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**UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

VISA INTERNATIONAL SERVICE
ASSOCIATION, a Delaware
corporation,

Plaintiff/Appellee,

v.

JSL CORPORATION, a Nevada
corporation,

Defendant/Appellant.

D.C. No. CV-S-01-0294-LRH(LRL)

No. 02-17253

**PLAINTIFF/APPELLEE'S
OPPOSITION TO DEFENDANT/
APPELLANT'S MOTION TO STAY
PENDING APPEAL**

Plaintiff/Appellee Visa International Service Association, Inc. ("Visa International") respectfully submits this opposition to "Defendant/Appellant's Motion for Stay Pending Appeal" ("JSL's Motion").

Defendant/Appellant JSL Corporation (“JSL”) has failed meet the heavy burden required to obtain a stay pending appeal of the injunction entered by the United States District Court for the District of Nevada on October 22, 2002.¹ Most notably, JSL falsely contends that Visa International is seeking to create a monopoly in the word “visa” by seeking to stop JSL from using *Visa* in a generic sense in connection with information on travel visas. Contrary to JSL’s contention, Visa International does not oppose use of the word “visa” in a generic sense in connection with immigration or travel visa services. Indeed, many businesses currently use the term “visa” as a generic term in connection with providing immigration or travel visa services without any objection from Visa International.²

However, JSL is not seeking to use *Visa* as merely a generic term. JSL is seeking to use and register *eVisa* as a trademark for various computer services, and has filed a U.S. trademark application claiming under penalty of perjury to own the exclusive rights to use the *eVisa* mark for such services. Furthermore, JSL has used and is continuing to use *eVisa* and *Visa* as a trademark for various services, including, among others, credit card processing services, website content development and directory services, and language translation services. Further still, JSL has sued Visa International in the instant case alleging that Visa

¹ Some of the words in the copy of the Order attached to JSL’s Motion are illegible. Accordingly, a true and accurate copy of the Order is attached as Exhibit A to the accompanying Declaration of Michael J. McCue (“McCue Decl.”).

² Attached are printouts of web sites using the term “visa” in a generic sense in connection with immigration and/or travel-related services. McCue Decl. Exh. B. Visa International has not taken the position that such uses violate Visa International’s trademark rights in *Visa*.

International's use of the mark *e-Visa* is an infringement of JSL's alleged exclusive trademark rights in the *eVisa* mark.

Long after Visa International filed this suit, JSL added information regarding travel visas to its web site at <evisa.com> in a bad faith and belated attempt to conjure up some putative fair use. However, to this day, JSL continues to use *eVisa* and *Visa* in connection with services other than providing information regarding visas and, therefore, is continuing to violate International's trademark rights.

For the reasons set forth below, JSL's motion for a stay pending appeal should be denied.

PROCEDURAL BACKGROUND

On October 24, 2002, the United States District Court for the District of Nevada ("District Court") entered summary judgment in favor of Visa International on its trademark dilution claim. The District Court held that JSL's use of the *eVisa* mark and <evisa.com> domain name diluted Visa International's famous mark. See McCue Decl. Exh. A at 29. The District Court enjoined JSL from "using or registering the *eVisa* mark and from using the <evisa.com> domain name" and ordered JSL to "forthwith deactivate the Web site at <evisa.com>." Id.

After JSL failed to comply with the injunction, Visa International filed a motion for contempt on November 19, 2002. On November 25, 2002, while still in violation of the District Court injunction and more than one month after the District Court granted summary judgment for Visa International, JSL filed a motion to stay the injunction pending in the District Court. JSL did not explain

why it waited more than one month to seek a stay.

On February 12, 2003, the District Court held that JSL had violated the injunction and that JSL had failed to make a showing that it was entitled to a stay pending appeal. See JSL's Motion Exh. B. The District Court held that JSL's claim that it had "fully complied" with the District Court injunction was "untenable." Id. Exh. B. at 2. The District Court held that JSL had violated the injunction by failing to deactivate the <evisa.com> web site, failing to cease use of the *eVisa* mark, and failing to abandon its U.S. trademark application for registration of the *eVisa* mark. Id. Moreover, the District Court denied JSL's motion to enforcement of the injunction pending appeal because JSL failed to establish probable success on the merits, irreparable injury, or that the balance of hardships favors JSL. Id. at 7-8. JSL is still in contempt of the District Court's order for failing to abandon JSL's U.S. trademark application for registration of the *eVisa* mark.³

After the February 12, 2003 entry of the District Court's order denying JSL's motion for a stay pending appeal, JSL waited more than five weeks until March 20, 2003 to file its pending motion to stay in the Ninth Circuit. JSL failed to explain why it waited a total of more than nine weeks to file its motions to stay (four weeks in the District Court and another five weeks in the Ninth Circuit).

