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14
 15 THE UNITED STATES DISTRICT COURT
 16 FOR THE DISTRICT OF NEVADA

17 CHANEL, INC.,)	Case No. 2:11-cv-01508-KJD-PAL
)	
18 Plaintiff,)	MEMORANDUM OF POINTS AND
)	AUTHORITIES IN SUPPORT OF
19 v.)	PLAINTIFF’S SECOND <i>EX PARTE</i>
)	APPLICATION FOR ENTRY OF
20 THE PARTNERSHIPS and)	TEMPORARY RESTRAINING ORDER
21 UNINCORPORATED ASSOCIATIONS)	AND PRELIMINARY INJUNCTION
22 IDENTIFIED ON SCHEDULE “A” and)	
23 DOES 1-1000,)	
)	
24 Defendants.)	

25 **MEMORANDUM OF POINTS AND AUTHORITIES**

26 Plaintiff submits this Memorandum of Points and Authorities in support of its *Second Ex*
 27 *Parte* Application for Entry of Temporary Restraining Order and Preliminary Injunction (the
 28 “Second Application for TRO”).

1 **I. INTRODUCTION AND CLAIMS**




2 Plaintiff CHANEL, INC. (“Chanel”), a New York corporation, (“Plaintiff” or “Chanel”) is
3 suing Defendants 400-628, THE PARTNERSHIPS and UNINCORPORATED ASSOCIATIONS
4 IDENTIFIED ON SCHEDULE “A” attached to Plaintiff’s Second Application for TRO,
5 (collectively “Defendants 400-628”), for federal trademark infringement and counterfeiting, false
6 designation of origin, cybersquatting, and common law unfair competition. As alleged in Chanel’s
7 Complaint, Defendants 400-628 are promoting, advertising, distributing, offering for sale and selling
8 counterfeit and infringing products, including, at least, handbags, wallets, shoes, boots, sunglasses,
9 tee shirts, watches, and costume jewelry, including necklaces, bracelets, and earrings (the
10 “Defendants’ Goods”) bearing trademarks which are substantially indistinguishable from and/or
11 colorful imitations of Chanel’s registered trademarks, through various fully interactive commercial
12 Internet websites operating under their partnership and/or unincorporated association names (the
13 “Group II Subject Domain Names”).





14 The unlawful activities of Defendants 400-628 have caused and will continue to cause
15 irreparable injury to Chanel. Among other things, Defendants 400-628 have (1) deprived Chanel of
16 its right to determine the manner in which its trademarks are presented to the public through
17 merchandising; (2) defrauded the public into thinking the Defendants’ Goods are valuable,
18 authorized goods of Chanel; (3) deceived the public as to Chanel’s sponsorship of and/or association
19 with the Defendants’ Goods and the websites through which such goods are marketed and sold; (4)
20 wrongfully traded and capitalized on Chanel’s reputation and goodwill and the commercial value of
21 Chanel’s trademarks; and (5) wrongfully damaged Chanel’s ability to market its goods and educate
22 consumers about its brand via the Internet in a free and fair marketplace. Defendants 400-628 should
23 not be permitted continue their unlawful activities and should be enjoined.




24 **II. STATEMENT OF FACTS**

25 **A. Chanel’s Rights**

26 Chanel is, and at all times relevant hereto has been, the owner of all rights in and to
27 the following trademarks:
28

Trademark	Registration Number	Registration Date	Class(es)/Goods
CHANEL	0,612,169	September 13, 1955	IC 014 - Necklaces
CHANEL	0,626,035	May 1, 1956	IC 018 – Women’s Handbags
CHANEL	0,902,190	November 10, 1970	IC 014 - Bracelets, Pins, and Earrings
CHANEL	0,906,262	January 19, 1971	IC 025 - Coats, Suits, Blouses, and Scarves
CHANEL	0,915,139	June 15, 1971	IC 025 - Women's Shoes
CHANEL	0,955,074	March 13, 1973	IC 014 – Watches
	1,241,264	June 7, 1983	IC 025 - Suits, Jackets, Skirts, Dresses, Pants, Blouses, Tunics, Sweaters, Cardigans, Tee-Shirts, [Capes,] Coats, Raincoats, [Jackets Made of Feathers, Shawls,] Scarves, Shoes and Boots
CHANEL	1,241,265	June 7, 1983	IC 025 - Suits, Jackets, Skirts, Dresses, Pants, Blouses, Tunics, Sweaters, Cardigans, [Tee-Shirts, Capes,] Coats, Raincoats, [Jackets Made of Feathers, Shawls,] Scarves, Shoes and Boots
	1,271,876	March 27, 1984	IC 025 - Clothing-Namely, Coats, Dresses, Blouses, Raincoats, Suits, Skirts, Cardigans, Sweaters, Pants, Jackets, Blazers, [Shawls, Hats] and Shoes
	1,314,511	January 15, 1985	IC 018 - Leather Goods-Namely, Handbags, [Wallets, Travel Bags, Luggage, Credit Card And Business Card Cases, Make-Up Bags and Vanity Cases Sold Empty, Briefcase-Type Portfolios; Attaché Cases, Change Purses, Suitcases, Tote Bags, Garment Bags and Travelers’ Shoe Bags]

1		1,329,750	April 9, 1985	IC 025 - Blouses, Skirts, Sweaters, Cardigans, Dresses [Shawls, Scarves, Hats, Collars, Cuffs and Neckties]
2				
3	CHANEL	1,347,677	July 9, 1985	IC 018 - Leather Goods-namely, Handbags [Wallets, Travel Bags, Luggage, Business and Credit Card Cases, Brief Case Type Portfolios, Attaché Cases, Change Purses, Suitcases, Tote Bags, Make-Up Bags and Vanity Cases Sold Empty, Garment Bags for Travel and Travelers' Shoe Bags]
4				
5				
6				
7				
8				
9		1,501,898	August 30, 1988	IC 006 - Keychains IC 014 - Costume Jewelry IC 016 - Gift Wrapping Paper IC 025 -Blouses, Shoes, Belts, Scarves, Jackets, Men's Ties IC 026 – Brooches and Buttons for Clothing
10				
11				
12				
13				
14				
15	CHANEL	1,510,757	November 1, 1988	IC 009 – Sunglasses
16				
17		1,654,252	August 20, 1991	IC 009 – Sunglasses
18				
19	CHANEL	1,733,051	November 17, 1992	IC 018 - Leather Goods; namely, Handbags, Wallets, Travel Bags, Luggage, Business and Credit Card Cases, Change Purses, Tote Bags, Cosmetic Bags Sold Empty, and Garment Bags for Travel
20				
21				
22				
23		1,734,822	November 24, 1992	IC 018 - Leather Goods; namely, Handbags, Wallets, Travel Bags, Luggage, Business Card Cases, Change Purses, Tote Bags, and Cosmetic Bags Sold Empty
24				
25	J12	2,559,772	April 9, 2002	IC 014 -Timepieces; namely, Watches, and Parts Thereof
26				
27				
28				

1		3,022,708	December 6, 2005	IC 006 - Key Chains
2				IC 009 -Ski Goggles, Sunglasses
3				IC 018 -Luggage, Handbags, Totes,
4				Backpacks, Travel Bags, All-Purpose
5				Carrying Bags, Umbrellas
6				IC 025 - Boots, Coats, Jackets, Gloves,
7				Hats, Pants, Sandals, Scarves, Shirts,
8				Shoes, Ski Boots, Sun Visors,
9				Suspenders, Sweatbands, Swimwear
10				IC 028 - Bags Specially Adopted For
11				Sports Equipment, Basketballs, Kites,
12				Skis, Ski Polls, Tennis Rackets, Tennis
13				Balls, Tennis Racket Covers, Golf
14				Clubs, Golf Bags, Snow Boards
15		3,025,934	December 13, 2005	IC 018 – Handbags
16		3,025,936	December 13, 2005	IC 009 -Mobile Phone Straps, Eyeglass
17				Frames, Sunglasses
18				IC 025 - Gloves, Swimwear
19				IC 026 - Hair Accessories Namely
20				Barrettes And Pony-Tail Holders
21	CHANEL	3,133,139	August 22, 2006	IC 014 - Jewelry And Watches

