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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION**

**FINANCE EXPRESS LLC,
Plaintiff,**

vs.

**NOWCOM CORPORATION, et al.
Defendants.**

Case No.: SACV 07-01225-CJC(ANx)

**ORDER GRANTING PLAINTIFF'S
MOTION FOR PRELIMINARY
INJUNCTION**

INTRODUCTION

This motion for a preliminary injunction arises out of a trademark dispute between two competing companies, Finance Express LLC (“Finance Express”) and Nowcom Corporation (“Nowcom”), both of which offer software to automate and facilitate financing for automobile dealers and lenders. Finance Express now requests that this Court preliminarily enjoin Defendants from engaging in various practices through the

1 internet that have allegedly caused Finance Express irreparable injury, jeopardizing its
2 reputation and goodwill. Specifically, Finance Express argues that Nowcom must be
3 enjoined from registering infringing domain names, the practice of “keyword stuffing,”
4 (embedding Finance Express’ trademarks in Nowcom’s meta tags and HTML code), and
5 the practice of “keying” (purchasing “keywords” containing Finance Express’ trademarks
6 from search engines such as Google in order to obtain banner advertisements that appear
7 when those terms are searched). The Court finds that Finance Express has made the
8 requisite showing of a combination of probable success on the merits of its trademark
9 infringement claim and the possibility of irreparable harm if Nowcom is not preliminarily
10 enjoined from this infringing conduct. In engaging in domain name registration of
11 Finance Express’ trademarked terms as well as the practices of “keying” and “keyword
12 stuffing,” Nowcom has gained an unearned advantage and has misappropriated Finance
13 Express’ goodwill. Accordingly, these three practices must be enjoined.

14 **FACTUAL BACKGROUND**

15
16
17 Finance Express is in the business of providing software to automate and facilitate
18 credit relationships between used automobile dealers and lenders. First Amended
19 Complaint (“FAC”), ¶ 15. Finance Express is the owner of several trademarks at issue:
20 Finance Express, DealTrace[®]¹, Tracker[™], and Tracker DMS[™]. FAC, ¶¶ 17, 19.

21
22
23 ¹ Defendants argue that they were prejudiced by the fact that Finance Express’ motion contains
24 allegations regarding infringement of its trademark “DealTrace” as well as allegations regarding
25 Defendants’ practices of “keying” and “keyword stuffing” because those allegations were not included
26 in the First Amended Complaint (“FAC”). Defendants have not shown that they were actually
27 prejudiced by this omission. Plaintiff asserts that it only learned of the infringement of DealTrace[®] as
28 well as Defendants’ practices of “keying” and “keyword stuffing” through discovery that occurred after
the FAC was filed. Courts generally give leave to amend the pleadings based on information obtained
through discovery, in keeping with Federal Rule of Civil Procedure 15. *See Owens v. Kaiser Found.
Health Plan, Inc.*, 244 F.3d 708, 712 (9th Cir. 2001). Additionally, Defendants were put on notice of the
allegations regarding “keying” and “keyword stuffing” through specific deposition questions and
targeted discovery which took place in February and March, 2008. (*See Davis Decl*, Exs. 2, 14.)
Plaintiff’s counsel asserted at the hearing on this motion that the parties also discussed these allegations

1 Finance Express owns and operates its business out of its main website,
2 <financeexpress.com>, and uses the internet as a marketing channel for its primary
3 product, Finance Express Dealer Management System, an internet-based technology
4 platform that enables auto dealers to obtain financing for their inventory. FAC, ¶ 16.
5 Finance Express also offers a product known as the Tracker Dealer Management
6 Software (“Tracker DMS”) that it purchased from a competitor, Manheim Interactive, Inc
7 (“Manheim”) on May 7, 2007 (*Id.* at ¶ 4.) The Tracker DMS product is a web-based
8 dealer management database solution that allows automobile dealers to track their
9 profitability, manage their inventory, conduct sales, and perform other services. The
10 Tracker™ software was owned and operated by Manheim and its predecessors for over
11 ten years until Finance Express purchased it in 2007. (*Id.* at ¶ 7.) Following the
12 acquisition, Finance Express expected to convert approximately 850 existing Tracker™
13 dealers to Finance Express’ platform by the end of 2007. (*Id.* at ¶ 5.) However, Finance
14 Express has only converted approximately 250 dealers at present. (*Id.* at ¶ 8.)

15
16 Finance Express alleges that its failure to generate expected revenue after
17 purchasing the Tracker DMS software from Manheim is directly attributable to trademark
18 infringement and dilution, false advertising, and other illegal conduct by Defendants
19 Nowcom Corporation, Rufus Hankey, Don Hankey, Westlake Services, Inc., Hankey
20 Investment Company, and Hankey Group (collectively, “Nowcom”). (Huber Decl., ¶ 8.)
21 Nowcom is a direct competitor of Finance Express, and offers its own dealer software
22 solution called “Dealer Desktop.” FAC, ¶ 35. Finance Express asserts that Defendants
23 infringed on its marks by engaging in at least four different types of illegal conduct on the
24

25 during their meet-and-confer that took place prior to Plaintiff’s filing of this motion. When the Court
26 asked Defendants’ counsel how Defendants had been prejudiced by the failure to include these
27 allegations in the operative complaint, he was unable to articulate any specific way in which Defendants
28 had been prejudiced. Moreover, if Defendants had truly been prejudiced by this omission, the Court
would have expected them to file an *ex parte* application for an extension of time to oppose Plaintiff’s
motion, which they failed to do. Instead, they fully addressed Plaintiff’s allegations on the merits,
indicating that they had adequate notice and an opportunity to respond.

1 internet: (1) Nowcom registered a series of domain names with the company Go Daddy
2 which incorporated Finance Express' trademarks into the domain names (FAC, ¶ 46); (2)
3 Nowcom linked at least two of the infringing domain names to a Nowcom website that
4 contained a misleading "press release" encouraging clients of Finance Express to switch
5 over to Nowcom (*Id.* at ¶¶ 49-52); (3) Nowcom engaged in "keyword stuffing" whereby
6 it used Finance Express' marks in meta tags and buried HTML code in order to ensure
7 that Nowcom's website will appear in the list of search engine results a user will find
8 upon searching for Finance Express' products² (Pl.'s Mot. Prelim. Inj., p. 6); and (4)
9 Nowcom used "keying" to ensure that users searching for Finance Express' products or
10 services would see a banner advertisement for Nowcom along with the search results.³
11 *Id.* Specifically, Nowcom purchased "keywords" from Google and other search engines
12 that contained Finance Express' trademarks so that when internet users search for those
13 terms, a banner advertisement for Nowcom will appear on the search results screen.⁴
14 Finance Express alleges that this conduct constitutes trademark infringement, false
15 advertising, and false designation of origin under the Lanham Act and that it also violates
16 the Anticybersquatting Consumer Protection Act and various state laws.

