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8	UNITED STATES DISTRICT COURT	
9	CENTRAL DISTRICT OF CALIFORNIA	
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12	L.A. GEM & JEWELRY DESIGN,	) CV 16-9325-RSWL-KSx
13	INC.,	) ) ) ODDED maa Dafandanta/
14	Plaintiff,	<ul> <li>ORDER re: Defendants'</li> <li>Motion to Dismiss for</li> <li>Lack of Personal</li> </ul>
15	v.	Jurisdiction and
16		) Improper Venue [13]
17		
18	ENDOFRETAIL, INC.; DAVID STRAGER; and DOES 1-10,	)
19		)
20	Defendants.	)
21	The present Motion to Dismiss for Lack of Personal	
22	Jurisdiction and/or Improper Venue ("Motion") [13]	
23	arises from a copyright infringement action between	
24	Plaintiff L.A. Gem & Jewelry Design, Inc. ("Plaintiff")	
25	and Defendants Ecommerce Innovations, LLC dba Inspired	
26	Silver ("Ecommerce"); EndofRetail, Inc. ("EOR"); and	
27	David Strager ("Strager")(collectively, "Defendants").	
28	Having reviewed all papers submitted pertaining to this	
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Motion, the Court NOW FINDS AND RULES AS FOLLOWS: the Court GRANTS Defendants' Motion to Dismiss for Lack of Personal Jurisdiction and Improper Venue pursuant to Federal Rules of Civil Procedure 12(b)(2) and 12(b)(3) [13]. The Court also DENIES Plaintiff's request for jurisdictional discovery.

### I. BACKGROUND

### A. <u>Factual Background</u>

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Plaintiff is a California corporation with its 9 principal place of business in Los Angeles. Compl. ¶ 10 3, ECF No. 1. Plaintiff designs and creates jewelry 11 and original artwork. Id. at ¶¶ 10-11. Ecommerce is a 12 Nevada LLC with its principal place of business in Las 13 Vegas. <u>Id.</u> at ¶ 4. Ecommerce is an online retailer 14 that sells jewelry under other brand names like 15 "Inspired Silver." Decl. of David Strager ("Strager 16 Decl.") ¶ 7, ECF No. 13-1. EOR is a Delaware 17 18 corporation with its principal place of business in Redondo Beach, California.<sup>1</sup> Compl. ¶ 5. EOR is a 19 20 division of Ecommerce that offers daily online deals for fashion and beauty products. Strager Decl. ¶ 11. 21 Defendants also manufacture and distribute jewelry 22 Compl. ¶ 12. Strager is the founder and CEO 23 products. of EOR and Ecommerce, and resides in Nevada. Compl. ¶ 24 25 6; Strager Decl. ¶ 4.

<sup>27 &</sup>lt;sup>1</sup> Defendants aver that EOR is a division of Ecommerce that moved its principal place of business to Las Vegas, Nevada in 28 June 2013. Mot. 1:24-26; Supp. Decl. of David Strager ("Strager Supp. Decl.") ¶ 5, ECF No. 18-1.

From 2011-2014, Plaintiff designed various 1 2 iterations of an "LA Rocks I Love You to the Moon and Back" pendant. Compl. ¶¶ 14, 22. Plaintiff registered 3 a copyright for the pendants, <u>id.</u> at  $\P\P$  14, 23, and 4 5 claims that Defendants have sold unauthorized and infringing copies of the pendants. Id. at  $\P\P$  20, 31-6 7 32. Ecommerce sells the allegedly infringing jewelry 8 through its website, www.inspiredsilver.com, its 9 jewelry club at www.jewelryclub.inspiredsilver.com and through retailers www.bonanza.com and www.amazon.com. 10 11 Id. at ¶ 4. EOR sells the allegedly infringing jewelry 12 through its personal website, www.endofretail.com and through www.bonanza.com. Id. at ¶ 5. 13

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# B. <u>Procedural Background</u>

Plaintiff filed a Complaint on December 16, 2016, 15 alleging copyright infringement and 16 17 contributory/vicarious infringement. See generally 18 Compl. On February 9, 2017, Defendants filed a Motion 19 to Dismiss for Lack of Personal Jurisdiction and Improper Venue [13]. On February 21, Plaintiff filed 20 its Opposition [17]. Defendants filed a Reply on 21 February 28, 2017 [18]. 22

## II. DISCUSSION

# 24 A. Legal Standard

1. <u>Federal Rule of Civil Procedure 12(b)(2)</u>

When a defendant moves to dismiss for lack of personal jurisdiction, the plaintiff bears the burden of demonstrating that the court may properly exercise

1 jurisdiction over the defendant. <u>Pebble Beach Co. v.</u> 2 <u>Caddy</u>, 453 F.3d 1151, 1154 (9th Cir. 2006). Absent 3 formal discovery or an evidentiary hearing, a plaintiff 4 need only make a prima facie showing that jurisdiction 5 is proper to survive dismissal. <u>Id.</u> at 1154.

To satisfy this burden, a plaintiff can rely on the allegations in his complaint to the extent they are not controverted by the moving party. <u>Barantsevich v. VTB</u> <u>Bank</u>, 954 F. Supp. 2d 972, 982 (C.D. Cal. 2013). If defendants adduce evidence controverting the allegations, however, the plaintiff must "come forward with facts, by affidavit or otherwise, supporting personal jurisdiction." <u>Id.</u> at 982 (citation omitted).