³ JSL's continued violation of two orders of the District Court to abandon its trademark application (JSL's Motion at Exh. B at 2-3) constitutes unclean hands and should bar any ability to obtain equitable relief from the injunction entered by the District Court.

ARGUMENT

It is well established that a heavy burden must be met to obtain a stay pending appeal. See Williams v. Zbaraz, 442 U.S. 1309, 1311, 1315 (1979). The standard applied by the Ninth Circuit for evaluating motions to stay pending appeal "is similar to that employed by district courts in deciding whether to grant a preliminary injunction." Lopez v. Heckler, 713 F.2d 1432, 1435 (9th Cir. 1983). Thus, JSL must show either: (1) a combination of probable success on the merits and the possibility of irreparable injury without injunctive relief; or (2) that serious questions are raised and the balance of hardships tips sharply in the moving party's favor. Goto.com, Inc. v. Walt Disney Co., 202 F.3d 199, 1205 (9th Cir. 2000). JSL has failed to satisfy either test.

I. JSL HAS FAILED TO ESTABLISH PROBABLE SUCCESS ON THE MERITS

JSL's argument that it is likely to succeed on the merits of its appeal is based on the false premise that JSL is using *eVisa* or *Visa* merely in a generic sense and the erroneous argument that Visa International failed to prove that JSL actually diluted the *Visa* mark under the Federal Trademark Dilution Act ("FTDA"), 15 U.S.C. § 125(c).

A. JSL's Use of *eVisa* and the Distinctiveness of the *Visa* Mark

JSL contends that it is likely to succeed on the merits of its appeal because JSL "does not use the *eVisa* mark in a manner that dilutes the distinctiveness of the *Visa* mark." See JSL's Motion at 12 (subheading). JSL's argument is based on the false premise that JSL uses the *eVisa* mark only generically in connection with visa services and not as a trademark. Id. at 16-

17. By JSL's own admission, however, JSL has offered e-commerce, website development services, payment services (including online credit processing), translation services, website content directory services computer tutorials on its web site at <evisa.com>. See McCue Decl. Exh. A at 10; see also Orr Decl. Exh. A. Moreover, JSL is seeking to use and register **eVisa** as a trademark for various computer services, and has filed a U.S. trademark application claiming under penalty of perjury to own the exclusive rights to use the **eVisa** mark for such services. See McCue Decl. Exh. C. Further still, JSL has sued Visa International in the instant case alleging that Visa International's use of the mark **e-Visa** is an infringement of JSL's alleged exclusive trademark rights in the **eVisa** mark. See McCue Decl. Exh. D. Thus, the undisputed facts show that JSL has used and is using the **eVisa** mark in connection with numerous services **other than** travel visa services. Accordingly, JSL's contention that it is not using **Visa** or **eVisa** as a trademark is pure fiction

JSL's other arguments are equally flawed. JSL argues that distinctiveness is required in addition to fame to establish a claim under the FTDA because otherwise "the owner of a famous mark could monopolize words in competitive industries in which its English-word-mark would otherwise be generic and could not have received trademark protection in the first place." JSL's Motion at 16. Based on this argument, JSL concludes that Visa International cannot monopolize the **Visa** mark in the travel visa services industry. JSL's Motion at 16. Visa International cannot prevent (and it has not sought to prevent) third parties from using the word "visa" in a generic sense in connection with immigration or

travel visa services. However, as set forth above, JSL has not used “visa” or “e visa” in only a generic sense; JSL has used **eVisa** as a trademark in connection with numerous services unrelated to immigration or travel visa services.