19 ² Nowcom's employees admitted in deposition testimony that they used the following terms as meta
20 tags: "manheim dms," "manheim tracker," "tracker manheim," "finance express DMS," and "tracker
21 DMS." (Davis Decl., Ex. 2, Guerra Tr. at 162:16-19.) Defendants also used the term "DealTrace" as a
22 meta tag. (Huber Decl., ¶ 4.)

23 ³ "Keying" is a practice that allows advertisers to target individuals with certain interests by linking
24 advertisements to pre-identified terms. *Playboy Enterprises, Inc. v. Netscape Communications Corp.*,
25 354 F.3d 1020, 1022 (9th Cir. 2004). Google's AdWords program allows entities to purchase
26 advertising space connected with specific words, known as "keywords." Keywords are then used to
27 drive internet users to the purchaser's website. For example, when a user searching for "Finance
28 Express" types that term into Google, this triggers the appearance of an advertisement for Nowcom
under the heading "Sponsored Links." (*See* Davis Decl., Ex. 11; Cirsch Decl., Ex. E.) Nowcom
purchased the keywords "Finance Express," "Finance Express Manheim Tracker," "Finance Express
Tracker," "Manheim Tracker conversion," "Manheim Tracker," "Tracker DMS," and "Tracker
migration." (Davis Decl., Ex. 11.)

⁴ Finance Express also argues that Nowcom has engaged in "reverse engineering." The Court will not
address this contention because Finance Express has not provided any evidence in support of this
assertion, aside from a conclusory reference in the declaration of Mr. Huber.

1 Prior to the time Finance Express filed this motion, Nowcom implemented an
2 advertising campaign entitled “6 Reasons to Migrate,” pursuant to which Nowcom used
3 Finance Express’ name and marks in order to divert current and potential customers of
4 Finance Express to Defendants’ competing product, Dealer Desktop. (*See* Davis Decl.,
5 Ex. 3.) One aspect of the campaign was to register domain names with Finance Express’
6 trademarks contained within them. On May 31, 2008, Nowcom registered the following
7 domain names: <trackerdmsonline.com>, <trackerconversions.com>,
8 <trackerupgrade.com>, <tracker-dms.com>, <besttrackerconversion.com>, <newtracker-
9 dms.com, <financeexpressdms.com>, as well as several slightly modified versions of
10 these domain names. (Davis Decl., Ex. 4.)

11
12 On June 19, 2007, Nowcom launched two websites using the domain names
13 <trackerdmsonline.com> and <financeexpressdms.com>. These websites featured a
14 “Press Release” which “announced” the fact that Finance Express had purchased
15 Manheim’s Tracker DMS and reported that auto dealers were dissatisfied with “the
16 breaking news” because they were paying higher prices to Finance Express than they
17 paid to Manheim. (Davis Decl., Ex. 6.) The Press Release encouraged Finance Express’
18 customers to “seamlessly migrate” from Manheim Tracker DMS to Nowcom’s Dealer
19 Desktop. (*Id.*) Although Nowcom’s logo appeared at the top of the webpage, the website
20 gave the false impression that the “Press Release” was being jointly offered by Nowcom
21 and Finance Express because it was found at a website that was confusingly similar to
22 Finance Express’ website (*compare* <financeexpress.com> and
23 <financeexpressdms.com>) and because it contained headings such as “About Nowcom”
24 and “About Finance Express”. The section entitled “About Finance Express” contained a
25 description of Finance Express’ services and listed its correct website. The Press Release
26 gave the erroneous impression that Finance Express and Nowcom were collaborating and
27 had jointly decided to offer Nowcom’s Dealer Desktop product as an alternative to
28 Manheim Tracker DMS.

1
2 Finance Express first discovered the “Press Release” on Nowcom’s website
3 <trackerdmsonline.com> on October 5, 2007, and responded by sending a cease and
4 desist letter to Rufus Hankey and Nowcom. (Davis Decl., Ex. 4.) The letter demanded
5 that Nowcom remove the website and refrain from using Tracker or the TrackerDMS
6 marks and the name of Finance Express in any way. On that same day, only hours after
7 receiving the cease and desist letter, Nowcom registered <nomoretracker.com>. (Davis
8 Decl., Ex. 7.) On October 9, 2007, Nowcom emailed Finance Express and stated that it
9 had removed the website in question, <trackerdmsonline.com>. On October 26, 2007,
10 Defendant Rufus Hankey emailed the president of Finance Express to “apologize if [his]
11 aggressive marketing caused problems with [Finance Express].” (Davis Decl., Ex. 1.)
12 Despite these representations, on December 14, 2007, Finance Express discovered that
13 the “Press Release” was still available at another one of Defendants’ websites,
14 <financeexpressdms.com>. (Davis Decl., Ex. 4.) Nowcom’s Chief Operating Officer,
15 Robert Lekstrom, asserts that upon notification by Finance Express, Nowcom removed
16 <financeexpressdms.com>. (Cirsch Decl., Ex. C). Mr. Lekstrom avers that by December
17 18, 2007, Nowcom had voluntarily cancelled all the allegedly infringing domain names
18 mentioned above. (*Id.*) Significantly, Nowcom does not dispute that it was responsible
19 for registering the allegedly infringing domain names and linking them to the “Press
20 Release”; instead, Nowcom argues that these acts do not constitute trademark
21 infringement, cybersquatting, false advertising, or trade dilution.

22
23 Although Nowcom has apparently removed all of the infringing domain names,
24 Nowcom continues to use Finance Express’ name and trademarks in meta tags and
25 through the practice of “keying.” (*See* Davis Decl., Exs. 2, 10, 11.) Just as with the
26 domain name allegations, Nowcom does not deny that it engages in keying and keyword
27 stuffing of terms such as “Finance Express,” “Tracker,” and “TrackerDMS.” Nowcom
28

1 defends its practices by arguing that they are merely competitive advertising and
2 therefore protected as a type of fair use.

3
4 **LEGAL STANDARD**

5
6 To obtain a preliminary injunction, the moving party must establish: (1) a
7 combination of probable success on the merits and the possibility of irreparable injury if
8 relief is not granted, or (2) the existence of serious questions going to the merits and that
9 the balance of hardships tips sharply in its favor. *Brookfield Communications, Inc. v.*
10 *West Coast Entm't Corp.*, 174 F.3d 1036, 1046 (9th Cir. 1999). “The two standards set
11 forth above are actually not separate tests but are the ‘outer reaches’ of a single
12 continuum; the greater the balance of hardships tips in favor of the moving party, the less
13 likelihood of success on the merits must be shown.” *Apple Computer, Inc. v. Formula*
14 *Int'l, Inc.*, 562 F. Supp. 775, 783 (C.D. Cal. 1983), *aff'd*, 725 F.2d 521 (9th Cir. 1984)
15 (*citing Los Angeles Mem'l Coliseum Comm'n v. Nat'l Football League*, 634 F.2d 1197,
16 1201 (9th Cir. 1980).