The general rule is that personal jurisdiction
over a defendant is proper if it is permitted by a
long-arm statute and if the exercise of that
jurisdiction does not violate federal due process."
Pebble Beach, 453 F.3d at 1154-55. California
authorizes jurisdiction in the full extent permitted by
the Constitution. See Cal. Code Civ. Proc. § 410.
Therefore, the only question the Court must ask is
whether the exercise of jurisdiction over defendants
would be consistent with due process. <u>Harris Rutsky &</u>
<u>Co. Ins. Servs., Inc. v. Bell & Clements Ltd.</u>, 328 F.3d
1122, 1129 (9th Cir. 2003).

Due process requires that a defendant must have such "minimum contacts" with the forum state that maintenance of the suit does not offend traditional

notions of fair play and substantial justice." Int'l 1 <u>Shoe Co. v. Washington</u>, 326 U.S. 310, 316 (1945). 2 The 3 minimum contacts required mean that the defendant must have purposefully availed itself of the privilege of 4 5 conducting activities within the foreign jurisdiction, thereby invoking the benefits and protections of the 6 7 foreign jurisdiction's laws. See Asahi Metal Indus. <u>Co. v. Sup. Ct. of Cal.</u>, 480 U.S. 102, 109 (1987). 8

9 There are two recognized bases for exercising jurisdiction over a nonresident defendant: (1) "general 10 11 jurisdiction," which arises where defendant's 12 activities in the forum are sufficiently "substantial" 13 or "continuous and systematic" to justify the exercise of jurisdiction over him in all matters; and (2) 14 "specific jurisdiction," which arises when a 15 16 defendant's specific contacts with the forum give rise to the claim in question. Helicopteros Nacionales de 17 18 <u>Colombia, S.A. v. Hall</u>, 466 U.S. 408, 414-16 (1984).

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2. <u>Federal Rule of Civil Procedure 12(b)(3)</u>

Federal Rule of Civil Procedure 12(b)(3) allows a 20 party to file a motion to dismiss on the basis of 21 22 improper venue. The plaintiff is required to establish 23 that venue is proper as to each defendant and as to each claim. Allstar Mktg. Grp., LLC v. Your Store 24 Online, LLC, 666 F. Supp. 2d 1109, 1126 (C.D. Cal. 25 2009)(quotation omitted). Venue in a copyright action 26 27 "may be instituted in the district in which the 28 defendant or his agent resides or may be found." 28

U.S.C. § 1400(a). Thus, in order to determine whether 1 venue is proper in this District, the Court must 2 3 determine whether it has personal jurisdiction over defendant. See Ins. Corp. of Ireland, Ltd. v. 4 5 Compagnie des Bauxites de Guinee, 456 U.S. 694, 711 n.1 (1982); see also Metro-Goldwyn-Mayer Studios Inc. v. 6 7 <u>Grokster, Ltd.</u>, 243 F. Supp. 2d 1073, 1095 (C.D. Cal. 8 2003) ("Because the Court concludes that jurisdiction 9 is proper in this district [over copyright defendant], 10 venue is proper as well.").

#### 11 Analysis в.

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### <u>Plaintiff's Request for Judicial Notice</u> 1.

Plaintiff seeks judicial notice of four items. First, Ecommerce's August 27, 2003 and September 4, 2015 "Statement of Information" filings with the 15 California Secretary of State. Pl.'s Reg. for Judicial 16 Notice ("Pl.'s RJN") 2:7-9, Ex. 1, ECF No. 17-3. 17 18 Second, the record for Trademark Registration Number 19 3124880, Ecommerce's trademark registration for 20 "Inspired Silver" from the Trademark Electronic Search System ("TESS") on the United States Patent and 21 22 Trademark Office ("USPTO") website, dated August 1, 23 2006; and the record for Trademark Registration Number 4309910 for EOR's "End of Retail" trademark 24 registration from the TESS on the USPTO, dated March 25 26, 2013. <u>Id.</u> at 2:10-13, Ex. 2. Third, (1) keyword 26 search results for "I love you to the moon and back 27 28 440811" from the database of registered copyrights on

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the Copyright Office's website; (2) and Plaintiff's "LA 1 rocks I Love You to the Moon and Back: 440811" 2 Copyright Registration No. VA000912320. Id. at 2:14-3 17, Ex. 3. Fourth, the Complaint and Civil Cover Sheet 4 5 for Ecommerce's 2008 lawsuit filed in this Court, Ecommerce Innovations, LLC v. Does 1-10, No. 2:08-cv-6 04596-R-SS (C.D. Cal. July 11, 2008), ECF Nos. 1, 1-2. 7 8 Id. at 2:18-20, Ex. 4. Defendants object to each of 9 these requests on the grounds that the proffered 10 documents are unauthenticated or not certified copies. See generally Defs.' Evid. Objs. ("Defs.' Objs."), ECF 11 12 No. 19.