JSL’s argument regarding whether the FTDA requires distinctiveness as a separate element of proof, in addition to fame, is not relevant to the outcome of the instant appeal because *Visa* is an inherently distinctive mark when used in connection with Visa International’s goods and services. By its terms, the FTDA protects trademarks that are “famous and distinctive.” 15 U.S.C. § 1125(c)(1). However, there is a split among circuits as to whether distinctiveness is a requirement in addition to fame because distinctiveness is one of the eight statutory factors for determining the fame of the plaintiff’s mark. See 15 U.S.C. § 1125(c)(1)(A); compare Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 215 (2d Cir. 1999) (distinctiveness required in addition to fame) with Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C., 212 F.3d 157, 167 (3d Cir. 2000) (distinctiveness is only one of several factors to be used in determining fame).⁴

JSL admits that Visa International’s *Visa* mark is inherently distinctive when applied to Visa International’s goods and services. JSL’s Motion at 14 (*Visa* is arbitrary when used in connection with financial services). A trademark is inherently distinctive when it is suggestive, arbitrary or fanciful. Wal-Mart Stores,

⁴ In the Ninth Circuit, the plaintiff has not been required to prove that its mark is distinctive apart from showing fame because distinctiveness is only one of the several factors in determining fame. See Avery Dennison Corp. v. Sumpton, 189 F.3d 868, 874 (9th Cir. 1999).

Inc. v. Samara Brothers, Inc., 120 S. Ct. 1339, 1343 (2000); see also Nutri/System, Inc. v. Con-Stan Indus., Inc., 809 F.2d 601, 605 (9th Cir. 1987).⁵

The dictionary meaning of the word “visa” is “an endorsement made by an authorized representative of one country upon a passport issued by another, permitting the passport holder entry into or transit through the country making the endorsement.” Webster’s New Universal Unabridged Dictionary (1996). The *Visa* mark is arbitrary when used in connection with the goods and services provided by Visa International, such as financial and banking services, because the dictionary meaning of “visa” does not describe any characteristic of these goods and services.⁶ Thus, whether the Ninth Circuit requires distinctiveness as a separate element under the FTDA is irrelevant because *Visa* is distinctive.⁷

⁵ A suggestive mark requires imagination to make a connection between the mark and an attribute of the goods or services to which it is applied. Wal-Mart, 120 S. Ct. at 1391. An arbitrary mark consists of a common word or words that are not descriptive of the goods or services to which the mark is applied. Id. at 1390-91. A fanciful mark is a coined term, such as Kodak. Id. Thus, coined terms constitute only one type of inherently distinctive marks.

⁶ The *Visa* mark has long been found to be inherently distinctive and, therefore, must be afforded substantial protection against dilution. See Visa International Service Association v. Bankcard Holders of America, 211 U.S.P.Q. 28, 40 (N.D. Cal. 1981) (“A strong mark, such as the VISA trademark, is considered distinctive, arbitrary or fanciful. . . . The trademark, VISA, is a strong mark which is entitled to protection against . . . the dilution of the value of its trademark”); Visa International Service Association v. VISA/Master Club, 213 U.S.P.Q. 629, 635 (N.D. Cal. 1981) (“A strong mark, such as the *Visa* trademark, is considered distinctive, arbitrary or fanciful”).

⁷ At one point in its motion, JSL makes the meritless argument that only coined terms (made-up words that do not appear in the dictionary) are protected by the FTDA. JSL’s Motion at 17. However, the FTDA does not contain any requirement that a mark must be coined to be protected and no court has held that only coined terms can be protected under the FTDA.

B JSL Actually Has Diluted the Visa Mark

JSL further argues that it is likely to succeed on the merits because the District Court below applied the “likelihood of dilution” standard rather than the “actual dilution” standard enunciated in Moseley v. V Secret Catalogue, Inc., 123 S. Ct. 1115 (March 4, 2003), and that the District Court did not find evidence of actual dilution. JSL’s Motion at 18-19.

The Supreme Court’s holding in V Secret does not require or warrant reversal of the District Court’s order for several reasons. Most importantly, the District Court found *both* likelihood of dilution and actual dilution. Specifically, the District Court held that “[t]he established facts show that Defendant’s use of eVisa is likely to dilute or has diluted, by blurring, the distinctive quality of Visa International’s *Visa* mark” and that “Defendant’s use of the famous *Visa* mark in [Defendant’s] domain name has diluted the Plaintiff’s ability to identify and distinguish its goods and services.” McCue Decl. Exh A at 22 (lines 9-13) (emphasis added).

