even marginally well known.

19 The eighth consideration in determining whether the *Visa*
20 mark is famous is whether the mark is federally registered 15
21 U.S.C. §1125. As of December 2001, Visa International owned
22 forty-four (44) federal registrations containing the *Visa* mark.

23 Applying the famousness considerations to the facts, the
24 Court finds that the *Visa* mark is famous and distinctive within
25 the meaning of the FTDA. "[T]o meet the famousness element of
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1 protection under the dilution statute[], a mark [must] be truly
 2 prominent and renowned." Avery Dennison, 189 F.3d at 875 (quoting
 3 I.P. Lund Trading ApS v. Kohler Co., 163 F.2d 27, 46 (1st Cir.
 4 1998) internal quotations omitted)) All of the eight
 5 considerations, taken together, strongly support the conclusion
 6 that the Visa mark is truly prominent and renowned. Accordingly,
 7 Visa International has demonstrated that its mark is famous under
 8 the statute.

9 2. Commercial Use

10 To satisfy the second part of the test, Visa International
 11 must show that JSL is making commercial use of the eVisa mark in
 12 commerce. That is, the "use of a famous and distinctive mark to
 13 sell goods other than those produced or authorized by the mark's
 14 owner." Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 903 (9th
 15 Cir. 2002). This requirement appears to be easily satisfied.
 16 There is no dispute that JSL has made commercial use of the mark
 17 on its Web site and in the domain name <evisa.com>. JSL has
 18 represented in filings with the PTO that it has used the eVisa
 19 mark in commerce. JSL offers "language education" services through
 20 its eVisa Web site. JSL has also indicated on its Web site that it
 21 creates "commerce sites" and can take payment and ship products.
 22 Accordingly, JSL is making commercial use of the eVisa mark within
 23 the meaning of the FTDA.

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1 3. JSL's use of eVisa mark began after Visa
2 International's Visa mark became famous.

3 The third part of the test is that JSL's use of the eVisa
4 mark began after Visa International's Visa mark became famous. JSL
5 began use of the eVisa mark in December 1997 Visa
6 International's Visa mark became famous long before 1997.
7 According to the Interbrand study, Visa was the 14th most
8 successful brand in the world by 1997. By 1997, the Visa mark had
9 been in use for more than twenty (20) years, had appeared on more
10 than 524 million payment cards and decals and more than 12.9
11 million merchants and ATMs, and had been used to purchase hundreds
12 of billions of dollars of goods and services. Accordingly, the
13 Visa mark was famous prior to JSL's first use of the eVisa mark.

14 4. Likely to dilute the Visa mark

15 The fourth part of the test that Visa International must
16 satisfy is that JSL's use of the eVisa mark will dilute the
17 distinctive value of Visa International's Visa mark. In the Ninth
18 Circuit, this element of a dilution claim is satisfied if the
19 plaintiff shows that "the defendant's use presents a likelihood of
20 dilution of the distinctive value of the [plaintiff's mark."
21 Avery Dennison, 189 F.3d at 874; see also, Panavision, 141 F.3d at
22 1324.

23 The Plaintiff must show that the Defendant's mark is
24 similar to Plaintiff's famous mark or, in the case of domain
25 names, the Defendant's domain name is the same or similar to the
26

1 Plaintiff's famous mark. See Panavision, 141 F.3d at 1327 (the
2 Ninth Circuit affirmed the granting of summary judgment on the
3 plaintiff's dilution claim and found that dilution by blurring
4 occurred where the defendant registered and used the
5 <panavision.com> domain name that was similar to plaintiff's
6 famous "Panavision" mark); Porsche Cars North America, Inc. v.
7 Spencer, 55 U.S.P.Q. 1026, 1030 (E.D. Cal. 2000) (the court held
8 that defendant's registration and use of the domain name
9 <porschesource.com> diluted plaintiff's famous "Porsche" mark).

10 A defendant's mark or domain name need not be identical to
11 the plaintiff's mark for dilution to occur. In Porsche Cars, the
12 court held that Porsche's famous "Porsche" mark would "likely be
13 diluted by the defendant's registration and trafficking" in the
14 domain name <porschesource.com> even though the defendant's domain
15 name contained the word "source" while the Porsche mark does not.
16 55 U.S.P.Q.2d at 1030. In Mirage, the court held that a number of
17 the defendant's domain names diluted the plaintiffs' famous marks.
18 The court found that <excaliburhotelcasino.com>,
19 <luxorhotelcasino.com>, <miragehotelcasino.com>,
20 <montecarlohotelcasino.com> diluted the plaintiffs' marks
21 Excalibur, Luxor, Mirage and Monte Carlo respectively. 152 F.Supp.
22 2d at 1216-17. The court made this finding even though the domain
23 names contained the words "hotel" and "casino," which were not
24 part of the plaintiffs' marks.