13 The Court **GRANTS** Plaintiff's Request for Judicial 14 Notice [17-3] in its entirety. The California 15 Secretary of State filings are appropriate for judicial notice, as they are matters of public record, and 16 17 Defendants have offered no compelling reason why the 18 documents are inauthentic. Theta Chi Fraternity, Inc. 19 v. Leland Stanford Jr. Univ., ---F. Supp. 3d---, 2016 20 WL 4524305, at \*4 (N.D. Cal. Aug. 30, 2016). The USPTO trademark registrations are also judicially noticeable. 21 TESS "is an official record memorializing the 22 applications for the marks, and is published by a 23 government organization [the USPTO];" thus, the 24 25 exhibits' accuracy cannot reasonably be questioned. 26 Eksouzian v. Albanese, No. CV 13-728 PSG (MANx), 2013 27 WL 12139828, at \*n.2 (C.D. Cal. July 12, 2013). 28

The two remaining exhibits are also judicially

noticeable. Judicial notice is appropriate for 1 2 copyright registration documents. Idema v. Dreamworks, Inc., 90 F. App'x 496, 498 (9th Cir. 2003). Because 3 4 the Copyright Office database search results are 5 publicly available and Defendants offer no compelling reason why they are inauthentic or subject to dispute, 6 7 judicial notice is appropriate. Finally, a court may 8 "take judicial notice of the existence of another 9 court's opinion or of the filing of pleadings in 10 related proceedings; the Court may not, however, accept as true the facts found or alleged in such documents." 11 12 Peel v. BrooksAmerica Mortg. Corp., 788 F. Supp. 2d 1149, 1158 (C.D. Cal. 2011)(emphasis added)(citations 13 14 omitted). The Court takes judicial notice of the 2008 Complaint for the *existence* of its filing, but does not 15 rely on the statements therein in its ruling on the 16 instant Motion. 17

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### 2. <u>Evidentiary Objections</u>

19 The Parties have filed objections to one another's declarations, exhibits, and requests for judicial 20 notice. ECF Nos. 17-2, 19. To the extent the Court 21 relies upon the objected-to evidence in reaching its 22 conclusions, the Court addresses those objections 23 below. However, to the extent the Court has not relied 24 on the objected to evidence, it need not rule on those 25 26 evidentiary objections and deems the objections moot. 27 111 28 111

### a. Plaintiff's Objections

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2 Plaintiff objects to the Strager Declaration and 3 Supplemental Strager Declaration. Plaintiff objects to Paragraph 8, lines 10-2 and Paragraph 12, lines 8-10 of 4 5 the Strager Declaration where he declares that "the amount of transactions [Defendants] achieved from 6 7 California residents over the past five years accounts 8 for less than 10% of [Defendants'] total sales." Pl.'s 9 Objs. to Strager Decl. 3:4-4:23, ECF No. 17-2. Plaintiff objects on the grounds of lack of foundation, 10 best evidence rule, hearsay, irrelevance, and 11 prejudice. As CEO, Strager has personal knowledge 12 13 regarding ECommerce and EOR's sales, and the 14 information is relevant to the personal jurisdiction 15 inquiry. The Court **OVERRULES** Plaintiff's objections in their entirety. 16

17 Plaintiff objects to Paragraphs 4 and 5 in the 18 Supplemental Strager Declaration where he declares that 19 Defendants relocated their operations and principal 20 place of business to Las Vegas, Nevada in June 2013. Plaintiff objects on the grounds that the evidence's 21 prejudice outweighs its probative value. <u>See generally</u> 22 23 Pl.'s Objs, ECF No. 22. Because this evidence directly controverts Plaintiff's insistence that Defendants 24 conduct business in Los Angeles, these statements are 25 relevant to the issue of whether Defendants are subject 26 27 to general jurisdiction in California. The Court thus 28 **OVERRULES** Plaintiff's Objections in their entirety

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## b. Defendants' Objections

3 Defendants object to the Keshishian Declaration and Plaintiff's Request for Judicial Notice. Defendants 4 5 object to nearly all of the paragraphs and exhibits in the Keshishian Declaration, reciting nearly verbatim 6 7 objections on the grounds of foundation, personal knowledge, authentication, improper lay opinion, lacks 8 9 relevance, and hearsay. See generally Defs.' Evid. Objs. to Keshishian Decl., ECF No. 19. Plaintiff 10 replied to Defendants' Objections on March 7, 2017 11 12 [21].<sup>2</sup> Because many of Defendants' objections are boilerplate and "devoid of any specific argument or 13 analysis as to why any particular exhibit or assertion 14 in a declaration should be excluded," United States v. 15 HVI Cat Canyon, Inc., ---F. Supp. 3d---, 2016 WL 16 7011348, at \*5 (C.D. Cal. Sept. 30, 2016), the Court 17 18 **OVERRULES** all of Defendants' objections as to 19 paragraphs 9-20 of the Keshishian and the associated

 $<sup>^{\</sup>rm 2}$  Defendants filed an Objection to this document as an 22 "Improper Surreply" because Plaintiff filed rebuttal arguments in response to Defendants' Reply without seeking leave of Court. 23 Objs. to Pl.'s Improper Surreply 2:5-9; 2:26-28, ECF No. 24; C.D. Cal. L.R. 7-10 ("Absent prior written order of the Court, the 24 opposing party shall not file a response to the reply.") The Court has reviewed Plaintiff's alleged "improper surreply." Ιt 25 does not contain citations and arguments responding to Defendants' Reply brief; it merely responds to Defendants' 26 specific evidentiary objections. In any event, the Court has not 27 considered Plaintiff's Response to Defendants' Objections [21] in its rulings on Defendants' Objections or in its substantive 28 analysis.

#### exhibits [19]. 1

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#### Personal Jurisdiction 3.