17
18 **ANALYSIS**

19
20 In order to be granted a preliminary injunction, Finance Express only needs to
21 show the requisite combination of probable success on the merits and the possibility of
22 irreparable injury with respect to any one of its claims. Here, the Court finds that Finance
23 Express has met its burden with respect to its trademark infringement claim, and
24 therefore the Court need not address the other claims at this time.

1 **A. LIKELIHOOD OF SUCCESS**

2
3 **1. Validity of the Claimed Marks**

4 In order to establish trademark infringement under section 32 of the Lanham Act, a
5 plaintiff must demonstrate that the defendant is using a mark confusingly similar to a
6 valid, protectable mark of the plaintiff. *See AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341,
7 348 (9th Cir. 1979). Section 32(1) of the Lanham Act provides that a person shall be
8 liable for trademark infringement who “use[s] in commerce any reproduction, counterfeit,
9 copy, or colorable imitation of a registered mark in connection with the sale, offering for
10 sale, distribution, or advertising of any goods or services on or in connection with which
11 such use is likely to cause confusion, or to cause mistake, or to deceive.” 15 U.S.C. §
12 1114(1). Accordingly, Finance Express must demonstrate that (1) its marks are
13 protected; and (2) Nowcom used Finance Express’ marks or a reproduction of those
14 marks in commerce in a manner which is likely to cause confusion. With respect to the
15 first prong, Finance Express has shown, for the purposes of a preliminary injunction, that
16 its marks are valid and protected.

17
18 **a. Priority of Use**

19 The parties do not dispute that Finance Express is the senior user of the marks at
20 issue. DealTraceTM was registered with the U.S. Patent Office on July 12, 2005. (Supp.
21 Huber Decl., ¶ 3, Ex. A.) Finance Express purchased TrackerTM and TrackerDMSTM on
22 May 7, 2008, and Manheim sold the Tracker software associated with those marks for
23 almost a decade before the sale. Since the alleged infringement did not take place until
24 May 31, 2008, Finance Express’ use of the marks is senior to that of Nowcom.

25
26 **b. DealTrace is a Suggestive Mark**

27 There are five categories of trademarks: (1) generic; (2) descriptive; (3) suggestive;
28 (4) arbitrary; and (5) fanciful. *Yellow Cab Co. of Sacramento v. Yellow Cab of Elk*

1 *Grove, Inc.*, 419 F.3d 925, 927 (9th Cir. 2005) (citation omitted). “[S]uggestive,
2 arbitrary, or fanciful [terms] are automatically entitled to trademark protection because
3 they are inherently distinctive.” *Platinum Home Mortgage Corp. v. Platinum Financial*
4 *Group, Inc.*, 149 F.3d 722, 727 (7th Cir. 1998). Although “[m]arks which are merely
5 descriptive of a product are not inherently distinctive,” “[a] descriptive mark can receive
6 trademark protection if it has acquired distinctiveness by establishing ‘secondary
7 meaning’ in the marketplace.” *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768
8 (1992). A generic mark is not protected at all. *Yellow Cab*, 419 F.3d at 927.

9
10 When a mark is registered, it is afforded a presumption of ownership and validity
11 pursuant to 15 U.S.C. § 1057(b). Here, Finance Express registered the mark DealTrace™
12 with the U.S. Patent Office on July 12, 2005. Accordingly, it is presumed to be valid,
13 and Nowcom has not offered any evidence to rebut the presumption of validity.
14 Additionally, the Court finds that the term “DealTrace” is suggestive because it “requires
15 a mental leap from the mark to the product.” *Brookfield Commc’ns., Inc. v. West Coast*
16 *Entm’t Corp.*, 174 F.3d 1036, 1058 (9th Cir. 1999). “If the mental leap between the word
17 and the product’s attribute is not almost instantaneous, this strongly indicates
18 suggestiveness, not direct descriptiveness.” *Self-Realization Fellowship Church v.*
19 *Ananda Church of Self-Realization*, 59 F.3d 902, 911 (9th Cir. 1995) (citing 1 McCarthy
20 § 11.21 at 11-108, 109). If a consumer must use imagination or any type of multistage
21 reasoning to understand the mark’s significance, then the mark does not describe the
22 product’s features, but suggests them. *Kendall-Jackson Winery v. E. & J. Gallo Winery*,
23 150 F.3d 1042, 1047 n.8 (9th Cir. 1998).

24
25 Here, “DealTrace” is a software application that allows automobile dealers to
26 manage various transactions. Although the term “DealTrace” is suggestive of its purpose
27 – to trace deals – it is not immediately apparent what product is at issue or to whom the
28 product is directed. Similarly, the term “Air Care” was found to be a suggestive mark for

1 a service that maintains medical equipment used for administering oxygen because a
2 consumer must use some imagination to understand the significance of the mark. *Airco,*
3 *Inc. v. Air Prods. & Chemicals, Inc.*, 196 U.S.P.Q. 832 (TTAB 1977). Because there is a
4 mental leap between the concept of tracing deals and the fact that this is a software
5 service intended to aid automobile dealers contracting with lenders, “DealTrace” is a
6 suggestive mark.

7
8 **c. Tracker, TrackerDMS, and Finance Express are Descriptive Marks**
9 **with Secondary Meaning**

10 A mark is descriptive if it conveys some knowledge of the characteristics of the
11 product or service. *In re MBNA America Bank, N.A.*, 340 F.3d 1328, 1332 (Fed. Cir.
12 2003). “A descriptive mark . . . is one that merely describes the ingredients, qualities, or
13 characteristics of an article of trade or a service.” *Mil-Mar Shoe Co., Inc. v. Shonac*
14 *Corp.*, 75 F.3d 1153, 1157 (9th Cir. 1996). “Thus, ‘Honey Baked Ham’ is a descriptive
15 term for a ham that has been baked with honey, and ‘Honey Roast’ is a descriptive term
16 for nuts that have been roasted with honey.” *Kendall-Jackson Winer*, 150 F.3d at 1047
17 n.8. (citations omitted). These two marks are descriptive rather than suggestive because
18 they do not require the consumer to use imagination or “multistage reasoning” to
19 understand the mark’s significance. *Id.* The term “Tracker” is descriptive of its service,
20 which is to track automobile dealers’ inventory and sales. This conclusion is bolstered by
21 the fact that hundreds of other companies have used the phrase “Tracker” to identify their
22 software products, including within the automobile industry. (See Cirsch Decl., Ex. J.)
23 “TrackerDMS” is also descriptive because “DMS” is merely an acronym for “Dealer
24 Management Software,” which clearly describes Finance Express’ product. When two
25 descriptive terms are combined, the question of whether the combined mark is descriptive
26 or suggestive depends on whether the combination of terms evokes a new and unique
27 commercial impression. *In re Oppedahl & Laron LLP*, 373 F. 3d 1171, 1176-77 (Fed.
28 Cir. 2004). If each component retains its descriptive significance in relation to the

1 services at issue, the combination results in a composite that is itself descriptive. *Id.*
2 Here, merely combining “Tracker” with an acronym that accurately and thoroughly
3 describes the product at issue does not evoke a new and unique commercial impression.
4 Therefore, “TrackerDMS” is also descriptive.