Moreover, there was ample evidence for the District Court below to find actual dilution. In V Secret, the Supreme Court recognized that actual dilution may be established without survey evidence including, for example, in “the obvious case . . . where the junior and senior marks are identical.” 123 S. Ct. at 1124. In V Secret, the marks at issue were “Victor’s Little Secret” and “Victoria Secret” which are not identical. Unlike in V Secret, the marks at issue in this case are identical or essentially identical, enabling the District Court to conclude that there is actual dilution. The only difference between the two marks is JSL’s addition of the letter

“e” as a prefix, which is the District Court below expressly noted “is a commonly used prefix to denote the online version of a business .” McCue Decl. Exh. A at 22 (lines 22-23).

Indeed, there are numerous cases that have compared two marks that only differ by the prefix “e” and have concluded that the marks are identical or essentially identical. See, e.g., Referee Enterprises, Inc. v. Planet Ref, Inc., 201 U.S. Dist. LEXIS 9303, at *3 (E.D. Wisc. Jan. 24, 2001) (holding that the owner of the REFEREE mark was entitled to a preliminary injunction on a federal dilution claim against defendant’s use of the domain name <ereferee.com>). Accord Scholastic Inc. v. Applied Software Solutions, Inc., ICANN Case No. D2000-1629 (<escholastics.com> is “identical or confusingly similar” to the “SCHOLASTIC” mark, despite domain name holder’s argument that its web site “contained many references to services for ‘students, teachers and administrators’; that “the addition of the letter ‘e’ before the trademarked term and the use of the plural ‘s’ means that the domain name at issue is different from the [SCHOLASTIC] marks in which the Complainant has rights”; that “the plural of the term SCHOLASTIC is generic for a term referring to education”; and that “it is making a bona fide offering of services of the type for which the domain at issue is descriptive”); Crédit Lyonnais v. Association Etre Ensemble, ICANN Case No. D2000-1426 (the Credit Lyonnais mark is “identical to the domain name ‘e-creditlyonnais.com’ . . . as the addition of the letter “e-“, rather trite in the internet world, would not affect the attractive power of the words “credit lyonnais”); Ty Inc. v. Joseph Parvin d/b/a Domains For Sale, ICANN Case No. D2000-0688 (<ebeaniebaby.com> and

<ebeaniebabies.com> are identical or confusingly similar to the BEANIE BABY mark); General Electric Company v. Online Sales.com, Inc., ICANN Case No. 2000-343 (<e-ge.com> is identical to General Electric's "GE" mark); Nike, Inc. v. Zia, ICANN Case No. D2000-0167 (<enike.com> "is identical or confusingly similar" to the NIKE mark, the "only difference . . . is the 'e', a difference [that is] insignificant"); Busy Body, Inc. v. Fitness Outlet, Inc., ICANN Case No. D2000-0127 ("domain name 'efitnesswarehouse.com'. . . is identical to Complainant's service mark 'FITNESS WAREHOUSE'").

Furthermore, the finding of actual dilution by the District Court below on the facts of this case is supported by Panavision Int'l, L.P. v. Toeppen, 945 F. Supp. 1296, 1304 (C.D. Cal. 1996), aff'd, 141 F.3d 1316 (9th Cir. 1998), which is the case heavily relied on by the District Court in concluding that JSL's use of e*Visa* dilutes the *Visa* mark. McCue Decl. Exh. A at 12-13, 22-23. Panavision is still good law and, in fact, another district court in the Ninth Circuit has already concluded that Panavision was not inconsistent with, nor overruled by, V Secret. See Golden West Financial v. WMA Mortgage Services, 2003 WL 1343019 (N.D. Cal. March 13, 2003) (district court, Breyer J., cited to Panavision as having established "the Ninth Circuit's standard for dilution," applied Panavision in determining whether the plaintiff had established proof of actual dilution, and concluded that V Secret was consistent with the analysis in Panavision). In Panavision, the Ninth Circuit recognized that in the context of the Internet the defendant's registration of a domain name that is similar to the plaintiff's famous mark inherently causes dilution to the plaintiff's mark because it deprives the

plaintiff of the ability to use that domain name and puts the plaintiff's name and reputation at the mercy of the defendant. Panavision, 14 F.3d at 1327 (“[P]otential customers of Panavision will be discouraged if they cannot find its web page . . . [and] are forced to wade through hundreds of web sites [t]his dilutes the value of Panavision's trademark. . . [this] puts Panavision's name and reputation at [defendant's] mercy”).