22 (the “Chanel Marks”) which are registered on the Principal Register of the United States Patent and
23 Trademark Office and are used in connection with the manufacture and distribution of high quality
24 goods in the categories identified above. (Declaration of Adrienne Hahn Sisbarro in Support of
25 Plaintiff’s *Ex Parte* Application for Entry of Temporary Restraining Order and Preliminary
26 Injunction [“Hahn Decl.”] ¶ 4, (DE 7-14); see also United States Trademark Registrations for the
27 Chanel Marks at issue [“Chanel Trademark Registrations”] attached as Exhibit A to the Hahn Decl.)
28 (DE 7-15) The Chanel Marks are symbols of Chanel’s quality, reputation, and goodwill and have
never been abandoned. (Hahn Decl. ¶ 7.) Moreover, Chanel has expended substantial time, money,
and other resources developing, advertising, and otherwise promoting its trademarks. (Hahn Decl. ¶¶

1 6-7.) Accordingly, the Chanel Marks qualify as famous marks as the term is used in 15 U.S.C. §
2 1125(c)(1). (Hahn Decl. ¶¶ 6-7)

3 Furthermore, Chanel has extensively used, advertised, and promoted its Marks in the United
4 States in association with high quality handbags, wallets, shoes, boots, sunglasses, tee shirts,
5 watches, costume jewelry, including necklaces, bracelets, and earrings, and related goods, and has
6 carefully monitored and policed the use of its Chanel Marks. (Hahn Decl. ¶ 7.) As a result of
7 Chanel's efforts, members of the consuming public readily identify products bearing the Chanel
8 Marks as being quality merchandise sponsored and approved by Chanel, and the Chanel Marks have
9 achieved secondary meaning as identifies of high quality products. (Hahn Decl. ¶ 7.)

10 At all times relevant hereto, Defendants 400-628 have been aware of Chanel's (a) ownership
11 of the Chanel Marks; (b) exclusive rights to use and license such Marks; and (c) substantial goodwill
12 embodied in, and favorable recognition for, the Chanel Marks for handbags, wallets, shoes, boots,
13 sunglasses, tee shirts, watches, and costume jewelry, including necklaces, bracelets, and earrings.

14 **B. Defendants 400-628 Wrongfully Use the Chanel Trademarks in Connection**
15 **With the Promotion and Sale of Counterfeit and Infringing Goods.**

16 Defendants 400-628 do not have, nor have they ever had, the right or authority to use the
17 Chanel Marks for any purpose. (Declaration of Adrienne Hahn Sisbarro in Support of Plaintiff's
18 Second *Ex Parte* Application for Entry of Temporary Restraining Order and Preliminary Injunction
19 (Hahn Second Decl. ¶ 9.) However, despite their known lack of authority to do so, Defendants 400-
20 628 have been advertising, offering for sale, and/or selling, at least, handbags, wallets, shoes, boots,
21 sunglasses, tee shirts, watches, and costume jewelry, including necklaces, bracelets, and earrings
22 bearing counterfeit and infringing marks which are substantially indistinguishable from and/or
23 colorable imitations of the registered Chanel Marks. (Hahn Second Decl. ¶¶ 9-15 and Composite
24 Exhibit A attached thereto, relevant web page captures from the Defendants' Internet websites
25 operating under the Group II Subject Domain Names displaying the Chanel branded items offered
26 for sale [the "Defendants' Websites"]; Declaration of Brandon Tanori in Support of Plaintiff's
27 Second *Ex Parte* Application for Entry of Temporary Restraining Order and Preliminary Injunction
28 ["Tanori Second Decl."] ¶ 4 and Composite Exhibit A attached thereto, relevant web page captures

1 reflecting Chanel branded items purchased from several of the Defendants.) Moreover, given
2 Defendants 400-628's copying of the Chanel Marks, overall design, color scheme, and products,
3 genuine goods bearing the Chanel Marks and the Defendants' Goods offered for sale and sold under
4 identical marks are indistinguishable to consumers at the point of sale and post-sale.

5 As part of its ongoing investigation regarding the sale of counterfeit and infringing products,
6 Chanel again retained Brandon Tanori of Investigative Consultants, a licensed private investigative
7 firm, to investigate the promotion and sale of counterfeit and infringing Chanel branded products by
8 Defendants 400-628. (Hahn Second Decl. ¶ 10; Tanori Second Decl. ¶ 3.) Tanori accessed three (3)
9 of the websites operating under the Group II Subject Domain Names (cheapchanelreplica.com,
10 replicachanelhandbag.net, and replicachanelshoes.com), finalized the purchases of various products,
11 including a handbag and two pairs of shoes – all bearing counterfeits of, at least, one of the Chanel
12 Marks at issue in this action, and requested each product be shipped to his address in Las Vegas,
13 Nevada. (Tanori Second Decl. ¶ 4 and Composite Exhibit A thereto.) The detailed web page listings
14 and images of the Chanel branded goods purchased by Investigator Tanori from several of
15 Defendants 400-628's websites were inspected by Chanel's representative, Adrienne Hahn Sisbarro,
16 who determined the products to be non-genuine Chanel products. (Hahn Second Decl. ¶¶ 11-12, 15.)
17 Ms. Hahn Sisbarro also reviewed and visually inspected the Defendants' Websites, as well as items
18 bearing the Chanel Marks offered for sale by Defendants 400-628 via their Internet websites
19 operating under the Group II Subject Domain Names, and likewise determined the products were not
20 genuine Chanel goods. (Hahn Second Decl. ¶¶ 13-15 and Composite Exhibit A attached thereto,
21 printouts of Defendants 400-628's Websites, showing Chanel branded goods offered for sale; see
22 also Composite Exhibit B thereto, summary comparison table illustrating examples of Defendants
23 400-628's infringement of the Chanel Marks.)

24 Section 45 of the Lanham Act defines a "counterfeit" as "a spurious mark which is identical
25 with, or substantially indistinguishable from, a registered mark." 15 U.S.C. § 1127. Also, using the
26 "ocular test" of direct comparison, courts have found that even marks which are slightly modified
27 from the registered marks copied are to be considered counterfeit marks. See Fimab-Finanziaria
28 Maglificio vs. Helio Import/Export, Inc., 601 F. Supp. 1, 2 (S.D. Fla. 1983). A comparison of the

1 Chanel Marks at issue to the marks used by Defendants 400-628 in connection with the promotion
2 and sale of the Defendants' Goods reveals the obvious counterfeit nature of the Defendants' Goods.
3 (Compare Chanel's Trademarks Registrations [Exhibit A to the Hahn Decl.] with the Defendants
4 400-628's Websites [Composite Exhibit A to the Hahn Second Decl.] and the detailed webpage
5 listings and images of the Chanel branded goods purchased by Investigator Tanori [Composite
6 Exhibit A to the Tanori Second Decl.]). The Defendants' Goods bearing counterfeits and
7 infringements of the Chanel Marks are being promoted, advertised, offered for sale and sold by
8 Defendants 400-628 to consumers in this Judicial District and throughout the United States. (Tanori
9 Second Declaration ¶ 4 and Composite Exhibit A attached thereto; Hahn Second Decl. ¶¶ 11-15 and
10 Composite Exhibit A attached thereto, Defendants 400-628's Websites operating under the Group II
11 Subject Domain Names.) Defendants 400-628 are making substantial sums of money by preying
12 upon their purchasers and members of the general public, many of whom have no knowledge
13 Defendants 400-628 are defrauding them through the sale of worthless counterfeit and infringing
14 goods. Defendants 400-628 are also falsely representing to consumers and the trade that their
15 counterfeit and infringing goods are genuine, authentic, endorsed, and authorized by Chanel.
16 Ultimately, Defendants 400-628's Internet-based websites amount to nothing more than illegal
17 operations infringing on the intellectual property rights of Chanel and others. The Group II Subject
18 Domain Names are used as the common names of Defendants 400-628 and are themselves a
19 substantial part of the means by which Defendants 400-628 further their scheme and cause harm to
20 Chanel.