Plaintiff has not demonstrated Defendants are subject to personal jurisdiction in California. 4 General jurisdiction is lacking in this case. And while specific jurisdiction is a closer call, Plaintiff ultimately fails to make a prima facie showing that Defendants are subject to specific jurisdiction in California.

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### General Jurisdiction а.

General jurisdiction arises where the defendant's activities in the forum are sufficiently "continuous" and systematic" to "render them essentially at home in the forum state." Daimler AG v. Bauman, 134 S. Ct. 746, 754 (2014). The Court discusses Strager first.

16 "The paradigm for general jurisdiction over an individual is the individual's domicile." Hendricks v. 17 18 New Video Channel Am., LLC, No. 2:14-cv-02989-RSWL-SSx, 19 2015 WL 3616983, at \*4 (C.D. Cal. June 8, 20 2015) (internal quotation marks omitted). Plaintiff concedes in its Complaint that Strager is a Nevada 21 22 Compl. ¶ 6. Strager agrees: his stated citizen. 23 permanent home is in Las Vegas, Nevada, he does not have a personal mailing address in California, he does 24 25 not conduct extensive business here, and he does not 26 maintain personal bank accounts here. Strager Decl. ¶ 27 4.

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Plaintiff avers that Strager owns property in

Hermosa Beach, California, and the property was "owner-1 occupied" according to a 2016 property assessment. 2 3 Decl. of Milord Keshishian ("Keshishian Decl.") ¶ 17, Ex. L, ECF No. 17-1. But frequent visits to a forum or 4 5 owning property in the forum, alone, do not satisfy general jurisdiction. Hendricks, 2015 WL 3616983, at 6 7 \*4. Beyond this lone piece of evidence, Plaintiff does not show that Strager frequently traveled to California 8 9 for business, spent substantial amounts of time at his 10 alleged Hermosa Beach property, or that Strager is integrated into California personally and fiscally. 11 12 Thus, his contacts with California are neither 13 systematic nor continuous.

14 The Court similarly concludes that Ecommerce and EOR are not "essentially at home" in California. 15 The 16 "paradigm" of a corporation's "home" is its place of 17 incorporation and its principal place of business. 18 Daimler, 134 S. Ct. at 760. The Complaint states that 19 Ecommerce and EOR are a Nevada Limited Liability 20 Company and Delaware corporation, respectively. Compl.  $\P\P$  4, 5. Plaintiff alleges in the Complaint that EOR's 21 principal place of business is in Redondo Beach, 22 23 California. Compl. ¶ 5. But Defendants argue that 24 Ecommerce and EOR both operate out of the same 25 principal place of business in Las Vegas, Nevada after 26 moving operations there in June 2013. Strager Decl. ¶¶ 27 10, 14.

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Because the Court cannot deduce Defendants' general

jurisdiction from the principal place of business 1 alone, it examines all Defendants' activities impacting 2 3 the state. Barantsevich, 954 F. Supp. 2d at 983. Factors to be considered are "whether the defendant 4 5 makes sales, solicits or engages in business in the state, serves the state's markets, designates an agent 6 7 for service of process, holds a license, or is incorporated there." <u>Bancroft & Masters, Inc. v.</u> 8 9 Augusta Nat'l. Inc., 223 F.3d 1082, 1086 (9th Cir. 10 2000).

11 Plaintiff avers that Ecommerce and EOR have an 12 extensive business presence in this district, as shown 13 through (1) California Secretary of State registrations 14 designating agents for service of process in Rancho Palos Verdes and Santa Monica, California; (2) 15 "repeated use" of Central District courts for 16 litigation;<sup>3</sup> (3) Terms of Service agreements with social 17 18 media companies whereby Defendants agreed to California 19 jurisdiction; (4) an agreement with SoftLayer Technologies, Inc. to physically host its website in 20 California; and (5) USPTO trademark registrations 21 listing EOR's office location in Redondo Beach, 22 23 California. Opp'n 9:23-25; Keshishian Decl. ¶¶ 19, 20, 24 Exs. F-I; Pl.'s RJN Exs. 1, 2.

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Defendants' first four arguments for general

 <sup>&</sup>lt;sup>3</sup> In 2008, Defendants filed <u>Ecommerce Innovations, LLC v.</u>
 <u>Does 1-10</u>, No. 2:08-cv-04596-R-SS, (C.D. Cal. July 14, 2008).
 Keshishian Decl. ¶ 15; Pl.'s RJN Ex. 4.

jurisdiction are largely unavailing. Designation of an 1 agent for service of process in California, alone, is 2 3 not enough to show general jurisdiction. See, e.g., King v. Am. Family Mut. Ins. Co., 632 F.3d 570, 579 4 5 (9th Cir. 2011). And the 2008 lawsuit, in which Defendants apparently stated that they had a principal 6 7 place of business in Torrance, California, Opp'n 3:1-3, is unpersuasive in establishing general jurisdiction, 8 9 as Ecommerce voluntarily dismissed the case without any explicit findings of general jurisdiction, nor was any 10 judgment rendered in Ecommerce's favor. "[G]eneral 11 jurisdiction is [not] forever established over 12 Defendants solely because of their admissions in a 13 14 prior unrelated case, particularly when these admissions did not previously result in an explicit 15 finding of general jurisdiction." Regal Beloit Am., 16 Inc. v. Broad Ocean Motor LLC, No. 4:16-cv-00111-JCH, 17 18 2016 WL 3549624, at \*3 (E.D. Mo. June 30, 2016).