25

26

1 The question presented here is whether JSL's eVisa mark
 2 will likely dilute Visa International's Visa mark. There is no
 3 dispute that the eVisa mark contains Visa International's famous
 4 Visa mark in its entirety. There is also no dispute that the only
 5 difference between the two marks is JSL's addition of a letter "e"
 6 as a prefix, which is commonly used to denote the online version
 7 of a business.³ Accordingly, the Defendant's eVisa mark is very
 8 similar to Plaintiff's Visa mark.

9 The established facts show that Defendant's use of eVisa is
 10 likely to or has diluted, by blurring, the distinctive quality of
 11 Visa International's Visa mark. Defendant's use of the famous
 12 Visa mark in its domain name has diluted the Plaintiff's ability
 13 to identify and distinguish its goods and services. See Mirage,
 14 152 F.Supp. 2d at 1217. This Circuit has recognized that a
 15 "significant purpose of a domain name is to identify the entity
 16 that owns the web site," and "[u]sing a company's name or
 17 trademark as a domain name is also the easiest way to locate the
 18 company's web site." Panavision, 141 F.3d at 1327.

19 Therefore, if customers use a search engine to find
 20 Plaintiff's Web site and are forced to wade through hundreds of
 21 Web sites, they may never find Plaintiff's official Web site. Id.
 22 As "e" is a commonly used prefix to denote the online version of a
 23 business, <evisa.com> presents a serious impediment to customers

25 ³ See, e.g., <enike.com>, <etoyota.com>, <ehonda.com>, <ekelloggs.com>, <e-
 26 coke.com>, <eplayboy.com> and <enordstrom.com>.

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1 trying to locate the *Visa* Web site. Finally, permitting
 2 Defendant's unauthorized use of the *Visa* mark would put
 3 Plaintiff's name and reputation at the mercy of Defendant. *Id.* at
 4 1327. In *Mirage*, 152 F. Supp 2d 1208, 1216-17, the court, in
 5 granting plaintiffs' motion for summary judgment on dilution, held
 6 that the defendant's use of the plaintiffs' trademarks in domain
 7 names diluted plaintiffs' "ability to identify and distinguish
 8 their goods and services," and "put Plaintiffs' names and
 9 reputations at the mercy of Defendant." The instant case presents
 10 a similar situation.

11 JSL argues that there is no likelihood that JSL's e*Visa*
 12 mark will dilute the *Visa* mark because JSL uses e*Visa* in a
 13 different area of commerce. This argument is contrary to the
 14 express language of the FTDA. The FTDA makes clear that the
 15 meaning of the term "dilution" is the lessening of the capacity of
 16 a famous mark to identify and distinguish goods or services,
 17 regardless of the presence or absence of competition between the
 18 owner of the mark and other parties. See 15 U.S.C. §1127; see
 19 also Panavision, 141 F.3d at 1326 (dilution is actionable
 20 regardless of the presence or absence of competition between the
 21 parties).

22 The Court finds that the e*Visa* mark is likely to dilute the
 23 *Visa* mark. As set forth above, based on the facts, *Visa*
 24 International has established a likelihood of dilution under the
 25 Ninth Circuit test. Thus, having established that all of the
 26

1 requirements of the statute are satisfied, Visa International is
2 entitled to an injunction under Section 43(c) of the Lanham Act.

3 B. CYBERSQUATTING CLAIM

4 JSL filed a Motion for Partial Summary Judgment on Visa
5 International's claim for cybersquatting and Visa International
6 subsequently counter moved for summary judgment on the claim. The
7 Anti-Cybersquatting Consumer Protection Act "ACPA" was signed
8 into law in 1999. The ACPA was enacted "to protect consumers and
9 American businesses, to promote the growth of online commerce, and
10 to provide clarity in the law for trademark owners by prohibiting
11 the bad-faith and abusive registration of distinctive marks as
12 Internet domain names with the intent to profit from the goodwill
13 associated with such marks - a practice commonly referred to as
14 'cybersquatting.'" See Sporty's Farm L.L.C. v. Sportsman's Market,
15 Inc., 202 F.3d 489, 495 (D. Conn. 2000) (quoting and citing S.Rep.
16 No 106-140, at 4).