21 **C. Defendants 400-628 Unfairly Compete with Chanel Through Search Engine**
22 **Optimization Strategies Using Counterfeits and Infringements of the Chanel**
23 **Marks.**

24 Genuine Chanel branded goods are widely legitimately advertised, promoted, offered for sale
25 and discussed by Chanel, its authorized distributors, and unrelated third parties via the Internet.
26 (Hahn Second Decl. ¶ 16.) Over the course of the past five years, visibility on the Internet,
27 particularly via Internet search engines such as Google, Yahoo!, and Bing, has become increasingly
28 important to Chanel's overall marketing and consumer education efforts. (See id. ¶ 17.) Thus,

1 Chanel expends significant monetary resources on Internet marketing and consumer education
2 regarding its products, including search engine optimization (“SEO”) strategies, which allow Chanel,
3 its authorized accounts, and others to fairly educate consumers about the value associated with the
4 Chanel brand and the goods sold thereunder. (Id.)

5 SEO is a now common marketing process whereby a company or individual legitimately
6 designs, supports, structures and phrases Internet content in order to enhance a website’s profile for
7 search engines over a variety of search terms. SEO essentially describes the process of steps
8 undertaken by a website owner to ensure that, in response to a specific search phrase or phrases, the
9 owner’s website appears in the results returned by an Internet search engine such as Google, Yahoo!,
10 or Bing. According to one estimate, in 2008, advertisers spent approximately eleven billion dollars
11 on advertising with search engines, reflecting the sheer economic power of the industry. As a result,
12 the SEO industry has arisen to assist website owners in improving their rankings in search engine
13 results, thereby essentially securing search engines’ role as a gatekeeper and driver of the online
14 economy.¹

15 The rise of the importance of SEO marketing practices has not been lost on those, such as
16 Defendants 400-628 herein, engaged in the illegal business of selling counterfeit and infringing
17 branded goods. To the contrary, counterfeiters and infringers, such as Defendants 400-628, have
18 embraced the SEO concept and are concurrently leveraging it to cause greater and more significant
19 harm to brand owners, including Chanel. By the combination of their actions, Defendants 400-628
20 are causing concurrent and indivisible harm to Chanel by (i) depriving Chanel, its authorized
21 distributors, and other non-infringing third parties (Example: Chanel fan websites) of the ability to
22 fairly compete for space within search engine results, (ii) causing an overall degradation of the value
23 of the goodwill associated with the Chanel Marks, and (iii) unjustly increasing Chanel’s overall cost
24 to market its brand, its goods and educate consumers about its products via the Internet. (Hahn
25 Second Decl. ¶¶ 17-18.) Defendants 400-628, each of whom is aware of the activities of the others,

27 ¹ Viva R. Moffat, [Regulating Search](#), 22 *Harv. J.L. & Tech.* 475, 481-82 (Spring, 2009) (footnotes
28 omitted).

1 are combining the force of their actions in order to cause concurrent and indivisible harm to Chanel
2 and consumers. (See id. at ¶¶ 18-19.) By engaging in SEO strategies based upon an illegal use of the
3 Chanel Marks, Defendants 400-628 are obliterating the otherwise open and available marketplace
4 space in which Chanel has the right to fairly market its goods and associated message. Specifically,
5 Defendants 400-628 use unauthorized counterfeits and infringements of Chanel's name and
6 trademarks within the content, anchor text and/or meta tags of their websites in order to attract the
7 automated eye of various search engines crawling the Internet looking for websites relevant to
8 consumer searches for Chanel related goods and information. (See id. at ¶ 18.) Meaningful search
9 engine results page space is akin to real estate – there is only so much of it available. Thus, website
10 operators such as Chanel and Defendants 400-628 spend substantial sums of money incorporating
11 concepts and popular search terms, such as the Chanel Marks, into their on-site and off-site content
12 in order to be seen by the search engines and returned as part of relevant search results across an
13 array of search phrases. (See id. at ¶¶ 17-18.) The primary difference between what Chanel and
14 Defendants 400-628 are doing, of course, is that Chanel is doing so through the legal use of its
15 trademarks in which it has made a substantial economic investment, and Defendants 400-628 are
16 doing so through subterfuge and illegal behavior, including counterfeiting and infringing of the
17 Chanel Marks.

18 For purposes of this Application, Chanel does not contend that it or any other third party has
19 the exclusive right to appear in any particular location in the results of any search engine across any
20 particular array of search terms; however, Chanel does contend that it has the right to fairly compete
21 for such search engine results space unfettered by unfair competition stemming from an illegal use
22 of Chanel's trademarks. Chanel's right to fairly compete for the best Internet real estate and its
23 reputation are being trampled by the combined efforts of Defendants 400-628. In short, Chanel, its
24 trademark rights, and associated goodwill are suffering death by 1,000 cuts. While each Defendants
25 400-628's actions alone causes harm to Chanel, the combined force and effect of Defendants 400-
26 628's overall actions is creating an entirely illegal marketplace enterprise and causing the single
27 indivisible harm of the erosion of the goodwill associated with the Chanel Marks and the denial of
28 Chanel's right to fairly compete in the Internet marketplace reflected in search engine results.

1 **III. ARGUMENT**

2 **A. A Temporary Restraining Order is Essential to Prevent Immediate Injury.**

3 Rule 65(b) of the Federal Rules of Civil Procedure provides, in part, that a temporary
4 restraining order may be granted without written or oral notice to the opposing party or that party's
5 counsel where "it clearly appears from the specific facts shown by affidavit . . . that immediate and
6 irreparable injury, loss, or damage will result to the applicant before the adverse party or that party's
7 attorney can be heard in opposition." Moreover, temporary restraining orders are available on an *ex*
8 *parte* basis when notice is provided and there is a threat of intervening irreparable harm before the
9 preliminary injunction may be heard. FED.R.CIV.P. 65(b). Chanel will provide notice to Defendants
10 400-628 by the only means available, via e-mail to the known e-mail addresses provided by
11 Defendants 400-628 to the registrars of record responsible for the respective domain names or made
12 available onsite.² (See Second Declaration of Stephen M. Gaffigan in Support of Plaintiff's *Ex Parte*
13 Application for Entry of Temporary Restraining Order and Preliminary Injunction ["Gaffigan
14 Second Decl.,"] ¶ 4, filed herewith and Composite Exhibit C attached thereto.) As demonstrated
15 herein, such irreparable and immediate injury will result to Chanel if Defendants 400-628's wrongful
16 activities are not immediately stopped by the issuance of a temporary restraining order.

17 Defendants 400-628 fraudulently promote, advertise, offer to sell and sell substantial
18 quantities of goods bearing counterfeits and infringements of the Chanel Marks via the Internet

19
20
21 ² Plaintiff's proposed Second Temporary Restraining Order provides that Plaintiff shall provide a
22 copy of the Order by email to the registrar of record for each of the Group II Subject Domain
23 Names, so that the registrars may, in turn, notify their registrants of the provisions of the Order
24 including the locking of the domain names. (See Gaffigan Second Decl. ¶¶ 4-6 and Composite
25 Exhibit B attached thereto.) Moreover, Plaintiff's proposed Second Temporary Restraining Order
26 provides that Plaintiff shall serve the Application and supporting documents and Temporary
27 Restraining Order on Defendants 400-628 via e-mail to the known e-mail addresses provided by
28 Defendants 400-628 to the registrars responsible for their respective domain names or to the email
addresses found on the actual websites. (See *id.*) As the Ninth Circuit has held in the context of a
lawsuit challenging online trademark infringement, e-mail notice is often the most reasonable way of
assuring that foreign defendant domain name owners receive notice. See Rio Properties, Inc. v. Rio
International Interlink, 284 F.3d 1007, 1017 (9th Cir. 2002); see also Popular Enterprises, LLC v.
WEB COM Media Group, 225 F.R.D. 560, 563 (E.D. Tenn. 2004).

1 websites operating under, at least, the Group II Subject Domain Names. By their actions, Defendants
2 400-628 are creating a false association in the minds of consumers between Defendants 400-628 and
3 Chanel. Specifically, Defendants 400-628 are wrongfully using counterfeits and infringements of the
4 Chanel Marks to promote and attract customers to their website businesses. Counterfeits and
5 infringements of the Chanel Marks are being used by Defendants 400-628 to increase traffic to their
6 illegal businesses which offer consumers a variety of counterfeit and infringing goods, including
7 Chanel branded goods. The entry of a temporary restraining order would serve to immediately stop
8 Defendants 400-628 from benefiting from their wrongful use of the Chanel Marks and would
9 preserve the status quo until such time as a hearing can be held. Thus, a temporary restraining order
10 is appropriate. In re Vuitton et Fils, S.A., 606 F.2d 1, 4 (2d Cir. 1979) (holding that *ex parte*
11 temporary restraining orders are indispensable to the commencement of an action when they are the
12 sole method of preserving a state of affairs in which the court can provide effective final relief).
13 Identical relief was recently granted by this Court in this action and by other Courts in this District in
14 Louis Vuitton Malletier, S.A. v. 1854louisvuitton.com, Case 2:11-cv-00738-PMP-RJJ (D. Nev. May
15 13, 2011) (Order granting *Ex Parte* Application for Temporary Restraining Order) and in Tiffany
16 (NJ), LLC v. 925ly.com, Case No. 2:11-cv-00590-LDG-CWH (D. Nev. May 11, 2011) (same).