While trademark law itself permits non-famous marks to be used by different parties for different goods and services, the domain name system on the Internet requires that each domain name be unique. See Panavision, 945 F. Supp. 2d at 1302 (“the current organization of the Internet permits only one use of a domain name . . . [O]nly one business can operate on the Internet with the domain name 'acme.com'”). As a result, when a defendant registers a domain name containing plaintiff's famous mark, the plaintiff is prevented from using that domain name, thereby causing actual dilution to the plaintiff's mark and actual harm to the plaintiff. For example, in Virtual Works v. Network Solutions, 106 F. Supp. 2d 845, 848 (E.D. Va. 2000), aff'd on other grounds, 238 F.3d 264 (4th Cir. 2001), in granting Volkswagen's motion for summary judgment on dilution, the court relied on Panavision and held that Volkswagen had “experienced economic harm as a result of not being able to use VW.NET . . . See also Teletech Customer Care Management (California), Inc. v. Tele-Tech Co, Inc. 977 F. Supp. 1407, 1413 (C.D. Cal. 1997) (defendant's registration of <teletech.com> prevents trademark owner from using that domain name and thereby causes dilution); Porsche Cars North America, Inc. v. Spencer, 55 U.S.P.Q.2d 1026, 1030 (E.D.

Cal. 2000) (defendant's registration and use of <porschesource.com> put Porsche's "name and reputation at [defendant's] mercy by diminishing Porsche's ability to distinguish its goods and services"); Mirage v. Stirpe, 152 F. Supp. 2d 1208, 1216-18 (D. Nev. 2000) (defendant's registration and use of domain names containing plaintiffs' famous marks put plaintiffs' names and reputations at the mercy of defendant).⁸ Moreover, the District Court recognized that "[JSL's] use of the famous **Visa** mark in its domain name has diluted [Visa International's] ability to identify and distinguish its goods and services. . . . [JSL's use of] <evisa.com> presents a serious impediment to customers trying to locate the **Visa** Web site. Finally, permitting [JSL's] unauthorized use of the Visa mark would put Plaintiff's name and reputation at the mercy of Defendant." McCue Decl. Exh. A. at 22-23.

Based on the undisputed facts that the **eVisa** and **Visa** marks are essentially identical and that the dispute involves the inherent dilution context of domain names on the Internet, the District Court had ample evidence to conclude that there is actual dilution – a conclusion that V Secret considers to be "obvious" when the marks at issue are identical. See 123 S. Ct. at 125. In contrast to the facts of this case, the marks at issue in V Secret (Victoria Secret and Victor's Little Secret) were not identical or could not be considered to be nearly identical.

⁸ This evidence of actual dilution is further bolstered by the following facts. JSL uses the **eVisa** mark with a lower case "e" followed by an upper case "V" followed by a lower case "isa." Moreover, in displaying the **eVisa** mark on its <evisa.com> website, JSL used the color blue for the **Visa** portion of the **eVisa** mark against a white background, which is similar to Visa's long-standing use of the **Visa** mark in blue against a white background on hundreds of millions of payment cards (including Mr. Orr's **Visa** card), merchant decals, and online shopping web sites. See McCue Decl. Exh. A at 6-7. As a result, these additional undisputed facts further support a finding of actual dilution.

Moreover, the V Secret case did not involve the inherent dilution context of conflicting domain name ownership recognized in Panavision (141 F.3d at 1327), in which context actual dilution harm is inherent because of the mark owner's inability to use the domain name at issue to identify the mark owner's website. Finally, in V Secret, there was no evidence from any expert or any other witness of the impact of the Victor's Little Secret name on the Victoria Secret mark. Id. at 1120 ("Neither [Victoria Secret's expert], nor any other witness, expressed any opinion concerning the impact, if any, of petitioner's use of the name 'Victor's Little Secret' on [the value of the Victoria Secret mark]"); id. at 1124 ("[T]he expert retained by [Victoria Secret] had nothing to say about the impact of petitioners' name on the strength of [Victoria Secret's] Mark"). In the instant case, however, Dr. Itamar Simonson, Sebastian S. Krege Professor of Marketing at the Graduate School of Business at Stanford University, provided an expert declaration wherein Dr. Simonson stated that:

[O]nce JSL Corporation (or any other company) is allowed to use the EVISA mark, Visa International will have to depend on and be at the mercy of JSL, thus losing control over its most important asset, its [VISA] mark. . . . (¶) Indeed, the dilution of the VISA mark will undoubtedly intensify if consumers are exposed to additional marks, like EVISA, that bring VISA to mind and create new, possibly negative, brand associations. . . . (¶) The impact of EVISA . . . will be to blur . . . the distinctive associations of the VISA mark, making it more difficult for consumers to know what VISA stands for and diminishing the effectiveness of the marketing activities of Visa International.