17 The ACPA provides that "a court may order the forfeiture or
18 cancellation of [a] domain name or the transfer of [a] domain name
19 to the owner of the mark," 15 U.S.C. §1125(d)(1)(C), if the domain
20 name was "registered before, on, or after the date of the
21 enactment of this Act." Pub. L. No. 106-113, § 3010. The relevant
22 sections of the Anti-Cybersquatting Consumer Protection Act
23 provide that:

24 (1) (A) A person shall be liable in a civil
25 action by the owner of a mark, including a
26 personal name which is protected as a mark

1 under this section, if, without regard to the
 2 goods or services of the parties, that person
 3 (i) has a bad faith intent to profit from that
 4 mark, including a personal name which is a
 5 protected mark under this section; and
 6 (ii) registers, traffics in, or uses a domain
 7 name that-
 8 (I) in the case of a mark that is distinctive
 9 at the time of registration of the domain
 10 name, is identical or confusingly similar to
 11 that mark; [or]
 12 (II) in the case of a famous mark that is
 13 famous at the time of registration of the
 14 domain name, is identical or confusingly
 15 similar to or dilutive of that mark . . .

16 15 U.S.C. §1125(d).

17 In this case, the Defendant did register a domain name that
 18 is, at the least, confusingly similar to or dilutive of the Visa
 19 mark. However, Defendant contends that Plaintiff cannot make a
 20 showing of bad faith and, therefore, Defendant argues summary
 21 judgment in favor of Defendant is appropriate on this issue.

22 The ACPA provides a non-exhaustive list of nine factors to
 23 be considered in determining whether a person or business had a
 24 bad-faith intent to profit from a mark. The nine factors follow:

- 25 (I) the trademark or intellectual property
 26 rights of the person, if any, in the domain
 name;
 (II) the extent to which the domain name
 consists of the legal name of the person or a
 name that is otherwise commonly used to
 identify that person;
 (III) the person's prior use, if any, of the
 domain name in connection with the bona fide
 offering of goods or services;
 (IV) the person's bona fide noncommercial or
 fair use of the mark in a site accessible
 under the domain name;
 (V) the person's intent to divert consumers
 from the mark owner's online location to a
 site accessible under the domain name that

1 could harm the goodwill represented by the
 2 mark, either for commercial gain or with the
 3 intent to tarnish or disparage the mark, by
 4 creating a likelihood of confusion as the
 5 source, sponsorship, affiliation, or
 6 endorsement of the site;

7 (VI) the person's offer to transfer, sell, or
 8 otherwise assign the domain name to the mark
 9 owner or any third party for financial gain
 10 without having used, or having an intent to
 11 use, the domain name in the bona fide offering
 12 of any goods or services, or the person's
 13 prior conduct indicating a pattern of such
 14 conduct;

15 (VII) the person's provision of material and
 16 misleading false contact information when
 17 applying for the registration of the domain
 18 name, the person's intentional failure to
 19 maintain accurate contact information, or the
 20 person's prior conduct indicating a pattern of
 21 such conduct;

22 (VIII) the person's registration or
 23 acquisition of multiple domain names which the
 24 person knows are identical or confusingly
 25 similar to marks of others that are
 26 distinctive at the time of registration of
 such domain names, or dilutive of famous marks
 of others that are famous at the time of
 registration of such domain names, without
 regard to the goods or services of the
 parties; and

(IX) the extent to which the mark incorporated
 in the person's domain name registration is or
 is not distinctive and famous . . .

15 U.S.C. §1125(d) (1) (B) (i).

19 In this case, the Plaintiff has presented evidence that
 20 could lead to the conclusion that the Defendant has acted in bad
 21 faith under a number of the statutory factors. However, a bad
 22 faith intent "shall not be found in any case in which the court
 23 determines that the person believed or had reasonable grounds to
 24 believe that the use of the domain name was a fair use or
 25 otherwise lawful." 15 U.S.C. 1125(d) (B) (ii).