17 In the absence of a temporary restraining order, Defendants 400-628 can and, based upon
18 Chanel's past experience, will significantly alter the status quo before the Court can determine the
19 parties' respective rights. Specifically, the Internet websites at issue are under the complete control
20 of Defendants 400-628. Thus, Defendants 400-628 have the ability to modify registration data and
21 content, change hosts and, most importantly, redirect traffic to other websites they control. (Gaffigan
22 Second Decl. ¶ 5.) Moreover, Defendants 400-628 operate Internet websites which they optimize for
23 the sale of counterfeit and infringing Chanel merchandise. The optimization process provides
24 Defendants 400-628 with their power to unfairly compete with Chanel by catapulting their illegal
25 websites into search engine results. All of that optimization power, built through the illegal use of
26 the Chanel Marks, can easily be transferred to a new domain name in a matter of minutes through
27 what is known as a redirect. (See id.) In the circumstances present in this case, Defendants 400-628
28 could use a redirect to push new traffic from the Group II Subject Domain Names to new domains

1 not yet identified. (See id.) The result would be to slingshot the new domains to the top of the search
2 engine results pages by leveraging the Internet traffic to the domains in suit which was built through
3 the illegal use of the Chanel Marks. (See id. at ¶¶ 4-6 and Comp. Ex. C attached thereto, examples of
4 redirections.) In short, Defendants 400-628 would completely erase the status quo by transferring all
5 of the benefits of their prior illegal activities to new websites. (See id.)

6 Moreover, federal courts (including this one) have long recognized that civil actions against
7 counterfeiters – whose very businesses are built around the deliberate misappropriation of rights and
8 property belonging to others – present special challenges that justify proceeding on an *ex parte* basis.
9 Time Warner Enter. Co. v. Does #1-2, 876 F. Supp. 407, 410-11 (E.D.N.Y. 1994) (compiling cases
10 and noting, “[w]here plaintiffs have shown that a danger exists of destroying or transferring
11 infringing goods, courts in this Circuit have not hesitated to grant *ex parte* orders under either the
12 Lanham Act or the Copyright Act.”); see also Louis Vuitton Malletier, S.A. v. 1854louisvuitton.com,
13 Case 2:11-cv-00738-PMP-RJJ (D. Nev. May 13, 2011) (Order granting *Ex Parte* Application for
14 Temporary Restraining Order); Tiffany (NJ), LLC v. 925ly.com, Case No. 2:11-cv-00590-LDG-
15 CWH (D. Nev. May 11, 2011) (same); Columbia Pictures Indus., Inc. v. Jasso, 927 F. Supp 1075,
16 1077 (N.D. Ill. 1996) (observing that “proceedings against those who deliberately traffic in
17 infringing merchandise are often useless if notice is given to the infringers”). This Court should
18 prevent an injustice from occurring by issuing a temporary restraining order which precludes
19 Defendants 400-628 from continuing to display their infringing content via the websites operating
20 under the Group II Subject Domain Names and which, after allowing an opportunity for objections,
21 temporarily places control of the websites in the hands of the Court. Only such an order will prevent
22 ongoing irreparable harm and maintain the status quo.

23 **B. Standard for Temporary Restraining Order and Preliminary Injunction.**

24 The standard for obtaining a temporary restraining order and the standard for obtaining a
25 preliminary injunction are the same. Quiroga v. Chen, 735 F. Supp. 2d 1226, 1228 (D. Nev. 2010)
26 (citing Cal. Indep. Sys. Operator Corp. v. Reliant Energy Servs., Inc., 181 F. Supp. 2d 1111, 1126
27 (E.D. Cal. 2001)). In order to obtain an injunction in the Ninth Circuit, Chanel must establish: (1) it
28 is likely to succeed on the merits, (2) it is likely to suffer irreparable harm in the absence of

1 preliminary relief, (3) the balance of equities tips in its favor, and (4) an injunction is in the public
2 interest. Stormans, Inc. v. Selecky, 586 F.3d 1109, 1127 (9th Cir. 2009) (citing Winter v. Natural
3 Res. Def. Council, Inc., 555 U.S. 7, 20, 129 S. Ct. 365, 374 (2008)). Chanel's evidence establishes
4 all of the relevant factors. Accordingly, injunctive relief is appropriate.

5 **1. Probability of Success on the Merits of Chanel's Claims.**

6 **a) Plaintiff Will Likely Succeed on its Counterfeiting and**
7 **Infringement Claim.**

8 Title 15 U.S.C. §1114 provides liability for trademark infringement if, without the consent of
9 the registrant, a defendant uses "in commerce any reproduction, counterfeit, copy, or colorable
10 imitation of a registered mark: which is likely to cause confusion, or to cause mistake, or to
11 deceive." Chanel must demonstrate (1) ownership of the marks at issue; (2) Defendants 400-628's
12 use of the marks is without authorization from Chanel; and (3) Defendants 400-628's use is likely to
13 cause confusion, mistake, or deception as to the source, affiliation, or sponsorship of the Defendants'
14 Goods. See 15 U.S.C. § 1114(1). Chanel's evidence submitted herewith satisfies the three
15 requirements of 15 U.S.C. § 1114.

16 The first two elements of Chanel's trademark infringement claim are easily met. The Chanel
17 Marks are owned by Chanel and are registered on the Principal Register of the United Patent and
18 Trademark Office. (See Chanel Trademark Registrations attached as Exhibit A to the Hahn Second
19 Decl.) Moreover, Defendants 400-628 do not have, nor have they ever had, the right or authority to
20 use the Chanel Marks. (Hahn Second Decl. ¶ 9.)

21 The Ninth Circuit sets forth eight factors to be weighed in determining the third element,
22 likelihood of confusion. See AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341, 348-49 (9th Cir. 1979),
23 abrogated in part on other grounds as stated in Mattel, Inc. v. Walking Mountain Prods., 353 F.3d
24 792, 810, n. 19 (9th Cir. 2003). The eight Sleekcraft factors are: (1) strength of the mark; (2)
25 proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing
26 channels used; (6) type of goods and degree of care likely to be exercised by a purchaser; (7)
27 defendants' intent in selecting the mark; and (8) likelihood of expansion of the product lines. See id.;

1 see also KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 408 F.3d 596, 608 (9th Cir.
2 2005). The eight factors listed are to be weighed and balanced, and no particular factor is dispositive.

3 **(1) Strength of Plaintiff's Marks.**

4 “The stronger a mark—meaning the more likely it is to be remembered and associated in the
5 public mind with the mark's owner—the greater the protection it is accorded by the trademark laws.”
6 Network Automation, Inc. v. Advanced Systems Concepts, Inc., 638 F.3d 1137, 1149 (9th Cir. 2011)
7 quoting Brookfield Commc'ns, Inc. v. West Coast Entm't Corp., 174 F.3d 1036, 1058 (9th Cir.1999).
8 Strength is measured both in terms of conceptual strength, the trademark's inherent distinctiveness
9 on the spectrum of protectability, and in terms of commercial strength, which is based on actual
10 marketplace recognition. See id. Although part of a mark may be weak, the mark as a whole may be
11 strong. See Fruit of the Loom, Inc. v. Girouard, 994 F.2d 1359, 1362 (9th Cir. 1993) (noting that
12 although the word “Fruit” was not in and of itself a strong mark, the phrase “Fruit of the Loom”
13 was). The spectrum of protectability and strength for trademarks is divided into four primary types
14 of designations: (1) coined, fanciful or arbitrary; (2) suggestive; (3) descriptive; and (4) generic. See
15 Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 112 S. Ct. 2753, 120 L.Ed.2d 615 (1992).
16 Arbitrary or fanciful marks are the strongest. Moreover, arbitrary/fanciful and suggestive marks are
17 deemed inherently distinctive and entitled to protection. (See id.) It cannot be seriously disputed that
18 the Chanel Marks are strong, arbitrary and fanciful marks. (Hahn Decl. ¶¶ 4-7 and Exhibit A
19 attached thereto, Chanel Trademark Registrations.)