19 Plaintiff's argument-that Defendants stipulated to 20 California jurisdiction through promotion contracts with various social media entities-is not well-taken. 21 An individual's contract with an out-of-state party, on 22 23 its own, is insufficient to establish general NuboNau, Inc. v. NB Labs, Ltd., No. 10 jurisdiction. 24 cv2631-LAB (BGS), 2012 WL 843503, at \*6 (S.D. Cal. Mar. 25 26 9, 2012). As to the argument that the SoftLayer 27 contract confers general jurisdiction, having a singlecontract based relationship with California is a far 28

cry from "systematic, continuous" contacts when coupled 1 with the remaining evidence. <u>Man-D-Tec, Inc. v. Nylube</u> 2 Prods. Co., LLC, No. CV-11-1573-PHX-GMS, 2012 WL 3 1831521, at \*2 (D. Ariz. May 18, 2012)("If the mere 4 5 location of a server could create personal jurisdiction, any state where a server is located would 6 have personal jurisdiction over any user of that 7 server.") 8

Plaintiff's evidence regarding sales to California 9 and EOR's alleged Redondo Beach business location 10 11 present a closer call for general jurisdiction.

12 Transactions with California consumers amount to less than 10% of total sales over the past five years; 13 14 thus, approximately 2% of Defendants' annual sales are dedicated to California. Plaintiff argues that 15 16 California is one of Defendants' largest markets for sales, Compl. ¶ 2, but this evidence is controverted by 17 18 Defendants' allegation that Defendants' California 19 sales only make up less than 10% of its total sales. 20 Strager Decl. ¶¶ 8, 12.

Percentages of sales in a given state, while not 21 dispositive, may inform the general jurisdiction 22 inquiry. Coremetrics, Inc. v. Atomic Park.com, LLC, 23 370 F. Supp. 2d 1013, 1022-23 (N.D. Cal. 2005). And 24 25 courts' varying decisions as to sales percentages 26 suggest that there is no magic number to confer general 27 jurisdiction. Compare Sky Billiards, Inc. v. Loong Star Inc., No. EDCV 14-00921 JGB (Spx), 2014 WL 28

12601022, at \*3 (C.D. Cal. Sept. 4, 2014)(18% of total 1 sales to California, while "significant," did not make 2 defendant at home in California), and Natural Wellness 3 Ctrs. of Am., Inc. v. Golden Health Prods., Inc., No. C 4 12-05586 CW, 2013 WL 245594, at \*3 (N.D. Cal. Jan. 22, 5 2013) (no general jurisdiction where defendants' website 6 7 generated \$191,000 to California, less than 15% of its 8 total sales), with West Marine, Inc. v. Watercraft Superstore, Inc., No. C11-04459 HRL, 2012 WL 479677, at 9 \*4 (N.D. Cal. Feb. 14, 2012)(7.4% of all sales to 10 California, totaling \$300,000 over a three-year period 11 12 was high enough to confer general jurisdiction).

13 The context of Defendants' 10% sales is unclear. 14 The parties do not show the state with the next highest percentage of sales, Coremetrics, 370 F. Supp. 2d at 15 1022, nor does Plaintiff provide guidance as to whether 16 17 10% over a five-year period is significant sales for California, or what percentage of Defendants' total 18 19 revenue is dedicated to California sales. Plaintiff's 20 exhibits that depict jewelry with the phrases "Los Angeles, " "California, " and the California state flag 21 on the designs provide no calculable means to show 22 23 "California is one of the largest markets for Defendants' sales." Keshishian Decl. Ex. L. 24 Moreover, it is not clear whether these sales "prompted 25 Defendants to travel to California, send sales agents 26 27 there, or tailor their marketing activities towards the state." Natural Wellness Ctrs. of America, 2013 WL 28

1 245594, at \*3.

2 Plaintiff alleges that USPTO registrations for Ecommerce's "Inspired Silver" trademark and EOR's "End 3 of Retail" trademark list the owner/registrant's 4 5 address in Redondo Beach, California. Keshishian Decl. ¶ 19; Pl.'s RJN Ex. 2. Defendants counter that the 6 7 trademark registrations are from August 2006 and March 8 2013, long before the allegedly infringing conduct in 9 this case occurred, and Defendants have since moved all business operations to Las Vegas, Nevada. Reply 4:8-10 11 10.

12 "General jurisdiction can be assessed by evaluating 13 contacts of the defendant with the forum over a 14 reasonable number of years, up to the date the suit was filed." <u>Berdux v. Project Time & Cost, Inc.</u>, 669 F. 15 Supp. 2d 1094 n.2 (N.D. Cal. 2009). Thus, the 16 trademark registrations could feasibly indicate that 17 18 Defendants previously had their principal place of 19 business in California. Even so, the trademark 20 registrations do not provide any quantitative or qualitative details of Defendants' business activities 21 22 here; these trademark registrations only describe the 23 address of the owner. Beijing Auto. Indus. Import & Export Co. v. Indian Indus., Inc., No. CV 13-4279-GHK 24 25 (Shx), 2013 WL 4040072, at \*2 n.2 (C.D. Cal. Aug. 7, 2013)("[R]egistration to do business in a state is 26 27 merely one of several relevant factors in determining 28 general jurisdiction."). The Court is unpersuaded that

trademark registrations from several years ago are 1 2 sufficient to confer general jurisdiction. For 3 instance, Defendants dispute that the service of process agent only remains in California to contest 4 5 pending tax liens. Defendants may have previously resided and conducted business in California, but "the 6 7 relevant contacts between the defendant and the forum 8 state must not have been weakened by the passage of time." Mattel, Inc. v. Greiner & Hausser GmbH, 354 9 F.3d 857, 866 (9th Cir. 2003). 10