1 The Defendant has provided an explanation of why he
 2 registered the <evisa.com> domain name. In his deposition,
 3 Defendant stated that the name eVisa originated with "Eikaiwa
 4 Visa," an English language school he owned and operated in Japan.
 5 The name Eikaiwa Visa eventually became eVisa Defendant
 6 registered <evisa.com> on August 27, 1997. Defendant also sought
 7 a legal opinion regarding whether he had a lawful right to use the
 8 <evisa.com> domain name. JSL sought legal advice from attorney
 9 Parker Bagley. Bagley provided Defendant with a letter stating
 10 that in Mr. Bagley's professional opinion, JSL's use of eVisa was
 11 lawful.

12 In light of the Defendant's deposition and opinion letter
 13 from a reputable trademark attorney, there remains an unresolved
 14 issue of material fact regarding whether the Defendant had a
 15 reasonable belief that his conduct was lawful. Therefore, the
 16 Court will deny both the Defendant's motion for summary judgment
 17 on cybersquatting and Plaintiff's counter motion for summary
 18 judgment on cybersquatting

19 **C. TRADEMARK INFRINGEMENT**

20 The Defendant has filed a Motion for Partial Summary
 21 Judgment on Plaintiff's claim of trademark infringement based
 22 "upon VISA's alleged ownership of the 'e-Visa' trademark."
 23 Defendant argues that Plaintiff cannot make a showing of actual
 24 use of the mark in commerce, which is necessary to establish
 25 ownership of the mark Plaintiff argues that the undisputed facts

1 establish that its e-Visa mark is used in commerce. Upon review,
 2 the Court finds that a genuine issue of material fact exists about
 3 whether the e-Visa mark has been used in commerce. Accordingly,
 4 the Court will deny the Defendant's Motion for Partial Summary
 5 Judgment.

6 V. **REMEDIES**

7 Based on the Court's finding that JSL violated the FTDA,
 8 the Court will now address the appropriate remedies in this case.
 9 Federal law provides protection against trademark dilution: "The
 10 owner of a famous mark shall be entitled, subject to the
 11 principles of equity and upon such terms as the court deems
 12 reasonable, to an injunction against another person's commercial
 13 use in commerce of a mark or trade name. 15 U.S.C.
 14 §1125(c)(1). Additionally, "[a]ctual success on the merits of a
 15 claim is required for a permanent injunction." Avery Dennison,
 16 189 F.3d at 881 (citing Walters v. Reno, 145 F.3d 1032, 1048 (9th
 17 Cir. 1998). Accordingly, because this Court finds that Defendant's
 18 conduct dilutes, or is likely to dilute Visa International's Visa
 19 mark, the Court will enjoin JSL from using the eVisa mark and the
 20 <evisa.com> domain name:

21 VI. **CONCLUSION**

22 Pursuant to Rule 56(c), the Court renders a judgment
 23 forthwith only if the pleadings and evidentiary submissions, "if
 24 any, show that there is no genuine issue as to any material fact
 25 and that the moving party is entitled to judgment as a matter of
 26

1 law." Regarding Plaintiff's dilution claim, no genuine issue as
 2 to any material fact exists. Additionally, after considering the
 3 relevant substantive law, the Court finds that the Plaintiff is
 4 entitled to judgment as a matter of law on its dilution claim.
 5 Therefore, Plaintiff Visa International's Motion for Summary
 6 Judgment (Docket #39) on dilution will be GRANTED.

7 Regarding Defendant JSL's Motion for Partial Summary
 8 Judgment (Docket #47 on Visa International's claim of trademark
 9 infringement, the Court finds that a genuine issue of material
 10 fact exists and the motion is, therefore, DENIED. Additionally,
 11 the Court finds that a genuine issue of material fact exists
 12 regarding Defendant JSL's Motion for Partial Summary Judgment
 13 (Docket #80) on Visa International's claim for cybersquatting and
 14 Visa International's Counter Motion for Summary Judgment on
 15 Cybersquatting (Docket #86). Accordingly, both motions (Docket
 16 #80 & #86) are DENIED.

17 IT IS FURTHER ORDERED, the Court hereby enjoins Defendant
 18 from using or registering the eVisa mark and from using the
 19 <evisa.com> domain name. Defendant shall forthwith deactivate the
 20 Web site at <evisa.com>.

21 IT IS SO ORDERED

22 DATED this 22nd of October, 2002.

23
 24 
 25 LARRY R. HICKS
 26 United States District Judge