5
6 The Court also finds the mark “Finance Express” to be descriptive. The
7 Trademark Trial and Appeal Board held that “Express” is merely descriptive of banking
8 and trust services. *See In re Wells Fargo & Co.*, 231 U.S.P.Q. (BNA) 95, 1986 TTAB
9 LEXIS, at *5-6 (TTAB 1986) (holding “EXPRESSSERVICE” was merely descriptive of
10 banking and trust services). The board noted that the term “express” conveyed to
11 consumers that the services would be fast. *Id.* at *5. With respect to the term “finance,”
12 it is significant that Finance Express’ trademark application for this term expressly
13 disclaimed any exclusive right to use “finance” apart from “express.” (Cirsch Decl., Ex.
14 D.) When combined, the term “Finance Express” conveys to consumers that they will be
15 able to receive financial services in an expedited manner. Because a consumer need not
16 engage in any multistage reasoning or use any imagination to understand the significance
17 of the service or goods, the mark is merely descriptive.

18
19 Although “Tracker,” “TrackerDMS” and “Finance Express” are descriptive marks,
20 the Court nonetheless finds that they are protected because Finance Express has
21 demonstrated that they have secondary meaning. “Secondary meaning” is a mental
22 recognition in buyers’ and potential buyers’ minds that products connected with the
23 symbol or device originate from or are associated with the same source. *Levi Strauss &*
24 *Co. v. Blue Bell, Inc.*, 632 F.2d 81 (9th Cir. 1980). Generally, secondary meaning is
25 proven through evidence related to the amount and manner of advertising of the mark,
26 sales volume, consumer testimony, whether use of the mark was exclusive, and consumer
27 surveys. *Yellow Cab*, 419 F.3d at 929; *Stuhlberg Int’l Sales Co., Inc. v. John D. Brush &*
28 *Co., Inc.*, 240 F.3d 832, 840 (9th Cir. 2001). However, the Ninth Circuit has held on

1 numerous occasions that “evidence of deliberate copying is relevant to a determination of
2 secondary meaning.” *Fuddruckers, Inc. v. Doc’s B.R. Others, Inc.*, 826 F.2d 837, 844
3 (9th Cir. 1987); *see also Auto Fidelity, Inc. v. High Fidelity Recordings, Inc.*, 283 F.2d
4 551, 557-58 (9th Cir. 1960); *Transgo, Inc. v. Ajac Transmission Parts Corp.*, 768 F.2d
5 1001, 1016 (9th Cir. 1985); *Clicks Billiards Inc. v. Sixshooters Inc.*, 251 F.3d 1252, 1263
6 (9th Cir. 2001). In *Auto Fidelity*, the court held that secondary meaning could be shown
7 when there is uncontested evidence of deliberate copying. Applying California law, the
8 court reversed the trial court for failing to find secondary meaning when there was
9 “uncontradicted testimony, completely satisfactory to the trial court, that there had been
10 an actual copying” and it was clear that the copier intended to confuse the consumer into
11 believing he purchased the original article. 283 F. 2d at 557, 558. The court echoed this
12 sentiment in *Transgo*, stating “[p]roof of exact copying, without any opposing proof, can
13 be sufficient to establish a secondary meaning.” 768 F.2d at 1016.

14
15 In *Fuddruckers*, however, the Ninth Circuit clarified that evidence of deliberate
16 copying does not shift the burden of proof to the defendant on the issue of secondary
17 meaning. 826 F.2d at 844. The *Fuddruckers* court also characterized the quoted
18 language from *Transgo* as dicta, since there was independent evidence of secondary
19 meaning introduced in that case. *Id.* The court left open the possibility that, “in
20 appropriate circumstances, deliberate copying may suffice to support an inference of
21 secondary meaning.” *Id.* (citing *Transgo*, 768 F.2d at 1015-1016); *see also Clicks*, 251
22 F.3d at 1264. The question for this Court, therefore, is what constitutes “appropriate
23 circumstances” to find that deliberate copying supports a finding of secondary meaning.
24 In dealing with this identical question, a court within this circuit held that “it is only
25 appropriate to draw an inference of secondary meaning from intentional copying where
26 the circumstances of the case indicate that the copier, in addition to intending to copy,
27 intended to deceive or confuse the public.” *Chrysler Corp. v. Vanzant*, 44 F. Supp. 2d
28 1062, 1081 (C.D. Cal. 1999). The Ninth Circuit implicitly supported this analysis in

1 *Fuddruckers*, when it stated that copying could not support a finding of secondary
2 meaning if the defendant copied the plaintiff's design to benefit from some intrinsic
3 quality in the design, as opposed to copying with the purpose of confusing consumers
4 into believing they were purchasing the plaintiff's product instead of the defendant's
5 product. The court held:

6
7 We decline to so hold [that evidence of deliberate copying shifts the burden of
8 proof on the issue of secondary meaning]. Competitors may intentionally copy
9 product features for a variety of reasons. They may, for example, choose to copy
10 wholly functional features that they perceive as lacking any secondary meaning
11 because of those features' intrinsic economic benefits.

12 826 F.2d at 844-45. Several other circuits have concurred in this analysis. *See Thomas*
13 *& Betts v. Panduit Corp*, 65 F.3d 654, 663 (7th Cir. 1995) ("Copying is only evidence of
14 secondary meaning if the defendant's intent in copying is to confuse customers and pass
15 of his product as plaintiff's."); *Brooks Shoe Mfg. Co. v. Suave Shoe Corp.*, 716 F.2d 854,
16 859-60 (11th Cir. 1983) (holding that proof of intentional copying, in the absence of
17 additional evidence of actual deception, does not "eliminate[] the need for proof of
18 secondary meaning.")