20 In addition to their inherent strength, the Chanel Marks have also acquired secondary
21 meaning.³ Chanel has expended substantial time, labor, skill, and expense in developing, advertising,
22 and promoting the Chanel Marks. (Hahn Decl. ¶¶ 6-7.) The Chanel Marks enjoy widespread
23 recognition and are each prominent in the minds of the consuming public. (See id. at ¶ 7.) Indeed,
24 Chanel products bearing the Chanel Marks are among the best selling luxury goods in the United
25 States. (See id. at ¶ 6.)

26 _____
27 ³ All of the Chanel Registrations are incontestable and therefore conclusively presumed to have
28 secondary meaning. Miss World (UK) Ltd. v. Miss Am. Pageants, Inc., 856 F.2d 1445, 1448, n. 4
(9th Cir. 1988) abrogated on other grounds as recognized in Eclipse Assoc. Ltd. v. Data Gen. Corp.,
894 F.2d 1114, 1116, n. 1 (9th Cir. 1990).

1 substantially indistinguishable from and/or colorful imitations of those sold by Chanel. (See
2 Defendants 400-628's Websites attached as Composite Exhibit A to the Hahn Second Decl. and the
3 detailed webpage listings and images of the Chanel branded goods purchased by Investigator Tanori
4 attached as Composite Exhibit A to the Tanori Second Decl.) In some instances, the Defendants'
5 Goods are being sold via websites operating under domain names employing the name Chanel. Even
6 if buyers are told of the bogus nature of the Defendants' Goods, other consumers viewing the
7 Defendants' Goods in a post-sale setting will obviously be confused, because they are viewing goods
8 bearing the Chanel Marks which undeniably creates the impression they are viewing genuine goods
9 sold or authorized by Chanel. Post-sale consumer confusion is ensured by Defendants 400-628's
10 offering for sale and sale of goods bearing marks which are substantially indistinguishable from
11 and/or colorful imitations of the Chanel Marks. Such post-sale confusion is entirely actionable.
12 Abercrombie & Fitch Co. v. Moose Creek, Inc., 486 F.3d 629, 635 (9th Cir. 2007) (citing Karl Storz
13 Endoscopy- Am., Inc. v. Surgical Techs., Inc., 285 F.3d 848, 854 (9th Cir. 2002)); see also Acad. of
14 Motion Picture Arts & Scis. v. Creative House Promotions, Inc., 944 F.2d 1446, 1455, 19
15 U.S.P.Q.2d 1491 (9th Cir. 1991) (while purchaser of OSCAR look-alike award would know it is not
16 a genuine OSCAR, "a large secondary audience" of recipients and viewers "might conceivably
17 assume the [Defendant's] Award was somehow associated with the Oscar;" infringement found).

18 (5) Marketing Channels Used.

19 Convergent marketing channels increase the likelihood of confusion. Sleekcraft, 599 F.2d at
20 353. Both Chanel and Defendants 400-628 sell, distribute, and advertise their products using at least
21 one of the same marketing channels, the Internet, in the same geographical distribution areas,
22 including the United States. (Hahn Second Decl. ¶¶ 5, 6; Tanori Second Decl. ¶ 4; and Defendants
23 400-628's Websites attached as Composite Exhibit A to the Hahn Decl.) Thus the conditions of
24 purchase for both parties are unmistakably identical. Moreover, both target the same general
25 customers, and as such, Chanel is directly competing with the Defendants' Goods.

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**(6) Type of Goods and Degree of Care Likely to Be Exercised
By Purchaser.**

The standard used by courts in assessing the likelihood of confusion of the public is not of an expert, but rather the “typical buyer exercising ordinary caution.” Sleekcraft, 599 F.2d at 353. When reviewing this factor, the most important consideration is generally price. Consumer confusion is likely to occur from paying similar prices for counterfeit and infringing goods, because consumers may reasonably suspect that those goods have a common origin or that they are somehow related to the genuine goods. Although consumers are generally expected to be more careful when selecting goods at high prices, see e.g., Nova Wines, Inc. v. Adler Fels Winery, LLC, 467 F. Supp. 2d 965, 981 (N.D. Cal. 2006), the law is nevertheless designed to protect the purchasing public, including “the ignorant, the inexperienced, and the gullible.” Stork Rest. v. Sahati, 166 F.2d 348, 359 (9th Cir. 1948); Florence Mfg. Co. v. J.C. Dowd & Co., 178 F. 73, 75 (2d Cir. 1910) (stating that the law protects “the ignorant, the unthinking, and the credulous, who, in making purchases, do not stop to analyze, but are governed by appearance and general impressions.”).

Despite the fact that the Defendants’ Goods are priced lower than genuine Chanel goods, even a detailed analysis of Defendants 400-628’s finished counterfeit and infringing products by a consumer in a post-sale setting may not reveal they are discernable from Chanel’s genuine goods, since the counterfeit and infringing marks being used by Defendants 400-628 are substantially indistinguishable from and/or colorful imitations of the Chanel Marks. (Compare Chanel Trademark Registrations [Exhibit A to the Hahn Decl.] with Defendants 400-628’s Websites [attached as Composite Exhibit A to the Hahn Second Decl.] and the detailed webpage listings and images of the Chanel branded goods purchased by Investigator Tanori [Composite Exhibit A to Tanori Second Decl.])

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(7) Defendants 400-628’s Intent in Selecting the Marks.

The Ninth Circuit has held that “[w]hen an alleged infringer knowingly adopts a Mark similar to another’s, courts will presume an intent to deceive the public.” Official Airline Guides, Inc. v. Goss, 6 F.3d 1385, 1394 (9th Cir. 1993); see also E. & J. Gallo Winery v. Gallo Cattle Co., 967 F.2d 1280, 1293 (9th Cir. 1992). In a case of clear-cut copying such as this, it is appropriate to

1 infer Defendants 400-628 intended to benefit from Chanel's reputation, to the detriment of Chanel.
2 See Interstellar Starship Serv. Ltd. v. Epix, Inc., 184 F.3d 1107, 1111 (9th Cir. 1999), cert. denied,
3 528 U.S. 1155, 120 S. Ct. 1161, 145 L. Ed.2d 1073 (2000) ("Adopting a designation with knowledge
4 of its trademark status permits a presumption of intent to deceive. [...] In turn, intent to deceive is
5 strong evidence of a likelihood of confusion."); see also Acad. of Motion Picture Arts & Scis., 944
6 F.2d at 1456. Defendants 400-628 obviously adopted the Chanel Marks with the intention of reaping
7 the benefits of Chanel's world-famous reputation and for the purpose of defrauding the public. In
8 fact, many of Defendants 400-628's websites contain open admissions that the goods offered for sale
9 thereon are "replica" and "knockoff." (See generally, Defendants' Websites attached as Composite
10 Exhibit A to Hahn Second Decl.) At a bare minimum, Defendants 400-628 acted with willful
11 blindness or with reckless disregard for Chanel's trademark rights. See Microsoft Corp. v. E & M
12 Internet Bookstore, Inc., C 06-06707 WHA, 2008 WL 191346, at *3 (N.D. Cal. Jan. 22, 2008)
13 (trademark infringement can be deemed willful where defendants acted with "willful blindness.")
14 Defendants 400-628 cannot seriously contend they did not intend to reap the benefits of Chanel's
15 world-famous reputation for the purpose of defrauding the public.

16 **(8) Likelihood of Expansion of the Product Lines.**

17 Chanel already distributes goods, specifically, handbags, wallets, shoes, boots, sunglasses,
18 tee shirts, watches, and costume jewelry, including necklaces, bracelets, and earrings, which are
19 virtually identical, except in quality, to those being sold and offered for sale by Defendants 400-628.
20 (See Chanel Trademark Registrations [Exhibit A to the Hahn Decl.] with Defendants 400-628's
21 Websites [attached as Composite Exhibit A to the Hahn Second Decl.] and the detailed webpage
22 listings and images of the Chanel branded goods purchased by Investigator Tanori [Composite
23 Exhibit A to Tanori Second Decl.].) Since Defendants 400-628 are already directly competing with
24 Chanel by promoting and selling the aforementioned counterfeit and infringing goods, analysis of
25 this factor is unnecessary. See Nova Wines, 467 F. Supp. 2d at 982.