11 Plaintiff builds out its general jurisdiction 12 argument by cobbling together agent-for-service-ofprocess records and public records searches showing 13 Defendants' previous California-based addresses, but 14 does not provide additional compelling evidence that 15 Defendants continue a "business presence" here (i.e. 16 send employees here for training, travel here 17 18 extensively for business development, or operate storefronts in California). "Given the high threshold 19 20 of business activity that is required under Daimler, 21 the Court is not convinced that general jurisdiction may be established solely on Defendant's corporate 22 23 predecessors' past activity when Defendant has no current business activity." Senju Pharm. Co. v. 24 Metrics, Inc., 96 F. Supp. 3d 428, 441 (D.N.J. 2015). 25

In conclusion, general jurisdiction is not satisfied for any defendant.
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### b. Specific Jurisdiction

The Ninth Circuit employs a three-part test to determine whether a court has specific jurisdiction over a defendant:

(1) The non-resident defendant must purposefully direct his activities or consummate some transaction with the forum or resident thereof; or perform some act by which he purposefully avails himself of the privilege of conducting activities in the forum, thereby invoking the benefits and protections of its laws; (2) the claim must be one which arises out of or relates to the defendant's forum-related activities; and (3) the exercise of jurisdiction must comport with fair play and substantial justice, i.e. it must be reasonable.
Mavrix Photo, Inc. v. Brand Techs., Inc., 647 F.3d

12 1218, 1227-28 (9th Cir. 2011).

13 The plaintiff bears the burden of proving prongs 14 one and two. <u>Id.</u> If the plaintiff fails to establish 15 either prong one or two, the "jurisdictional inquiry 16 ends and the case must be dismissed." <u>Id.</u>

i. Purposeful Direction

18 The Ninth Circuit generally uses a purposeful 19 direction analysis (as opposed to purposeful availment) 20 when an action sounds in tort; this includes copyright 21 infringement actions. Brayton Purcell LLP v. Recordon <u>& Recordon</u>, 606 F.3d 1124, 1128 (9th Cir. 2010). 22 То 23 determine whether a defendant has purposefully directed 24 itself at the forum, courts use the three-part 25 "effects" test set forth by the Supreme Court in Calder 26 <u>v. Jones</u>, 465 U.S. 783 (1984). To satisfy the <u>Calder</u> 27 test, the defendant must have: (1) committed an 28 intentional act; (2) that is expressly aimed at the

1 forum state; (3) causing harm that defendant 2 understands is likely to be felt in the forum state. 3 <u>Dole Food v. Watts</u>, 303 F.3d 1104, 1111 (9th Cir. 4 2002).

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### 1. Intentional Act

To commit an "intentional act," the defendant must intend to perform the actual, physical act, rather than the result. <u>Schwarzenegger v. Fred Martin Motor Co.</u>, 373 F.3d 797, 797 (9th Cir. 2004).

The parties seemingly agree that corporate 10 11 Defendants' marketing, manufacturing, and distributing 12 of the allegedly infringing jewelry pieces constitutes 13 an "intentional act." Compl. ¶¶ 19-21, 29-31; Mot. 14 13:24-14:5. But Defendants aver that Strager did not perform intentional acts because any alleged 15 intentional act could only be performed in his 16 17 corporate capacity, not in his personal capacity as 18 CEO. Mot. 14:18-20.

Per the "fiduciary shield doctrine," the fact that 19 a corporation is subject to local jurisdiction does not 20 mean its nonresident officers and directors are also 21 subject to personal jurisdiction. Colt Studio, Inc. v. 22 23 Badpuppy Enter., 75 F. Supp. 2d 1104, 1111 (C.D. Cal. 24 1999). But a CEO may be subject to personal jurisdiction if it is a "primary participant" in the 25 wrongdoing or if Plaintiff "establish[es] that the 26 27 individual defendant personally directed the activities 28 toward the forum state giving rise to the complaint."

<u>Indiana Plumbing Supply, Inc. v. Standard of Lynn,</u>
 <u>Inc.</u>, 800 F. Supp. 743, 750 (C.D. Cal. 1995).

3 Plaintiff alleges in its Complaint that Strager "is a principal, guiding spirit, and/or central figure" in 4 5 Ecommerce and EOR with "control over the day to day operations," Compl. ¶ 6, and Defendants stated that 6 7 Strager handles "management and oversight of the sales, 8 manufacturing and distribution [plus] . . . design, 9 production, and customer fulfillment for [Ecommerce and EOR]." Strager Decl. ¶¶ 1, 5. Beyond these general 10 allegations, the Court cannot say that Strager, in his 11 12 individual capacity, was a "primary participant" in the 13 alleged wrongdoing.

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### 2. Express Aiming

Plaintiff argues that Defendants expressly aimed their conduct at California by (1) advertising their pendants online to California consumers; (2) marketing them through California-based social media companies, personal websites, and Amazon; and (3) controlling the pendants' distribution into California. Opp'n 13:15-19.