19 Here, it is undisputed that Nowcom engaged in deliberate copying by registering
20 domain names containing Finance Express' marks and name, by purchasing keywords
21 from search engines that contained Finance Express' name and marks, and by embedding
22 Finance Express' name and marks in the HTML code of Nowcom's website. The key
23 question for a finding of secondary meaning is, "why did Nowcom engage in this
24 copying?" Did it copy in order to benefit from functional features of Finance Express'
25 trademarks, or, rather, to confuse the public? The Court finds that this situation clearly
26 falls into the latter category. Registering domain names that contain a competitor's
27 marks is not akin to designing a product that incorporates the physical or design features
28 of one's competitor. Instead, the only purpose Nowcom could have had in registering

1 Finance Express' domain name was to direct potential consumers of Finance Express'
2 products to Nowcom's website. Likewise, the practices of keying and keyword stuffing
3 were not carried out to benefit from the design of Finance Express' Tracker or
4 TrackerDMS marks, but to direct consumers searching for Tracker software to
5 Nowcom's website, either through the search results list or through Nowcom's banner
6 advertisements. Defendants admitted as much in their deposition testimony, when Rufus
7 Hankey was asked the following regarding his registration of Finance Express' marks
8 within eight different domain names:

9
10 Q. [When] Finance Express DMS came up, were you concerned that some people
11 may think that was the real finance express company?

12 A. I was just hoping for a hit.

13 Q. Was there any other use or reason for Nowcom to register all these domain
14 names I went through earlier in the day other than to get a high ranking in
15 Google's hierarchy?

16 A. Not to my knowledge.

17 Q. That was the sole purpose behind those?

18 A. Yes.
19

20 (Deposition Transcript of Rufus Hankey at 65:1-10; 73:13-19). As will be explained
21 more fully in section C, *infra*, Nowcom engaged in deliberate copying in order to cause
22 "initial interest confusion" among consumers who were seeking out Finance Express'
23 Tracker DMS products. Nowcom engaged in deliberate copying not to benefit from
24 some intrinsic aspect of Finance Express' marks, but rather to confuse consumers into
25 believing they were perusing Finance Express' website instead of Nowcom's site. These
26 are exactly the type of circumstances anticipated in *Fuddruckers* in which it is
27 appropriate for the Court to conclude that deliberate copying suffices to support an
28

1 inference of secondary meaning. Therefore, the marks Tracker™, TrackerDMS™, and
2 FinanceExpress™ are valid and entitled to protection under the Lanham Act.⁵

3
4 **2. Nowcom Used Finance Express' Marks "In Commerce"**

5 The Lanham Act defines "use in commerce" as "the bona fide use of a mark in the
6 ordinary course of trade," specifically:

7
8 (1) on goods when—

9 a. [the mark] is placed in any manner on the goods or their containers or the
10 displays associated therewith or on the tags or labels affixed thereto, or if
11 the nature of the goods makes such placement impracticable, then on
12 documents associated with the goods or their sale, and

13 b. The goods are sold or transported in commerce, and

14 (2) on services when it is used or displayed in the sale or advertising of services
15 and the services are rendered in commerce, or the services are rendered in more
16 than one State or in the United States and a foreign country and the person
17 rendering the services is engaged in commerce in connection with the services.

18 15 U.S.C. § 1127. The Supreme Court has held that the "in commerce" requirement
19 should be construed liberally because the Lanham Act "confers broad jurisdictional
20 powers upon the courts of the United States." *Steele v. Bulova Watch Co.*, 344 U.S. 280,
21 283 (1952). Although the Ninth Circuit has not directly addressed the question of
22 whether internet activity such as registering domain names, keying, or keyword stuffing
23 constitutes "use in commerce" within the meaning of the Lanham Act, the court
24 presumed without deciding that such activity met the standard in two recent cases. *See*
25 *Brookfield*, 174 F.3d at 1053 (finding that the plaintiff was entitled to a preliminary
26 injunction with respect to infringing domain name registration and keyword stuffing
27 because the plaintiff had shown the marks were protected and that there was a likelihood
28 of confusion, without addressing the "use in commerce" requirement); *Playboy Enter.*,

⁵ The Court notes that its determination regarding the validity of Plaintiff's marks is only a finding for the purposes of a motion for a preliminary injunction. At trial, the jury will make the final determination regarding whether these marks are truly valid and protected under federal trademark law.

1 *Inc., v. Netscape Commc'ns Corp.*, 345 F.3d 1020, 1024 (9th Cir. 2004) (“*Playboy*”)
2 (noting that there was no dispute that the plaintiff held the marks in question and that
3 defendant had used the marks in commerce by engaging in the practice of keying).
4 Although the *Playboy* court did not specifically define “use in commerce” in this context,
5 it is significant that the court acknowledged the broad reach of the Commerce Clause in
6 trademark cases, stating, “[f]ederal jurisdiction over trademark cases rests on the
7 Commerce Clause, sweeps as broadly as possible, and clearly encompasses the
8 circumstances of this case.” *Id.* at 1024 n. 11.

9
10 Certain other federal courts to address this issue have also concluded that the
11 practice of “keying” meets the “use in commerce” requirement for trademark
12 infringement. *See Edina Realty, Inc. v. TheMLSonline.com*, 2006 WL 737064 *3 (D.
13 Minn. March 20, 2006) (“While [keyword purchasing is] not a conventional ‘use in
14 commerce,’ defendant nevertheless uses the . . . mark commercially. Defendant
15 purchases search terms that include the . . . mark to generate its sponsored link
16 advertisement. Based on the plain meaning of the Lanham Act the purchase of search
17 terms is a use in commerce.”); *Buying For The Home, LLC v. Humble Abode, LLC*, 459
18 F. Supp. 2d 310, 323 (D. N.J. 2006) (“First, the alleged purchase of the keyword was a
19 commercial transaction that occurred ‘in commerce.’ Second, Defendants’ alleged use
20 was both ‘in commerce’ and ‘in connection with any goods or services’ in that Plaintiff’s
21 mark was allegedly used to trigger commercial advertising which included a link to
22 Defendants’ furniture retailing website.”) The Court agrees with the logic of cases like
23 *Edina Realty* and *Humble Abode* in their conclusion that purchasing keywords containing
24 a plaintiff’s trademarks constitutes a “use in commerce” under the plain meaning of the
25 Lanham Act. Here, Nowcom engaged in numerous commercial transactions using
26 Finance Express’ trademarked terms: (1) Nowcom purchased eight different domain
27 names that included Finance Express’ name and trademarks to drive Finance Express’
28 potential consumers to Nowcom’s website; (2) Nowcom purchased various keywords

1 containing Finance Express' marks from Google to ensure that users would view
2 Nowcom's banner advertisement, again driving Finance Express' consumers to
3 Nowcom's site. Thus, Nowcom actually used Finance Express' trademarks to engage in
4 two levels of commercial transactions; first, Nowcom used the marks to purchase
5 advertising from third parties that was directed at Finance Express' potential users, and
6 second, Nowcom profited from Finance Express' marks when it transacted with internet
7 users who were initially searching for Finance Express' products but ultimately
8 purchased Nowcom's products.