McCue Decl. Exh. E at ¶¶ 41, 42, 44. Based on the foregoing reasons, JSL is not likely to succeed on the merits of its appeal.

II. JSL Has Failed to Establish Irreparable Injury

In addition to failing to establish the likelihood of success on the merits of its appeal, JSL has failed to provide persuasive evidence that it would be irreparably injured if the Court does not stay enforcement of the injunction pending appeal

As its proof of irreparable harm, JSL argues that “the district court shut down the sole portal through which [JSL’s] actual and potential customers have had access [sic] the information that it provides.” JSL’s Motion at 11. To the contrary, the evidence shows that JSL is currently offering all of the services that were previously available at <evisa.com> on one of the other web sites operated by JSL, <3dtree.com> -- a fact that JSL admits in its motion. See JSL’s Motion at 10.

JSL also offers the vague and conclusory statements of its principal, Joseph Orr, to support the claim of irreparable harm. For example, Mr. contends that the District Court’s injunction resulted in the loss of “momentum” that the <evisa.com> had come to enjoy. Orr Decl. ¶ 7. JSL’s claim that <3dtree.com> web site (which contains the content previously available on the <evisa.com> web site) has far less traffic and bandwidth usage compared to the <evisa.com> web site is misleading. Orr Decl. ¶ 10. JSL uses as a baseline the traffic to the <evisa.com> during a one-month period in September 2002, which Orr acknowledges reflected an alleged “huge surge” in traffic because of an article that appeared about the JSL site on Slashdot. However, JSL has provided no evidence of the average amount of traffic to the <evisa.com> site over a longer period of

time or during a normal period of time in which the one-time alleged “huge surge” was not experienced. JSL implies, again without providing any evidence, that the alleged “huge surge” in traffic in September 2002 would have been sustained over a period of time after the Slashdot article appeared. JSL also fails to eliminate other factors that may have been responsible for the alleged low traffic to JSL’s <3dtree.com> site, such as a lack of advertising of the <3dtree.com> site or the lack of useful or quality services on that site.

In addition to the lack of evidence regarding the cause of the alleged reduction in traffic, there is no evidence that staying the injunction pending appeal at this point – more than five months after the Court’s October 2002 injunction was entered – will reduce any alleged irreparable harm to JSL. Indeed, at this point, two of the search engines cited by JSL both list JSL’s <3dtree.com> web site near the top of the listings generated by searches for *eVisa*. McCue Decl. Exh. F. Moreover, the <evisa.com> home page is still available to web users as a “cached” copy on the Google web site. Thus, web users can access the cached copy of the <evisa.com> web site and then click on a link to the <3dtree.com> web site. McCue Decl. Exh. F.

Moreover, JSL’s argument that it will be irreparably harmed if the Court does not stay the injunction pending appeal is inconsistent with JSL’s conduct. After the District Court entered the injunction on October 24, 2002, JSL waited more than one month to file a motion to stay in the District Court. Even then, JSL did not seek a stay on an emergency basis. After the District Court denied JSL’s motion to stay on February 12, 2003, JSL waited until March 20, 2003 – more than

five weeks – to file its motion for a stay in the Ninth Circuit. Moreover, JSL filed the motion to stay in the Ninth Circuit on a non-emergency basis. Accordingly, delay in seeking a stay both at the District Court and in the Ninth Circuit belies its contention that the injunction is causing JSL to suffer irreparable harm.

III. **JSL Has Failed to Establish that the Balance of Hardships Tip Sharply in Its Favor**

Although JSL contends that the balance of hardships is the critical factor in determining whether to grant a stay pending appeal, JSL's argument on this factor is based solely on the following contentions: (1) <evisa.com> is proverbial tse-tse fly on the back of a rhinoceros"; (2) Visa International has a "billion dollar marketing budget," "sponsorships," and a "vast array of different kinds of advertising"; and (3) Visa International has "its own successful domain name, <visa.com>, which has managed to flourish despite the existence of <evisa.com> over a period of years." JSL's Motion at 19.

