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CLERK, U.S. DISTRICT COURT
DISTRICT OF NEVADA

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UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

8	VISA INTERNATIONAL SERVICE)	
9	ASSOCIATION, a Delaware)	
9	corporation,)	CV-S-01-0294-LRH (LRL)
10)	
10	Plaintiff,)	ORDER
11)	
11	v.)	
12	JSL CORPORATION, a Nevada)	
13	corporation,)	
13)	
14	Defendant.)	

15 Before the Court for consideration are three pending motions.

16 Plaintiff has filed a motion asking the Court to hold Defendant in

17 contempt and for modification of the Court's Order entering

18 summary judgment in favor of Plaintiff (Docket #104).¹ Defendant

19 has filed a countermotion for attorney's fees (Docket #118) and a

20 motion to stay the Court's injunction (Docket #112) pending

21 Defendant's appeal. The motions are addressed in turn.

22 I. CONTEMPT

23 Plaintiff has moved (Docket #104) this Court to hold

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25

26 ¹ Plaintiff has also filed a motion for leave to file an amended complaint, which will be addressed in a separate order.

1 Defendant JSL Corporation in contempt for failing to comply with
2 the Court's Order entered October 24, 2002 (Docket #102).
3 Plaintiff argues that the Defendant should be held in contempt for
4 "continuing to use the eVisa mark, for continuing its attempt to
5 register the eVisa mark, and for continuing to use the <evisa.com>
6 domain name." In opposition, the Defendant claims to have "fully"
7 complied with the Court's Order. Defendant's claim is untenable.

8 First, for the purposes of this Court's October 24, 2002,
9 Order, the <evisa.com> Web site has not been deactivated. Changing
10 the content or providing a referral link on a Web site does not
11 constitute deactivation. Indeed, "using" the Web site as a link
12 page clearly shows the Web site at the Web address <evisa.com> has
13 not been deactivated (not to mention an explanatory paragraph on
14 the Web site²).

15 Second, the Court's Order of October 24, 2002, enjoined the
16 Defendant from "using" or "registering" the **eVisa** mark. Defendant
17 is not in compliance with this part of the Order either.
18 Defendant may not use the **eVisa** mark in any way related to or in
19 reference of the services it offers. Additionally, Defendant was
20 enjoined from registering the **eVisa** trademark. The injunction was

21 ² The Web site contains what appear to be Japanese symbols and the following
22 paragraph: "The evisa.com site is presently unavailable due to a lawsuit filed by
23 VISA against JSL, the owner of the evisa.com domain. We will be asking the court
24 for permission to use the evisa.com site again. In the meantime, please go to
25 3Dtree.com for information about the lawsuit and the current location of the
26 learning and reference library hosted previously on evisa.com."

1 certain and definite. It logically follows, that if Defendant
2 still has a pending registration, Defendant must abandon such.
3 Defendant is directed to fully comply with this Court's Order of
4 October 24, 2002. Plaintiff's motion for contempt will be denied
5 at this time. However, it will be denied *without prejudice* to
6 renewal if Defendant has not deactivated the domain name
7 <evisa.com> and completely removed any reference to eVisa in
8 relation to Defendant's services from Defendant's other Web sites.
9 Defendant shall have ten (10) days from entry of this Order to be
10 in full compliance.

11 II. MOTION FOR MODIFICATION OF COURT ORDER

12 Plaintiff has filed a motion (Docket #104) requesting that
13 this Court modify its Order (Docket #102) of October 24, 2002.
14 Specifically, Plaintiff requests that the Court: (1) order JSL to
15 transfer the <evisa.com> domain name to Visa; (2) order JSL to
16 abandon its **eVisa** trademark application; (3) order the United
17 States Patent and Trademark Office ("USPTO") to dismiss JSL's
18 oppositions to Visa's federal trademark applications for EVISA, E-
19 VISA and E VISA and to refuse JSL's application to register the
20 **eVisa** trademark; and (4) enter summary judgment in favor of Visa
21 on JSL's counterclaims.