9
10 Similarly, Nowcom's practice of embedding Finance Express' marks in Nowcom's
11 HTML code to ensure that Nowcom will appear higher on a list of search results for
12 Finance Express' products also constitutes "use in commerce" of Plaintiff's marks.
13 Through all three of these web-based practices, Nowcom used Finance Express marks to
14 increase the likelihood of engaging in commercial transactions with Finance Express'
15 potential consumers. As such, Nowcom engaged in "the bona fide use of a mark in the
16 ordinary course of trade."

17 18 **3. Likelihood of Confusion**

19 In order to show that it is entitled to a preliminary injunction, Finance Express
20 must also establish that it is likely to be able to show a likelihood of confusion.
21 "[L]ikelihood of confusion is the central element of trademark infringement." The Ninth
22 Circuit employs an eight-factor test, originally set forth in *AMF Inc. v. Sleekcraft Boats*,
23 to determine the likelihood of confusion. The eight factors are: (1) strength of the mark;
24 (2) proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion;
25 (5) marketing channels used; (6) type of goods and the degree of care likely to be
26 exercised by the purchaser; (7) defendant's intent in selecting the mark; and (8)
27 likelihood of expansion of the product line. 599 F.2d 341, 348-49 (9th Cir. 1979). "In
28 the internet context, courts must be flexible in applying the factors, as some may not

1 apply. Moreover, some factors are more important than others.” *Playboy*, 354 F.3d at
 2 1026. “In the context of the web in particular, the three most important . . . factors are (1)
 3 the similarity of the marks; (2) the relatedness of the goods or services; and (3) the
 4 simultaneous use of the Web as a marketing channel.” *GoTo.com, Inc. v. Walt Disney*
 5 *Co.*, 202 F.3d 1199, 1205 (9th Cir. 2000). Applying these three factors here, Finance
 6 Express has shown that Nowcom’s practices of domain name registration of Finance
 7 Express’ marks, keyword stuffing and keying creates a likelihood of confusion.

8

9 **a. Domain Name Registration of Plaintiff’s Marks**

10 Turning to the three most important *Sleekcraft* factors in the internet context, the
 11 Court begins by comparing the allegedly infringing mark to the protected marks. “The
 12 similarity of the marks will always be an important factor. Where the two marks are
 13 entirely dissimilar, there is no likelihood of confusion. . . [T]he more similar the marks in
 14 terms of appearance, sound, and meaning, the greater the likelihood of confusion.”
 15 *Brookfield*, 174 F.3d at 1054. In the context of domain name registration of a plaintiff’s
 16 marks, the court compares the allegedly infringing domain name with the claimant’s
 17 trademark, not with the claimant’s own domain name. *Id.* at 1055. Here, the correct
 18 comparison is between Finance Express’ protected marks (Finance Express™, Tracker™,
 19 and Tracker DMS™) with the domain names registered by Nowcom
 20 (<trackerdmsonline.com>, <trackerconversions.com>, <trackerupgrade.com>, <tracker-
 21 dms.com>, <besttrackerconversion.com>, <newtracker-dms.com, and
 22 <financeexpressdms.com>). There is no question that “Finance Express” is strikingly
 23 similar to “financeexpressdms,” and that “Tracker DMS” is almost identical to “tracker-
 24 dms” and very similar to “trackerdmsonline.com.” The differences between Finance
 25 Express’ marks and Nowcom’s domain names are inconsequential in light of the fact that
 26 Web addresses are not caps-sensitive and that the “.com” top-level domain signifies the
 27 site’s commercial nature. *Id.* Additionally, the various modifications of “tracker”
 28 employed by Nowcom (such as “trackerupgrade.com,” “trackerconversions.com,”), while

1 not as similar to the Tracker mark as the previously discussed domain names, are still
2 alike enough for the Court to conclude that this first factor weighs in favor of Finance
3 Express.

4
5 With respect to the next important factor, the relatedness of the products and
6 services offered, this factor too weighs in favor of Finance Express. “Related goods are
7 generally more likely than unrelated goods to confuse the public as to the producers of
8 the goods.” *Id.* (citing *Sleekcraft*, 599 F.2d at 350). In light of the striking similarity of
9 the marks, if they were used with identical products or services, likelihood of confusion
10 would follow as a matter of course. *See Lindy Pen Co. v. Bic Pen Corp.*, 796 F.2d 254,
11 256-57 (9th Cir. 1986). Here, it is undisputed that the parties are direct competitors in the
12 automotive finance technology industry. (*See* Davis Decl., Ex. 17 (Nowcom’s Answer)
13 at ¶ 29; Ex. 18 (Rufus Hankey’s Answer) at ¶ 29.) Finance Express’ DMS internet-based
14 platform and dealer management software enables dealers to obtain financing for their
15 inventory. Nowcom’s Dealer Desktop product is also a dealer management software
16 which includes a dealer inventory tracking function. Opp’n, p. 6. Moreover, the
17 relatedness of the products is evidenced by the fact that Nowcom admits to pursuing the
18 exact same clients as Finance Express – used car dealers seeking to automate
19 relationships with their lenders. The fact that Finance Express’ products are only offered
20 subject to a periodic fee, while Nowcom’s products are offered as a one-time sale, is not a
21 material difference between the two products. *See GoTo.com*, 202 F.3d at 1207
22 (competing internet search engines sufficiently similar products to create a likelihood of
23 confusion).

24
25 Third, Finance Express and Nowcom are engaged in the simultaneous use of the
26 internet as a marketing channel, “a factor that courts have consistently recognized as
27 exacerbating the likelihood of confusion.” *Brookfield*, 174 F.3d at 1057 (citations
28 omitted).

1
2 Given the striking similarity between the domain names registered by Nowcom
3 and Finance Express' marks, the relatedness of the products and services accompanied by
4 those marks, and the parties' simultaneous use of the Web as a marketing and advertising
5 tool, there was a significant likelihood of consumer confusion when users searching for
6 "financeexpress" were directed to Nowcom's website <financeexpressdms.com>.
7 Specifically, Nowcom caused a type of consumer confusion known as "initial interest
8 confusion," which is actionable under the Lanham Act. *Brookfield*, 174 F.3d at 1063.
9 "Initial interest confusion" is defined as "consumer confusion that creates initial interest
10 in a competitor's product. Although dispelled before an actual sale occurs, initial interest
11 confusion impermissibly capitalizes on the goodwill associated with a mark and is
12 therefore actionable trademark infringement." *Playboy*, 354 F.3d at 1025 (*citing*
13 *Brookfield*, 174 F.3d at 1062-53). When consumers searched for Finance Express'
14 website or products, they were unknowingly driven to Nowcom's "Press Release," which
15 "announced" the fact that Finance Express had purchased Manheim's Tracker DMS and
16 reported that auto dealers were dissatisfied with "the breaking news" because they were
17 paying higher prices to Finance Express than they paid to Manheim. The Press Release
18 encouraged Finance Express' customers to "seamlessly migrate" from Manheim Tracker
19 DMS to Nowcom's Dealer Desktop. Although Nowcom's logo appeared at the top of the
20 webpage, the website gave the false impression that the "Press Release" was being jointly
21 offered by Nowcom and Finance Express because it was found at a website that was
22 confusingly similar to Finance Express' website and because it contained headings such
23 as "About Nowcom" and "About Finance Express". Even if consumers were ultimately
24 able to discern that they were purchasing Nowcom's products rather than those of
25 Finance Express, Nowcom's infringing domain name registration created initial interest
26 confusion which impermissibly capitalized on Finance Express' goodwill.
27 .
28