26 It is abundantly clear the eight (8) Sleekcraft factors weigh overwhelmingly in Chanel's
27 favor. Chanel has, therefore, shown a probability of success on the merits of its trademark
28 counterfeiting and infringement claim.

1 **b) Plaintiff is Likely to Succeed on its False Designation of Origin**
2 **Claim.**

3 As with trademark infringement claims, the test for liability for false designation of origin
4 under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), is also whether the public is likely to
5 be deceived or confused by the similarity of the marks at issue. Smith v. Chanel, Inc., 402 F.2d 562,
6 565 (9th Cir. 1968). As noted by the Ninth Circuit, “[w]hether we call the violation infringement,
7 unfair competition or false designation of origin, the test is identical “is there a ‘likelihood of
8 confusion?’” New West Corp. v. NYM Co. of California, Inc., 595 F.2d 1194, 1201 (9th Cir. 1979);
9 see also ACI Int’l Inc. v. Adidas- Salomon AG, 359 F. Supp. 2d 918, 921 (C.D. Cal. 2005) (“The
10 ultimate test for unfair competition is exactly the same as for federal trademark infringement.”).
11 Therefore, because Chanel has established the merits of its trademark counterfeiting and
12 infringement claims against Defendants 400-628, a likelihood of success is also shown as to
13 Chanel’s federal false designation of origin pursuant to Section 43(a) of the Lanham Act.

14 **c) Plaintiff is Likely to Succeed on its Cybersquatting Claim.**

15 The Anticybersquatting Consumer Protect Act (“ACPA”) protects the owner of a distinctive
16 or famous trademark from another's bad faith intent to profit from the trademark owner's mark by
17 registering or using a domain name which is identical or confusingly similar to, or dilutive of, the
18 trademark owner's mark without regard to the goods or services of the parties. 15 U.S.C. § 1125(d).
19 To prevail under 15 U.S.C. § 1125(d), a plaintiff must prove that a defendant “(1) registers, uses, or
20 traffics in a domain name, that (2) is identical or confusingly similar to a distinctive or famous
21 trademark, with (3) bad faith intent to profit from the trademark.” Verizon California Inc. v.
22 OnlineNIC Inc., No. C 08-2832 JF (RS), 2008 WL 5352022, at *2 (N.D. Cal. Dec. 19, 2008); see
23 also 15 U.S.C. § 1125(d). Chanel’s evidence submitted herewith satisfies the requirements of 15
24 U.S.C. § 1125(d).

25 As reflected on Schedule A to Plaintiff’s Second Application for TRO, Defendants 400-628
26 have registered, at least, ninety (90) domain names, which are nearly identical and/or confusingly
27 similar to several of the Chanel Marks at issue. The domain names incorporate several of the
28 “Chanel” Marks in their entirety surrounded by descriptive or generic terms, rendering the names

1 nearly identical as compared to Chanel’s trademarks. See DaimlerChrysler v. The Net Inc., 388 F.3d
2 201, 205-06 (6th Cir. 2004) (“Courts generally have held that a domain name that incorporates a
3 trademark is 'confusingly similar to' that mark if 'consumers might think that [the domain name] is
4 used, approved, or permitted' by the mark holder.”) quoting Ford Motor Co. v. Greatdomains.Com,
5 Inc., 177 F. Supp. 2d 635, 641 (E.D. Mich. 2001) quoting Harrods Ltd. v. Sixty Internet Domain
6 Names, 157 F. Supp. 2d 658, 677 (E.D. Va.2001), aff’d in part, rev’d in part, 302 F.3d 214 (4th Cir.
7 2002); Victoria's Cyber Secret Ltd. P’ship v. V Secret Catalogue, Inc., 161 F. Supp. 2d 1339, 1351
8 (S.D. Fla. 2001) (“taking of an identical copy of another's famous and distinctive trademark for use
9 as a domain name creates a presumption of confusion among Internet users as a matter of law.”).
10 Moreover, Courts have found that slight differences between domain names and registered marks,
11 such as the addition of minor or generic words to the disputed domain names are irrelevant.” See
12 Ford Motor Co., 177 F. Supp. 2d at 642 (holding “unless words or letters added to the plaintiff’s
13 mark within the domain name clearly distinguish it from the plaintiff’s usage, allegations that a
14 domain name incorporates a protected mark generally will suffice”); Harrods Ltd., 157 F. Supp. 2d
15 at 677 (finding domain names adding descriptive or generic terms like “shipping” and “store” to the
16 “Harrods” mark confusingly similar).

17 As to the issue of bad faith, the ACPA lists of nine factors for courts to consider in
18 determining whether a domain name has been registered or used in “bad faith” with an intent to
19 profit from a mark in registering or using the mark in a domain name. See 15 U.S.C. § 1125(d)
20 (1)(B)(i); Interstellar Starship Services, Ltd., 304 F.3d at 946-47. The nine factors are not meant to
21 be exclusive and the Court may consider all relevant factors in making a determination of bad faith.
22 See Interstellar Starship Services, Ltd., 304 F.3d at 946-47 (factors are not meant to be an exclusive
23 list; instead, “the most important grounds for finding bad faith are ‘the unique circumstances of the
24 case, which do not fit neatly into the specific factors enumerated by Congress”). Ultimately, each
25 factor addresses whether “the defendant’s use of the disputed domain name is legitimate – i.e., for
26 some purpose other than simply to profit from the value of the trademark.” Ford Motor Co., 177 F.
27 Supp. 2d at 642. An examination of the relevant bad faith factors compels the conclusion that the
28 registration and use of the pirated domain names by certain of Defendants 400-628 violates 15

1 U.S.C. § 1125(d).

2 The first two factors, § 1125(d)(1)(B)(I) and (III), are clearly present inasmuch as Defendants
3 400-628 have no rights in the Chanel Marks, and Defendants 400-628 have never used those Marks
4 in connection with a bona fide, that is, non-infringing, offering of goods or services. Moreover,
5 Chanel has used several of the relevant Chanel Marks in commerce since long before Internet
6 domain names existed at all. (See Chanel Trademark Registrations attached as Exhibit A to the Hahn
7 Decl.) Thus, the first and third statutory factors weigh heavily in favor of Chanel.

8 Additionally, as discussed above, several of Defendants 400-628 have clearly intentionally
9 incorporated the Chanel Marks in their domain names to divert consumers looking for Chanel's
10 website to their own websites for commercial gain. Such consumers are likely to be confused as to
11 the source and sponsorship of those Defendants' websites and mistakenly believe the websites are
12 endorsed by and/or affiliated with Chanel. This is especially true in light of the fact the websites are
13 offering for sale counterfeit and infringing Chanel goods. (Hahn Second Decl. ¶¶ 11-15 and
14 Defendants 400-628's Websites attached as Composite Exhibit A thereto; Tanori Second Decl. ¶ 4
15 and Composite Exhibit A attached thereto.) Clearly, Defendants 400-628's use is anything but a
16 bona fide noncommercial or fair use of the Chanel Marks. In fact, Defendants 400-628's registration
17 of domain names in order to sell and offer for sale counterfeit and infringing Chanel goods, knowing
18 the domain names are identical or confusingly similar to Chanel's indisputably famous and
19 distinctive marks, ensured a likelihood of confusion among consumers. See House Judiciary
20 Committee Report on H.R. 3028, H.R. Rep. No. 106-412 p. 13 (October 25, 1999) ("The more
21 distinctive or famous a mark has become, the more likely the owner of that mark is deserving of the
22 relief available under this act."). Thus, the fourth, fifth, and ninth statutory factors also weigh in
23 favor of Chanel, and Chanel has shown a likelihood of success on the merits of its cyberpiracy
24 claim.

25 **d) Plaintiff is Likely to Succeed on its Common Law Unfair**
26 **Competition Claim.**

27 "The test for false designation under the Lanham Act, as well as the common-law and
28 statutory unfair competition claims, is whether there was a 'likelihood of confusion.'" See Walter v.