22 As noted, Defendant has appealed this Court's decision
23 granting Plaintiff summary judgment on Plaintiff's trademark
24 dilution claim. Once notice of appeal is filed, the district
25 court is divested of jurisdiction over the matters which are being
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1 appealed. Griggs v. Provident Consumer Discount Co., 459 U.S. 56,
2 58, 103 S.Ct. 400 (1982) (per curiam); McClatchy Newspapers v.
3 Central Valley Typographical Union No. 46, 686 F.2d 731, 734 (9th
4 Cir.1982). This principle of exclusive appellate jurisdiction is
5 not absolute. Masalosalo v. Stonewall Ins. Co., 718 F.2d 955, 956
6 (9th Cir. 1983). The presiding district court retains jurisdiction
7 during the pendency of an appeal to act to preserve the status
8 quo. Newton v. Consolidated Gas Co., 258 U.S. 165, 177 (1922);
9 Natural Resources Defense Council, Inc. v. Southwest Marine Inc.,
10 242 F.3d 1163, 1166 (9th Cir. 2001).

11 After considering the Plaintiff's requests for modification
12 of the Court's Order, under the above standard, the modifications
13 requested by the Plaintiff would not impermissibly alter the
14 status quo of this case.

15 Regarding Plaintiff's first request, that the Court modify
16 its order to direct JSL to "promptly transfer ownership of the
17 <evisa.com> domain name to Visa," such request will be denied.
18 Plaintiff represents to this Court that courts in the District of
19 Nevada "routinely order[] transfer of domain names as a remedy in
20 Lanham Act cases." In support of this representation, Plaintiff
21 has taken the time to string cite nearly thirty cases from this
22 District. Plaintiff fails to mention, however, that all of the
23 cases cited by Plaintiff are cyber-squatting actions or cyber-
24 squatting actions combined with other Lanham Act violations.
25 Plaintiff has cited no authority for the proposition that a domain
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1 name should be transferred to a successful party as the remedy in
2 a trademark dilution action. Remedies for dilution of famous
3 marks are set forth in 15 U.S.C. §1125, which states:

4 The owner of a famous mark shall be entitled,
5 subject to the principles of equity and upon
6 such terms as the court deems reasonable, to
7 an injunction against another person's
8 commercial use in commerce of a mark or trade
9 name, if such use begins after the mark has
10 become famous and causes dilution of the
11 distinctive quality of the mark, and to obtain
12 such other relief as is provided in this
13 subsection.

14 15 U.S.C. §1125(c) (1).

15 Based on this statutory provision, the Court enjoined the
16 Defendant from using **eVisa**. However, nowhere in this subsection
17 of §1125 is the transfer or forfeiture of a domain name listed as
18 a remedy for trademark dilution. By contrast, the anti cyber-
19 squatting subsection of §1125 provides that:

20 In any civil action involving the
21 registration, trafficking, or use of a domain
22 name under this paragraph, a court may order
23 the forfeiture or cancellation of the domain
24 name or the transfer of the domain name to the
25 owner of the mark.

26 15 U.S.C. §1125(d) (1) (C).

 However, Plaintiff has not prevailed on its cyber-squatting
claim. Therefore, the injunction against Defendant's commercial
use of **eVisa** as the remedy for trademark dilution was appropriate
and stands. Although the Court has found that Defendant's
commercial use of **eVisa**, and the manner in which Defendant used
it, diluted or was likely to dilute Plaintiff's mark, the Court

1 did not and will not force transfer of what, at this point,
2 remains Defendant's legally possessed domain name.

3 Next, Plaintiff requests that the Court order JSL to abandon
4 its **eVisa** trademark application. The Court has already issued an
5 order on this matter. In its Order of October 24, 2002, the Court
6 enjoined Defendant from using or "registering" the **eVisa** mark.

7 Additionally, the Plaintiff requests the Court order the
8 USPTO to dismiss JSL's oppositions to Visa's federal trademark
9 applications for EVISA, E-VISA and E VISA. As for ordering the
10 USPTO to dismiss JSL's oppositions to Visa's trademark
11 applications, the Court declines to grant such relief at this
12 time.

13 Finally, the Plaintiff requests that the Court modify its
14 previous Order and enter summary judgment in favor of Visa on
15 JSL's counterclaims. Plaintiff asserts that the Court's ruling in
16 favor of Plaintiff on its dilution claim is dispositive as to the
17 Defendant's counterclaims. The Court agrees that, in light of the
18 Court's Order granting judgment in favor of Plaintiff on its
19 dilution claim, the Defendant's counterclaims for trademark
20 infringement cannot succeed. Therefore, the Court will modify its
21 Order accordingly.