b. Keyword Stuffing

1
2 Finance Express has also met its burden of showing a likelihood of confusion with
3 respect to Nowcom's practice of "keyword stuffing," or embedding Finance Express'
4 marks in the HTML code and meta tags of Nowcom's website. In *Brookfield*, the Ninth
5 Circuit addressed the issue of whether using a plaintiff's marks in meta tags creates a
6 likelihood of confusion sufficient to constitute trademark infringement. As a preliminary
7 matter, the court noted that trademark infringement claims relying on meta tag usage are
8 "not . . . standard trademark case[s] and do[] not lend [themselves] to the systematic
9 application of the eight [*Sleekcraft*] factors." 174 F.3d at 1062 n. 24. Therefore, the
10 court did not attempt to fit its discussion into one of the *Sleekcraft* factors. *Id.* The court
11 noted although that the use of protected marks in meta tags does not create as much
12 confusion as when protected marks are used in domain names, it may still "result in what
13 is known as initial interest confusion." *Id.* at 1062. The court explained that meta tags
14 allow web surfers who are looking for plaintiff's products to be taken by a search engine
15 to defendant's website. Once there, web surfers will find a product similar enough to the
16 plaintiff's that a sizable number of them who were looking for the plaintiff's product will
17 simply decide to use the defendant's product instead. *Id.* "Although there is not source
18 confusion in the sense that consumers know they are patronizing [defendant] rather than
19 [plaintiff], there is nevertheless initial interest confusion in the sense that, by using
20 [plaintiff's marks] to divert people looking for [plaintiff's product] to its website,
21 [Defendant] improperly benefits from the goodwill that [plaintiff] developed in its mark."
22 *Id.* The Ninth Circuit ultimately concluded that the Lanham Act barred the defendant
23 from including in its meta tags any term confusingly similar with the plaintiff's mark, and
24 therefore reversed the lower court's denial of preliminary injunction to the appellant on
25 this ground. *Id.* at 1065.

26
27 Here, there is no question that Nowcom has used terms in meta tags and within its
28 HTML code which are confusingly similar to Finance Express' protected marks. While

1 Nowcom does not dispute these allegations, it argues that its conduct is protected as “fair
2 use” of Finance Express’ marks, relying on language to that effect in *Brookfield*. While it
3 is true that the *Brookfield* court stated that it was not in any way restricting a defendant’s
4 right to use terms in a manner that would constitute fair use under the Lanham Act (174
5 F.3d at 1065), Nowcom’s use of meta tags does not fall into this protected category. The
6 *Brookfield* court distinguished the fair use case *Playboy Enters. v. Welles* (“*Welles*”),
7 where Playboy sought to enjoin former Playmate of the Year Terri Welles from using
8 “Playboy” or “Playmate” on her website. 7 F. Supp. 2d 1098, 1100 (S.D. Cal. 1998).
9 Welles’ website advertised the fact that she was a former Playmate of the Year, but
10 minimized the use of Playboy’s marks and contained numerous disclaimers stating that
11 her site was neither endorsed by nor affiliated with Playboy. *Id.* The district court held
12 that Welles was using “Playboy” and “Playmate” not as trademarks, but as descriptive
13 terms fairly and accurately describing her webpage, and that her use of “Playboy” as a
14 meta tag was a good faith attempt to index the content of her site. *Id.* at 1103-04. In the
15 instant case, Nowcom’s use of Finance Express’ marks as meta tags is much more in line
16 with the conduct of the defendant in *Brookfield* than the defendant in *Welles*. Nowcom is
17 not using the terms “manheim dms,” “manheim tracker,” “tracker manheim,” “finance
18 express DMS,” and “tracker DMS” as descriptive terms to fairly and accurately describe
19 its webpage. Nowcom does not sell Tracker, TrackerDMS, or any product formerly
20 owned by Manheim; it sells Dealer Desktop. Therefore, its use of those terms cannot be
21 characterized as “descriptive,” unlike Welles’ use of the trademark “Playmate.”
22 Moreover, Nowcom made no attempt to minimize the use of Finance Express’ marks and
23 its site contains no disclaimers stating that Nowcom is neither endorsed by nor affiliated
24 with Finance Express. Because Nowcom’s use of Finance Express’ marks in meta tags is
25 intended to confuse consumers and to capitalize from Finance Express’ goodwill rather
26 than to accurately describe Nowcom’s products, it is not a “fair use” under the Lanham
27 Act.
28

c. Keying

1
2 Finally, the Court finds that Finance Express has established a likelihood of
3 confusion with respect to its allegations regarding Nowcom's practice of "keying," or
4 purchasing keywords containing Finance Express' marks to ensure that web users
5 searching for those terms will be exposed to Nowcom's banner advertisement. In
6 *Playboy*, the court addressed the issue of whether the plaintiff had established that the
7 defendant's practice of keying demonstrated a likelihood of confusion sufficient to
8 withstand summary judgment. The court applied the *Sleekcraft* factors and determined
9 that the Plaintiff had established there was a genuine issue of fact as to whether the
10 defendant's keying and related use of banner advertisements caused initial interest
11 confusion. 354 F.3d at 1029. The court then addressed the defendant's fair use defense
12 and concluded that having concluded that a genuine issue of fact existed regarding
13 likelihood of confusion, the defendant could not establish fair use, since "[a] fair use may
14 not be a confusing one." *Id.*

15
16 Applying the three most relevant *Sleekcraft* factors to Nowcom's "keying" activity,
17 they once again favor Plaintiff. Nowcom has purchased keywords which are identical or
18 strikingly similar to the trademarks held by Finance Express, it offers services and
19 products which are highly related to those offered by Finance Express, and both parties
20 engage in simultaneous use of the Web as a marketing channel.⁶ Just as with the
21 keyword stuffing, the practice of keying may initially confuse consumers into clicking on
22 Nowcom's banner advertisement. Once the consumer arrives at Nowcom's site, he may
23 realize he is not at a Finance Express-sponsored site. However, he may be content to
24

25 ⁶ The other *Sleekcraft* factors also generally favor Finance Express: its marks are not weak or generic;
26 the relevant "goods" are the links to the websites being sought and the goods available at those sites, and
27 the parties' goods are in extremely close proximity since Nowcom's banner ad appears next to Finance
28 Express' website; the degree of consumer care factor is neutral since the parties presented no evidence in
this area; Nowcom's intent in selecting the mark was to initially confuse consumers into clicking on its
ad; and the likelihood of expansion of product lines factor is irrelevant, since the products at issue are
related. *See Playboy*, 354 F3d at 1029.