JSL has failed to provide any evidence supporting its argument on the balance of hardships. Specifically, JSL has failed to provide evidence of Visa International's advertising budget or explain how the alleged size of that budget or the nature of Visa International's advertising affects the balance of hardships. JSL has failed to provide evidence of its financial strength or how the injunction has or will affect its financial strength. JSL has failed to explain how the success of the <visa.com> web site relevant to the issue of the balance of hardships. JSL also has failed to explain how the balance of hardships could possibly favor JSL when JSL is continuing to provide the same content that was available on its <evisa.com> web site on the <3dtree.com> web site owned by JSL.

Moreover, JSL ignores the fact that there have been millions of hits to its <evisa.com> web site, which clearly underscores Visa International's need to

maintain the injunction pending appeal. McCue Decl. Exh. G. If it is true that JSL has exposed its diluting use of **eVisa** to “millions of web users,” who may now have begun believing that the **eVisa** mark is owned by or associated with JSL, rather than singularly owned by or associated with Visa International, these are precisely the kind of diluting acts that the FTDA was enacted to stop. Indeed, the District Court below, in denying JSL’s stay request in its February 12th Order, expressly recognized that the large number of alleged visitors to the <evisa.com> site “is exactly why the injunction is appropriate” in the instant case. McCue Decl. Exh. A at 8 (lines 14-15).

Most importantly, as a matter of law, trademark dilution causes irreparable injury to the trademark owner. “Numerous cases have held – just as with infringement cases – that a showing of [a violation of the FTDA] is sufficient to demonstrate irreparable harm.” See D. Welkowitz, Trademark Dilution 11-12 (2002); Eli Lilly & Co., 233 F.3d at 469; NBA Properties v. Entertainment Records, LLC, 1999 WL 335147 at *6 (S.D.N.Y. 1999). While JSL has failed to present any evidence that the balance of hardships tips sharply in its favor, Visa International has established that it will be irreparably harmed as a matter of law based on the District Court’s ruling on Visa International’s dilution claim.

IV. The Public Interest Favors Denying JSL’s Motion for Stay

JSL argues that the public interest is implicated because “[w]ords are for everyone” and the public has an interest in restraining intellectual property rights from extending to the descriptive use of English words.” JSL’s Motion at 12. JSL’s argument is a classic straw man argument. Visa International is not contending that it has the exclusive right to use the word “visa” in its descriptive or generic sense. Visa International is merely contending that as a result of its more than 25 years of using, and owning registered trademarks for, the **Visa** mark, Visa International has exclusive rights to use **Visa** and **eVisa** as a

trademark. Thus, third parties are free to use the word "visa" in its ordinary descriptive or generic sense in connection with travel or immigration visa services. However, as set forth above, JSL has used *Visa* and *eVisa* as a trademark in connection with various services other than travel or immigration visa services. JSL's misleading and bad faith attempt to try to shield its violation of Visa International's trademark rights by belatedly adding information on travel visas to its web site should be summarily rejected.


The public interest favors denying JSL's motion to stay pending appeal. As the District Court held below based on Panavision, allowing JSL to use <evisa.com> creates a "serious impediment to customers trying to locate the *Visa* Web site." McCue Decl. Exh. A 22-23.

CONCLUSION

The Court should deny JSL's motion to stay enforcement of the District Court's injunction pending appeal

DATED: April 4, 2003

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DECLARATION OF SERVICE

I, Catherine Adkins, do hereby declare under penalty of perjury under the laws of the State of California as follows: I am employed with the law firm of Heller Ehrman White & McAuliffe LLP, whose address is 333 Bush Street, San Francisco, California, 94104. I am readily familiar with the business practices of this office for collection and processing of correspondence for mailing with the United States Postal Service; I am over the age of eighteen years and not a party to this action.

On April 4, 2003, I served the following:

PLAINTIFF/APPELLEE'S OPPOSITION TO DEFENDANT/APPELLANT'S MOTION TO STAY PENDING APPEAL;

DECLARATION OF MICHAEL J. McCUE IN SUPPORT OF PLAINTIFF/APPELLEE'S OPPOSITION TO DEFENDANT/APPELLANT'S MOTION TO STAY PENDING APPEAL

on the below parties in this action by placing true copies thereof in sealed envelopes, addressed as shown, for collection and mailing pursuant to the ordinary business practice of this office which is that correspondence for mailing is collected and deposited with the United States Postal Service on the same day in the ordinary course of business:

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Executed on April 4, 2003, at San Francisco, California


Catherine Adkins