The Ninth Circuit "has struggled with the question whether tortious conduct on a nationally accessible website is expressly aimed at any, or all, of the forums in which the website can be viewed." <u>Mavrix</u>, 647 F.3d at 1229. "One rule, however, is clear: A defendant has not purposefully availed himself of the privilege of conducting activities in a forum state

merely because he operates a website which can be 1 accessed there." DFSB Kollective Co. Ltd v. Bourne, 2 897 F. Supp. 2d 871, 880 (N.D. Cal. 2012)(internal 3 quotation marks and citations omitted). Something more 4 5 than a passive website is required, and courts will 6 consider the website's interactivity, the "geographic 7 scope of defendant's commercial ambitions," and whether 8 the defendant individually targeted a known plaintiff of the forum state. Mavrix, 647 F.3d at 1229. 9

10 Most of Plaintiff's arguments regarding this prong 11 are unavailing. First, marketing the allegedly infringing jewelry through California-based social 12 media companies like Facebook and Twitter is inadequate 13 14 to constitute conduct "expressly aimed" at California. DFSB Kollective, 897 F. Supp. 2d at 883. Plaintiff 15 argues Defendants expressly aim their conduct at 16 California in the following ways: Defendants' jewelry 17 18 pieces are advertised as "for all the cool cats in Los 19 Angeles; " Plaintiff's counsel received a "targeted" online banner at their office in this forum that 20 advertised the infringing pendants; and Plaintiff's 21 22 counsel ordered the infringing pendants and had them delivered to their office in this forum. Keshishian 23 Decl. ¶¶ 14, 21, 22; Ex. K, N, O. 24

Advertisements for the Pave Heart Necklaces which state "[t]his one is for all the cool cats in Los Angeles" suggest that Defendants were looking to attract California consumers and target California

markets. In-N-Out Burgers v. Basso, No. CV 05-1231 ER, 1 2 2005 WL 5337562, at \*2 (C.D. Cal. June 27, 2005)(defendant's website stated that his California 3 work-out locations were "coming soon," and provided 4 5 relevant contacts and phone numbers for this businesses). While Basso was slightly more emphatic in 6 7 aiming business conduct at California, the Court could 8 see how Defendants target California consumers, at least on their retail website. This also contradicts 9 Defendants' assertion that they do not target any print 10 11 media toward California. Strager Decl. ¶¶ 8, 12.

But the Pave Heart Necklace, which was advertised 12 13 towards "cool cats in Los Angeles," is not one of the 14 allegedly infringing pieces giving rise to the copyright infringement action. <u>Compare</u> Compl. <u>with</u> 15 Keshishian Decl. Ex. K. Warner Bros. Home Entm't, Inc. 16 17 v. Shi, No. CV 12-07753 DMG (PLAx), 2013 WL 12116586, at \*6 (C.D. Cal. Jan. 29, 2013)(emphasis in 18 original)(internal quotation marks and citations 19 20 omitted) stated that "[t]here is a material difference between a defendant who incidentally harms the 21 plaintiff by selling illegal copies of the plaintiff's 22 23 goods to a national or global audience and a defendant who engages in wrongful conduct *targeted* at a plaintiff 24 whom the defendant knows to be a resident of the forum 25 26 state." The advertisement apparently aimed at 27 California and Los Angeles residents advertises a piece of jewelry that did not even give rise to the 28

1 apparently wrongful conduct. Thus, the Court cannot 2 say that through a passing reference to California, on 3 a jewelry piece not even giving rise to the lawsuit, 4 Defendants "expressly aimed" their intentionally 5 infringing acts at California.

Plaintiff's counsel was also apparently able to 6 7 access an online banner at his office in California. 8 The banner advertised various jewelry from inspiredsilver.com. But the banner does not 9 specifically target California residents, nor do the 10 surrounding facts suggest that Defendants "continuously 11 12 and deliberately exploited" the California market any more than they did another market which may have seen 13 14 this online banner. L.A. Gem & Jewelry Design, Inc. v. <u>Reese</u>, No. CV 15-03035 SJO (MRWx), 2015 WL 4163336, at 15 \*4 (C.D. Cal. July 9, 2015)("Absent evidence of 16 significant sales in the forum state, email or website 17 18 advertising, standing alone, do not give rise to 19 [personal] jurisdiction.").

And Plaintiff's counsel's efforts to order and 20 receive Defendants' products in California are not 21 22 dispositive of capitalizing on a stream of commerce to California. "Defendants cannot be said to have 23 purposely availed themselves . . . of this forum when 24 25 it was an act of someone associated with plaintiff, rather than Defendants' Web site advertising, that 26 27 brought defendants' product into this forum." Simone 28 v. VSL Pharmaceuticals, Inc., No. TDC-15-1356, 2017 WL

658711, at \*5 (D. Md. Feb. 16, 2017). Plaintiff L.A. 1 2 Gem has previously tried to present a court in this district with evidence of internet sales to California 3 residents by having his law clerk order allegedly 4 5 infringing jewelry from defendant corporations. Reese, 2015 WL4163336, at \*4. But here, as in Reese, 6 7 Plaintiff's Complaint did not state that Defendants 8 made any internet sales to California residents, only 9 generally asserting that "California is one of Defendants' primary markets for jewelry." Keshishian 10 11 Decl. ¶ 16. The Court is wary of relying too heavily 12 on these contacts arising after the alleged copyright infringement in 2015-2016. Farmers Ins. Exch. v. 13 14 Portage La Prairie Mut. Ins. Co., 907 F.2d 911, 913 (9th Cir. 1990) ("Only contacts occurring prior to the 15 event causing the litigation may be considered.") 16 17 Thus, Defendants have not expressly aimed conduct at 18 California.