1 Mattel, Inc., 210 F.3d 1108, 1111 (9th Cir. 2000) (holding modified on other grounds, Survivor
2 Media, Inc. v. Survivor Productions, 406 F.3d 625, 631 (9th Cir. 2005)); citing Cleary v. News
3 Corp., 30 F.3d 1255 (9th Cir. 1994) (“This Circuit has consistently held that state common law
4 claims of unfair competition [] are “substantially congruent” to claims made under the Lanham
5 Act”) citing Acad. of Motion Picture Arts & Scis., 944 F.2d at 1457 (citing Century 21 Real Estate
6 Corp. v. Sandlin, 846 F.2d 1175, 1178 (9th Cir.1988) (holding that under both [unfair competition
7 claims and trademark infringement claims], the “ultimate test” is “whether the public is likely to be
8 deceived or confused by the similarity of the marks”) (internal quotations omitted)). As
9 demonstrated *supra*, Chanel has established there is a likelihood of confusion regarding Defendants
10 400-628’s use of the Chanel Marks on their counterfeit and infringing products. Accordingly, Chanel
11 is also likely to succeed on the merits of its common law unfair competition claim.

12 **2. Chanel is Suffering Irreparable Injury.**

13 As demonstrated above, a likelihood of consumer confusion exists herein, because
14 Defendants 400-628 are engaged in continuous counterfeiting and infringing activities using
15 spurious designations, which are substantially indistinguishable from and/or colorful imitations of
16 the Chanel Marks. Thus, Chanel continues to suffer irreparable injury to its reputation and goodwill
17 for as long as Defendants 400-628 are allowed to continue their counterfeiting, infringing, and false
18 association activities. (Hahn Second Decl. ¶ 19.)

19 **3. The Balance of Hardship Tips Sharply in Chanel’s Favor.**

20 Chanel has expended substantial time, money and other resources to develop the quality,
21 reputation and goodwill associated with the Chanel Marks and the genuine goods sold under such
22 Marks. (Hahn Decl. ¶¶ 6-7.) Should Defendants 400-628 be permitted to continue their trade in
23 counterfeit and infringing goods using the Chanel Marks, Chanel will suffer substantial losses and
24 damage to its reputation. To the contrary, Defendants 400-628 will suffer no legitimate hardship in
25 the event a temporary restraining order and a preliminary injunction are issued, because Defendants
26 400-628 have neither the legal or equitable right to engage in their present counterfeiting, infringing,
27 and false association activities nor the right to deprive Chanel of its right to fairly compete in the
28 Internet marketplace.

1 **4. The Relief Sought Serves the Public Interest.**

2 Defendants 400-628 are engaging in wrongful activities and are directly defrauding the
3 consuming public by palming off the Defendants' Goods as genuine goods of Chanel. Moreover,
4 Defendants 400-628 are falsely identifying Chanel as the origin of such goods. The public has an
5 interest in not being misled as to the origin, source or sponsorship of trademarked products. See e.g.,
6 U.S. Olympic Committee v. Xclusive Leisure & Hospitality Ltd., No. C 08-03514 JSW, 2008 WL
7 3971120, at *10 (N.D. Cal. Aug. 25, 2008); see also Phillip Morris USA Inc. v. Shalabi, 352 F.
8 Supp. 2d 1067, 1075 (C.D. Cal. 2004) (citing Inwood Labs., Inc. v. Ives Labs. Inc., 456 U.S. 844,
9 854 n.14, 102 S. Ct. 2182, 72 L.Ed.2d 606 (1982) (“It is well established that trademark law protects
10 not only the private interests of the trademark owner but also the public's interest in not being
11 confused by the infringing products.”)).

12 **C. The Equitable Relief Sought is Appropriate.**

13 The Lanham Act authorizes courts to issue injunctive relief “according to principles of equity
14 and upon such terms as the court may deem reasonable, to prevent the violation of any right of the
15 registrant of a mark ...” 15 U.S.C. § 1116(a).

16 **1. A Temporary Restraining Order Immediately Enjoining Defendants 400-**
17 **628’s Unauthorized and Illegal Use of the Chanel Marks is Appropriate.**

18 Chanel requests an order requiring Defendants 400-628 immediately cease all use of the
19 Chanel Marks, or substantially similar marks, including on or in connection with all Internet
20 websites and domain names owned and operated, or controlled by them. Such relief is necessary to
21 stop the ongoing harm to Chanel’s marks and goodwill and to prevent Defendants 400-628 from
22 continuing to benefit from the increased traffic to their operations created by their illegal use of the
23 Chanel Marks. This Court and others have authorized immediate injunctive relief in cases involving
24 the unauthorized use of trademarks. Virtually identical relief as requested herein was recently
25 entered by the Court in this action and by other Courts in this District in Louis Vuitton Malletier,
26 S.A. v. 1854louisvuitton.com, Case 2:11-cv-00738-PMP–RJJ (D. Nev. May 13, 2011) (Order
27 granting *Ex Parte* Application for Temporary Restraining Order) and in Tiffany (NJ), LLC v.
28 9251y.com, Case No. 2:11-cv-00590-LDG-CWH (DE 12) (D. Nev. May 11, 2011) (same); see also

1 Chanel, Inc. v. The Unincorporated Partnerships and Associations, et al., Case No. 2:10-cv-02684-
 2 BBD-dkv (W.D. Tenn. Nov. 1, 2010) (same); Kraft Foods Holdings, Inc. v. Helm, 205 F. Supp. 2d
 3 942, 956 (N.D. Ill. 2002) (granting preliminary injunction requiring defendant "immediately" to
 4 remove all references to version of plaintiffs mark, including removing all references "from any
 5 metatags, metanames, or any other keywords on his websites); Ford Motor Co. v. Lapertosa, 126 F.
 6 Supp. 2d 463, 467-68 (E.D. Mich. 2001) (defendant enjoined from "using in any way the Internet
 7 domain name "fordrecalls.com").

8 **2. Entry of an Order Prohibiting Transfer of the Group II Subject Domain**
 9 **Names During the Pendency of this Action is Appropriate.**

10 To preserve the status quo, Chanel seeks an order temporarily modifying control of and
 11 prohibiting Defendants 400-628 from transferring the Group II Subject Domain Names to other
 12 parties. Under the operating rules of domain name registrars, defendants involved in domain name
 13 litigation easily can, and often will, change the ownership of a domain name and thereby frustrate
 14 the court's ability to provide relief to the plaintiff. (Gaffigan Second Decl. ¶ 4.) Moreover,
 15 defendants can and often do modify website content to thwart discovery and redirect traffic to thwart
 16 effective injunctive relief. (Gaffigan Second Decl. ¶¶ 4-6, and Composite Exhibit C attached thereto,
 17 examples of aforementioned redirection.) Accordingly, to preserve the status quo and ensure the
 18 possibility of eventual effective relief, courts in trademark cases involving domain names regularly
 19 grant such relief. See e.g., Louis Vuitton Malletier, S.A. v. 1854louisvuitton.com, Case 2:11-cv-
 20 00738-PMP-RJJ (D. Nev. May 13, 2011) (prohibiting the defendant from transferring domain
 21 names during pendency or until further Order of the Court); Tiffany (NJ), LLC v. 925ly.com, Case
 22 No. 2:11-cv-00590-LDG-CWH (D. Nev. May 11, 2011) (same); Iconix, Inc. v. Tokuda, 457 F.
 23 Supp. 2d 969, 1004 (N.D. Cal. 2006) (prohibiting defendants "from using, selling, licensing, or
 24 transferring the domain name"). Here, an interim order prohibiting Defendants 400-628 from
 25 transferring the Group II Subject Domain Names poses no burden on them, preserves the status quo,
 26 and ensures that this Court, after fully hearing the merits of this action, will be able to afford Chanel
 27 full relief.