1 remain on Nowcom's site, allowing Nowcom to misappropriate Finance Express'
2 goodwill. *Id.* at 1025. "Such use is actionable." *Id.* at 1026.

3
4 Nowcom attempts to distinguish *Playboy* from the instant case on the grounds that
5 the banner advertisements in *Playboy* were unlabeled, and the court made note of this fact
6 by stating that it was not "addressing a situation in which a banner advertisement clearly
7 identifies its source with its sponsor's name. . . Doing so might eliminate the likelihood of
8 initial interest confusion that exists in this case." 354 F.3d at 1030 & n. 44. While it is
9 true that a clearly-labeled banner advertisement might not create initial interest confusion,
10 Nowcom's banner advertisement cannot be fairly characterized as one which "clearly
11 identifies its source with its sponsor's name." Nowcom's banner advertisement states in
12 large, underlined font: "Manage Your Dealership." Underneath that heading, on the
13 second and third lines of the advertisement, it states in smaller font "Use Just One
14 Software Program. Get A Free Trial of Dealer Desktop." On the fourth line down, in
15 even smaller font, appears a link to Nowcom's website: "www.Nowcom.com." (*See*
16 *Cirsch Decl., Ex. F.*) This advertisement is not clearly labeled. The only indication as to
17 the identity of the advertisement's sponsor lies in the website address, which is located in
18 small print on the last line of the advertisement. While Nowcom's argument might be
19 tenable if its name appeared in large font in the first line of the advertisement, or perhaps
20 even if it appeared anywhere in the text of the advertisement, this is not the case. A
21 website address located in small font at the bottom of the advertisement is not sufficient
22 to overcome the initial interest confusion that results from Nowcom's practice of keying.

23
24 In addition to its fair use defense, Nowcom also argues that Finance Express is not
25 entitled to a preliminary injunction because it cannot point to any continuing harm, since
26 Nowcom removed the infringing domain names and the objectionable "Press Release."
27 First, this argument is misplaced because it ignores the fact that Nowcom continues to
28 engage in trademark infringement via its practices of keyword stuffing and keying.

1 Second, the Court finds that it may consider past conduct on a motion for a preliminary
2 injunction if the plaintiff can demonstrate *either* continuing harm or a threat of repeated
3 injury in the future. *See Imagineering, Inc. v. Kiewit Pacific County*, 976 F.2d 1303 (9th
4 Cir. 1992) (denying the plaintiffs’ prayer for injunctive relief because the complaint
5 failed to allege that the “plaintiffs would suffer the same purported injury in the future.”)
6 Here, Finance Express has shown both. *See* Section B, *infra*.

7
8 Simply stated, Finance Express had demonstrated a strong likelihood of success on
9 the merits of its trademark infringement claim by establishing that its marks are protected
10 and that Nowcom used its marks or colorable imitations of its marks in commerce in a
11 manner that is likely to cause consumer confusion. Finance Express has shown that it is
12 likely to succeed on its trademark claim not only by relying on past conduct (the domain
13 name infringement) but also due to Nowcom’s ongoing infringement in the form of
14 “keying” and “keyword stuffing.”

15 16 **B. IRREPARABLE INJURY**

17
18 Finance Express has met the other requirement for preliminary injunctive relief,
19 irreparable injury, for two reasons. First, irreparable injury may be presumed from a
20 showing of likelihood of success on the merits of a trademark infringement claim. *See*
21 *Metro Publ’g, Ltd. V. San Jose Mercury News*, 987 F.2d 637, 640 (9th Cir. 1993).
22 Second, Nowcom has engaged in a pattern of conduct that provides good cause for the
23 Court to find that Nowcom will continue to infringe on Finance Express’ protected marks
24 unless Nowcom is preliminarily enjoined. Despite the fact that Finance Express sent a
25 cease and desist letter to Nowcom back in October, 2007, and despite Nowcom’s
26 assurances shortly thereafter that it would remove all infringing websites at that time, the
27 infringing websites were not completely removed until mid-December, 2007, after
28 Finance Express filed its complaint. Although it appears that Nowcom has not registered

1 any more infringing domain names since that time, its infringing activity has not stopped.
2 Instead, it has merely morphed into other conduct such as “keying” and “keyword
3 stuffing.” The common thread throughout all of this conduct is that Nowcom continues
4 to misappropriate and profit from Finance Express’ goodwill, albeit in different forms.
5 Finance Express has demonstrated that this conduct will probably cause irreparable injury
6 to Finance Express’ trademarks and reputation, if preliminary relief is not granted.
7

8 **CONCLUSION**

9
10 Accordingly, the Court will enjoin Nowcom from engaging in the following
11 conduct: (1) registering, maintaining the registration of, operating, owning, promoting,
12 advertising, marketing, and/or utilizing any website whose domain name and/or content
13 utilizes any of Finance Express’ marks, including Tracker, TrackerDMS, DealTrace, and
14 Finance Express; (2) using any of these four marks or combinations of these marks as
15 meta tags or in buried HTML code; (3) purchasing “keywords” containing these four
16 marks or combinations of these marks to drive internet traffic to banner advertisements
17 for Defendants. The Court will not require Defendants to issue a curative admission on
18 its main website. The Court also will not at this time order Defendants to cease any
19 efforts at reverse engineering, given the lack of evidence in support of this allegation.
20

21 Finance Express is hereby ordered to submit a proposed preliminary injunction,
22 consistent with this order. In accordance with Federal Rule of Civil Procedure 65(c),
23 which provides that “[t]he court may issue a preliminary injunction . . . only if the
24 movant gives security in an amount that the court considers proper to pay the costs and
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26
27
28

1 damages sustained by any party found to have been wrongfully enjoined or restrained,”
2 the proposed injunction must require that Finance Express post an adequate security.⁷

3
4 DATED: June 18, 2008



6 CORMAC J. CARNEY
7 UNITED STATES DISTRICT JUDGE
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27 ⁷ Finance Express is also instructed to submit a second amended complaint within twenty days of this
28 order that incorporates its new allegations regarding its trademark DealTrace® as well as allegations
regarding Nowcom’s practices of “keying” and “keyword stuffing.”