22 III. DEFENDANT'S COUNTERMOTION FOR ATTORNEY'S FEES

23 Defendant has opposed Plaintiff's motion for contempt and has
24 counter moved for attorney's fees(Docket #118). First, Defendant
25 does not provide a basis for its countermotion for attorney's

1 fees. Second, in light of the Defendant's low level of compliance
2 with this Court's Order, the Plaintiff was fully justified in
3 filing a motion for a contempt order. Therefore, Defendant's
4 motion will be denied.

5 IV. MOTION TO STAY ENFORCEMENT OF INJUNCTION

6 Defendant has moved (Docket #112) the Court to stay its
7 injunction issued on October 24, 2002, pending Defendant's appeal
8 to the Ninth Circuit. Defendant must meet a heavy burden to obtain
9 a stay pending appeal. Williams v. Zbaraz, 442 U.S. 1309, 1311,
10 1315 (1979).

11 The standard for evaluating stays pending
12 appeal is similar to that employed by district
13 courts in deciding whether to grant a
14 preliminary injunction. In this circuit there
15 are two interrelated legal tests for the
16 issuance of a preliminary injunction. These
17 tests are not separate but rather represent
18 the outer reaches of a single continuum. At
19 one end of the continuum, the moving party is
20 required to show both a probability of success
21 on the merits and the possibility of
22 irreparable injury. At the other end of the
23 continuum, the moving party must demonstrate
24 that serious legal questions are raised and
25 that the balance of hardships tips sharply in
26 its favor. The relative hardship to the
parties is the critical element in deciding at
which point along the continuum a stay is
justified.

21 Lopez v. Heckler, 713 F.2d 1432, 1435 (9th Cir. 1983) (internal
22 citations and quotations omitted).

23 Defendant has failed to show that it is entitled to a stay of
24 the injunction. First, Defendant fails to address its probability
25 of success on the merits of its appeal. Second, Defendant does
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1 not adequately address whether it will be irreparably injured by
2 the injunction. Defendant merely states that the injunction will
3 have a substantial impact on Defendant's enterprise and that as
4 "the smallest of corporate entities, the impact . . . is very
5 substantial, if not total." However Defendant does not
6 sufficiently clarify what impact there will be or what hardship it
7 will endure.

8 As for a balancing of the hardships, Defendant claims that
9 the injunction should be staid because the 20,000 alleged Internet
10 users that visit <evisa.com> every month will not be able to find
11 Defendant's Web site. Defendant argues that the Plaintiff is not
12 suffering any hardship as a result of Internet users accessing
13 Defendant's Web site via the <evisa.com> domain name. Contrary to
14 Defendant's arguments, however, this is exactly why the injunction
15 is appropriate-not in spite of the number of visitors per month,
16 rather because of it. Consequently, Defendant's Motion to Stay
17 Enforcement of Injunction is denied.

18 V. CONCLUSION

19 Plaintiff's Motion for Contempt and for Modification of the
20 Order Entering Summary Judgment (Docket #104) is **GRANTED** in part
21 and **DENIED** in part. Insofar as the motion deals with contempt for
22 Defendant's failure to comply with the Court's Order entered
23 October 24, 2002, the motion is denied, *without prejudice* to
24 renewal if Defendant has not deactivated the <evisa.com> domain,
25 abandoned its trademark application and discontinued all

1 commercial use of the eVisa mark within ten days from entry of
2 this Order. Regarding Plaintiff's request that the Court modify
3 its previous Order, it is **GRANTED** as to entry of summary judgment
4 in favor of Plaintiff on Defendant's counterclaims. The motion is
5 otherwise **DENIED**.

6 Defendant's Motion for Attorney's Fees (Docket #118) is
7 **DENIED**.

8 Defendant's Motion to Stay Enforcement of Injunction (Docket
9 #112) pending appeal is **DENIED**.

10 IT IS FURTHER ORDERED, that the Defendant fully comply with
11 this Court's Order to deactivate the <evisa.com> domain and Web
12 site.³ Further, it is ordered that Defendant JSL cease making any
13 reference to eVisa in relation to its services and that Defendant
14 abandon its trademark application for eVisa.

15 **IT IS SO ORDERED.**

16 DATED this 11th day of February 2003.

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18 LARRY R. HICKS
19 United States District Judge

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24 ³ Specifically, "deactivate" means that there shall be NO content whatsoever
25 available at <evisa.com>, no links and no automatic redirecting. That is to say,
26 if any computer user should enter <evisa.com> in his or her Web browser's address
bar, he or she should achieve the same result as if a non-existent domain name had
been entered.