28 Because the domain name registrars exercise effective control over whether domain names

1 can be transferred, the Lanham Act explicitly provides for registrars to deposit domain name
 2 certificates with the court, thereby recognizing the court's control over use of the domain names. See
 3 15 U.S.C. § 1114(2)(D); 15 U.S.C. § 1125(d)(2)(C); Philip Morris USA, Inc. v. Otamedia Ltd., 331
 4 F. Supp. 2d 228, 230 (S.D.N.Y. 2004) (affirming registrar's decision to deposit certificate with court
 5 where registrant used web site to make infringing sales); see also Toys "R" Us, Inc. v. Akkaoui, No.
 6 C 96-3381 CW, 1996 WL 772709, at *4 (N.D. Cal. Oct. 29, 1996) (noting that registrar, by
 7 delivering certificate to the Court, had "delegated complete control regarding the disposition of the
 8 registration and use of the domain name"). By this mechanism, the parties, and this Court, are
 9 assured that the ownership of the Group II Subject Domain Names will not change while the action
 10 is proceeding. Accordingly, Chanel is also seeking an interim order requiring Defendants 400-628's
 11 registrars for the Group II Subject Domain Names to deposit domain name certificates with the
 12 Court.

13 **3. Entry of an Order Modifying Control, Redirecting, and Disabling the**
 14 **Group II Subject Domain Names is Appropriate.**

15 In domain name trademark cases, this court and many other have recognized that an interim
 16 order redirecting, transferring, disabling, or canceling the offending domain names often may be the
 17 only means of affording plaintiff interim relief that avoids irreparable harm. This Court and other
 18 Courts in this District recently entered virtually identical relief as requested in this application. See
 19 Louis Vuitton Malletier, S.A. v. 1854louisvuitton.com, Case 2:11-cv-00738-PMP-RJJ (D. Nev. May
 20 13, 2011) (temporary restraining order issued ordering that the top-level domain (TLD) Registry for
 21 the domain change the registrar of record to a holding account with the United States based Registrar
 22 GoDaddy.com, Inc.; also ordering that the Registrar set the domains to redirect to plaintiff's
 23 publication website and thereafter placing domain on lock status, preventing the modification or
 24 deletion of the domain by the registrar or the defendant); Tiffany (NJ), LLC v. 9251y.com, Case No.
 25 2:11-cv-00590-LDG-CWH (D. Nev. May 11, 2011) (same); see also Bottega Veneta Intern. v. Pan,
 26 Case No. 10-62334-CIV, (S.D. Fla. Dec. 9, 2010) (same); Bd. of Directors of Sapphire Bay
 27 Condominiums West v. Simpson, 129 Fed. Appx. 711, 712, 715 (3rd Cir. 2005) (affirming District
 28 Court's grant of the preliminary injunction ordering defendant to "cancel his registration of the

1 domain name and refrain from using the name, or any derivative thereof, for any Web site under his
 2 ownership or substantial control”); Ford Motor Company v. Lapertosa, 126 F. Supp. 2d at 468
 3 (preliminary injunction issued ordering the transfer of the domain name at issue to plaintiff pending
 4 resolution on the merits).⁴

5 Accordingly, in order to gain control of, disable, and redirect the Group II Subject Domain
 6 Names, Chanel requests the Court enter an order (i) requiring the registrars of record to lock the
 7 Group II Subject Domain Names, (ii) allowing Defendants 400-628 forty eight (48) hours to file a
 8 written objection with the Court after notice to their registrars and (iii) requiring the registries which
 9 maintain the Top Level Domain (“TLD”) Zone files for the Group II Subject Domain Names to
 10 change the registrar of record for the Group II Subject Domain Names to the United States based
 11 registrar GoDaddy.com, Inc., where they will be held in trust for the Court during the pendency of
 12 this action and set to automatically redirect to <http://www.servingnotice.com/sdv/index.html>.⁵ Upon
 13 such redirection, a copy of all of the pleadings, other documents and Court orders issued in this
 14 matter will be immediately visible to Defendants 400-628 the moment they type any of their own
 15

16 ⁴ See also Chanel, Inc. v. Qi, Case No. 3:11-cv-00362-CRB (N.D. Cal. Jan. 27, 2011) (temporary
 17 restraining order entered ordering that the top-level domain (TLD) Registries for the domains change
 18 the registrar of record to a holding account with the United States based Registrar GoDaddy.com,
 19 Inc.; also ordering that the Registrar set the domains to redirect to plaintiff’s publication website and
 20 thereafter placing domains on lock status, preventing the modification or deletion of the domains by
 21 the registrars or the defendant); Louis Vuitton Malletier, S.A. v. Li, Case 0:11-cv-60611-WPD (S.D.
 Fla. March 28, 2011) (same); Abercrombie & Fitch Trading Co v. Wu, Case 11-cv-00042-MSD-
 TEM (E.D. Va. Jan. 21, 2011) (same); Gucci America, Inc. v. Ling, Case 2:10-cv-00591-MSD-DEM
 (E.D. Va. Dec. 23, 2010) (same); Chanel, Inc. v Does 1 -172, Case No. 2:10-cv-02684-BBD-dkv
 (W.D. Tenn. November 1, 2010) (same).

22 ⁵ Such relief regarding a change of registrars was most recently granted by Courts in this District in
 23 Louis Vuitton Malletier, S.A. v. 1854louisvuitton.com, Case 2:11-cv-00738-PMP-RJJ (D. Nev. May
 24 13, 2011) and Tiffany (NJ), LLC v. 9251y.com, Case No. 2:11-cv-00590-LDG-CWH (D. Nev. May
 25 11, 2011); see also Bottega Veneta International, S.A.R.L., v. Pan, Case No. 10-62334-CIV, (S.D.
 26 Fla. Dec. 9, 2010); Louis Vuitton Malletier, S.A. v. Li, Case 0:11-cv-60611-WPD (S.D. Fla. March
 27 28, 2011); Chanel, Inc. v. Qi, Case No. 3:11-cv-00362-CRB (N.D. Cal. Jan. 27, 2011); Abercrombie
 28 & Fitch Trading Co v. Wu, Case 11-cv-00042-MSD-TEM (E.D. Va. Jan. 21, 2011) (same); Gucci
 America, Inc. v. Ling, Case 2:10-cv-00591-MSD-DEM (E.D. Va. Dec. 23, 2010) (same); Chanel,
 Inc. v Does 1 -172, Case No. 2:10-cv-02684-BBD-dkv (W.D. Tenn. November 1, 2010) (same).
 (See <http://www.servingnotice.com/ofn/index.html>; <http://www.servingnotice.com/off/index.html>;
<http://servingnotice.com/pan/index.html>; <http://servingnotice.com/li2/index.html>;
<http://servingnotice.com/qi/index.html>; <http://servingnotice.com/wu/index.html>;
<http://servingnotice.com/ling/index.html>; and <http://servingnotice.com/oft/index.html>.)

1 domain names into their web browsers. The Group II Subject Domain Names would remain in the
2 legal ownership of Defendants 400-628, but they would no longer be able to display the infringing
3 and counterfeit website content at issue in this matter. Rather, they would serve as the single most
4 effective means of notifying Defendants 400-628 of the pendency of this action and the relief sought
5 by Chanel and affording them and any other interested parties with an opportunity to present
6 objections.

7 **D. A Bond Should Secure the Injunctive Relief.**

8 Because of the strong and unequivocal nature of Chanel's evidence of counterfeiting and
9 infringement, false designation of origin, cyberpiracy, and unfair competition, Chanel respectfully
10 requests this Court require Chanel to maintain its previously posted bond of twenty thousand dollars
11 (\$20,000.00) in favor of all Defendants, including Defendants 400-628. District Courts must set
12 bond requirements when issuing restraining orders or preliminary injunction; however, District
13 Courts have discretion to set the bond amount "in such sum as the court deems proper." Hoechst
14 Diafoi1 Co. v. Nan Ya Plastics Corp., 174 F.3d 411 (4th Cir. 1999); see e.g., John Mascio v. Public
15 Employee Retirement System of Ohio, 160 F. 3d 310, 313 (6th Cir. 1998); Rathman Group v.
16 Tanenbaum, 889 F.2d 787, 789 (8th Cir. 1987); see also FED.R.CIV.P. 65(c) stating the amount of
17 posting of security upon issuance of a temporary restraining order or permanent injunction is vested
18 in the Court's sound discretion.

19 **IV. CONCLUSION**

20 In view of the foregoing, Plaintiff respectfully requests this Court enter a temporary
21 restraining order as to Defendants 400-628 in the form submitted herewith and set a hearing
22 regarding Chanel's preliminary injunction before the expiration of the temporary restraining order.

23 Dated: November ___, 2011

Respectfully submitted,

24 By: /s/ David S. Kahn _____

25 David S. Kahn

26 J. Scott Burris

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