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### 3. Harm in California

To satisfy this prong, "the brunt of the harm need not be suffered in the forum state," but merely "a jurisdictionally sufficient amount of harm." <u>Yahoo!</u> <u>Inc. v. La Lique Contre Le Racisme Et L'Antisemitisme</u>, 433 F.3d 1199, 1207 (9th Cir. 2006).

Plaintiff alleges that Defendants "wilfully infringed [their] registered copyrights while knowing [Plaintiff] is located in this state." Compl. ¶ 7. In response, Defendants argue that the bulk of the harm

was not felt in California, and Defendants had no
 knowledge of Plaintiff's existence before the lawsuit.
 Strager Decl. ¶ 6.

For a copyright action, the Ninth Circuit has 4 5 reasoned that "it [would be] foreseeable that [plaintiff] would be harmed by infringement of its 6 7 copyright, including harm to its business reputation 8 and goodwill, and decreased business and profits. It 9 was also foreseeable that some of this harm would occur in the Forum, where [plaintiff] was known to reside." 10 11 Brayton, 606 F.3d 1124 at 1127; see also Amini 12 Innovation Corp. v. JS Imports, Inc., 497 F. Supp. 2d 1093, 1105 (C.D. Cal. 2007)("[N]umerous courts within 13 14 the Ninth Circuit have found specific jurisdiction in cases where a plaintiff brings suit in its home forum 15 against an out-of-state defendant, alleging that the 16 defendant engaged in infringing activities knowing that 17 18 plaintiff was located in the forum.") Plaintiff has 19 made at least a prima facie showing that Defendants 20 knew their infringing conduct could have borne harm in California, where Plaintiff's principal place of 21 22 business was located.

To conclude, while intentional acts and harm in California are satisfied, Plaintiff cannot show that Defendants purposefully directed their alleged copyright infringement at the forum state, as it cannot show the activities were expressly aimed at the forum. ///

### ii. Remaining Prongs

2 The remaining prongs are whether Plaintiff's claims arise out of Defendants' forum-related activities and 3 whether the exercise of jurisdiction would be 4 5 reasonable. Because Plaintiff did not show that Defendants purposefully availed themselves of the 6 7 privileges of conducting activities in the forum, the Court need not delve into the remaining two prongs. 8 Boschetto v. Hansing, 539 F.3d 1011, 1021 (9th Cir. 9 2008) (if the plaintiff fails to establish either prong 10 one or two of the Ninth Circuit three-part test for 11 specific jurisdiction, the "jurisdictional inquiry ends" 12 and the case must be dismissed.").<sup>4</sup> Therefore, specific 13 14 jurisdiction is not satisfied, and the Court lacks 15 personal jurisdiction over Defendants.

4. <u>Venue</u>

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Under 28 U.S.C. § 1400(a), venue for copyright actions is proper "in the district in which the defendant or his agent resides or may be found." A defendant "may be found" wherever personal jurisdiction is proper. <u>Colt Studio</u>, 75 F. Supp. 2d at 1112. For the same reasons stated above regarding the Court's lack of personal jurisdiction over Defendants, venue is

<sup>&</sup>lt;sup>4</sup> The Court does note that "whether the claims arose out of Defendants' contacts" prong is easily satisfied, as "[b]ut for Defendant's delivering infringing pendants into the stream of commerce [through its websites], Plaintiff would not have been injured[,] giving rise to its claims." Opp'n 16:26-27. This is a sufficient nexus between the copyright infringement claims and Defendants' activities. <u>Allstar</u>, 666 F. Supp. 2d at 1122.

1 also improper in the Central District of California.

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5. <u>Jurisdictional Discovery</u>

3 Plaintiff requests that if the Court grants Defendants' Motion, that it be afforded the opportunity 4 5 to conduct jurisdictional discovery on both general and specific jurisdiction. Opp'n 24:10-17. The Court 6 7 **DENIES** Plaintiff's request. Plaintiff's Opposition 8 does not inform the Court of details regarding what the 9 additional discovery would establish. Boschetto, 539 F.3d at 1020 (affirming jurisdictional discovery 10 11 request denial "based on little more than a hunch that 12 [discovery] might yield jurisdictionally relevant facts.") Because Plaintiff has failed to show more 13 14 than speculative allegations of attenuated jurisdictional contacts "in the face of specific 15 denials made by [D]efendants" thus far, "the Court need 16 not permit even limited discovery." Terracom v. Valley 17 18 <u>Nat'l Bank</u>, 49 F.3d 555, 562 (9th Cir. 1995).

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## III. CONCLUSION

For the reasons set forth above, the Court **GRANTS** Defendants' Motion to Dismiss for Lack of Personal Jurisdiction and Improper Venue pursuant to Federal Rules of Civil Procedure 12(b)(2) and 12(b)(3) [13]. Clerk to close this action.

# IT IS SO ORDERED.

26 DATED: April 27, 2017

### s/ RONALD S.W. LEW

HONORABLE RONALD S.W. LEW Senior U.S. District Judge