

United States District Court  
For the Northern District of California

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IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

CIRCLE CLICK MEDIA LLC, and CTNY )	Case No. 12-cv-04000-SC
INSURANCE GROUP LLC, on behalf )	
of themselves and all others )	<u>ORDER DENYING MOTION TO DISMISS</u>
similarly situated, )	
Plaintiffs, )	
v. )	
REGUS MANAGEMENT GROUP LLC, )	
REGUS BUSINESS CENTRE LLC, REGUS )	
PLC, HQ GLOBAL WORKPLACES LLC, )	
and DOES 1 through 50, )	
Defendants. )	

**I. INTRODUCTION**

Now before the Court is Defendant Regus plc's motion to dismiss for lack of personal jurisdiction. The motion is fully briefed<sup>1</sup> and suitable for determination without oral argument per Civil Local Rule 7-1(b). For the reasons set forth below, Regus plc's motion to dismiss is DENIED.

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<sup>1</sup> ECF Nos. 180 ("Mot."), 187-3 ("Redacted Opp'n"), 187-4 ("Opp'n") (filed under seal), 202 ("Reply").

1     **II. BACKGROUND**

2           A detailed discussion of this case's background appears in the  
3 Court's January 3, 2013 order, so a short summary appears here.  
4 ECF No. 59 ("Jan. 2013 Order"). These facts are taken from  
5 Plaintiffs' second amended complaint ("SAC"), ECF No. 62.  
6 Defendants are in the business of leasing commercial office space  
7 throughout the world. Id. ¶ 1. Defendant Regus plc is a public  
8 limited company incorporated and registered in Jersey, Channel  
9 Islands, and is the parent company of Defendants Regus Management  
10 Group ("RMG"), Regus Business Centre LLC ("RBC"), and HQ Global  
11 Workplaces LLC ("HQ"). Id. ¶¶ 9-15. All four defendants are  
12 referred to collectively as "Regus," both in this Order and in the  
13 SAC.<sup>2</sup> Plaintiffs allege that all four defendants are alter egos of  
14 one another and generally do not distinguish between them in the  
15 SAC. Id. ¶¶ 1, 21.

16           In 2011 and 2012, Plaintiffs entered into office agreements  
17 with Defendants to lease commercial office space in California and  
18 New York. Id. ¶¶ 45, 56, 71. Plaintiffs allege that Defendants  
19 assessed charges beyond what was indicated by their agreements,  
20 including charges related to kitchen amenities, telecommunication  
21 services, "business continuity service," taxes, and penalties.  
22 Plaintiffs allege that these fees were not disclosed in the office  
23 agreements and bore no reasonable relationship to the services

24 \_\_\_\_\_  
25 <sup>2</sup> Ordinarily, the Court would be skeptical of such imprecise  
26 language. However, the evidence demonstrates that the Regus  
27 companies consistently fail to distinguish between themselves.  
28 Accordingly the Court, too, is comfortable referring to all  
defendant companies collectively as "Regus." When the Court  
intends to identify Defendant Regus plc individually, the Court  
shall refer to "Regus plc."

1 Defendants' offered. Id. ¶¶ 52, 62, 76. Plaintiffs allege that  
2 Defendants violated California business and false advertising laws,  
3 and they bring unjust enrichment claims under California and New  
4 York law as well. Id. ¶¶ 91-163. Plaintiffs also allege  
5 violations of the Racketeer Influenced and Corrupt Organizations  
6 Act ("RICO"). Id. ¶¶ 164-95.

7 In January 2013, the Court denied without prejudice Regus  
8 plc's motion to dismiss for lack of personal jurisdiction and  
9 permitted Plaintiffs to conduct jurisdictional discovery. Jan.  
10 2013 Order at 10. The Court held that Defendants' website,  
11 regus.com, was insufficient to support personal jurisdiction over  
12 Regus plc because, at that time, the evidence indicated that all of  
13 the interactive features of the website were handled by RMG. Id.  
14 at 6-7. Regus plc now moves again to dismiss for lack of personal  
15 jurisdiction.

16

17 **III. LEGAL STANDARD**

18 Plaintiffs bear the burden of showing that the Court has  
19 personal jurisdiction over Regus plc. See Pebble Beach Co. v.  
20 Caddy, 453 F.3d 1151, 1154 (9th Cir. 2006). "[T]his demonstration  
21 requires that the plaintiff make only a prima facie showing of  
22 jurisdictional facts to withstand the motion to dismiss." Id.  
23 (quotations omitted). "[T]he court resolves all disputed facts in  
24 favor of the plaintiff . . . ." Id. (quotations omitted). "The  
25 plaintiff cannot simply rest on the bare allegations of its  
26 complaint, but uncontroverted allegations in the complaint must be  
27 taken as true." Mavrix Photo, Inc. v. Brand Techs., Inc., 647 F.3d

28 ///

1 1218, 1223 (9th Cir. 2011) (quotations omitted).<sup>3</sup> Since  
2 California's long-arm statute is coextensive with federal due  
3 process requirements, California Civil Procedure Code section  
4 410.10, the personal jurisdiction analysis under state and federal  
5 law are the same.

6 **A. Specific Jurisdiction**

7 The Ninth Circuit has established a three-prong analysis for  
8 assessing claims of specific jurisdiction:

9  
10 (1) The non-resident defendant must purposefully direct  
11 his activities or consummate some transaction with the  
12 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;

13 (2) the claim must be one which arises out of or relates  
14 to the defendant's forum-related activities; and

15 (3) the exercise of jurisdiction must comport with fair  
play and substantial justice, i.e. it must be reasonable.

16 Schwarzenegger v. Fred Martin Motor Co., 374 F.3d 797, 802 (9th  
17 Cir. 2004). The plaintiff bears the burden of satisfying the first  
18 two prongs and, if it does, the burden then shifts to the defendant  
19 to show why the exercise of personal jurisdiction would be  
20 unreasonable. Id.

21 **B. Agency and Alter Ego**

22 Generally, the existence of a parent-subsidary relationship

23 <sup>3</sup> This prima facie showing is all that is required, even after  
24 jurisdictional discovery: "If the court determines that it will  
25 receive only affidavits or affidavits plus discovery materials,  
26 these very limitations dictate that a plaintiff must make only a  
27 prima facie showing of jurisdictional facts through the submitted  
28 materials in order to avoid a defendant's motion to dismiss." Data  
Disc, Inc. v. Sys. Tech. Assocs., Inc., 557 F.2d 1280, 1285 (9th  
Cir. 1977); see also Orchid Biosciences, Inc. v. St. Louis Univ.,  
198 F.R.D. 670, 673 (S.D. Cal. 2001) (explaining that prima facie  
burden is required after jurisdictional discovery is taken).

1 "is not sufficient to establish personal jurisdiction over the  
2 parent on the basis of the subsidiaries' minimum contacts with the  
3 forum." Doe v. Unocal Corp., 248 F.3d 915, 925 (9th Cir. 2001).  
4 However, "if the parent and subsidiary are not really separate  
5 entities [i.e., alter egos], or one acts as an agent of the other,  
6 the local subsidiary's contacts with the forum may be imputed to  
7 the foreign parent corporation." Id. at 926 (quotations omitted).  
8

9 **IV. DISCUSSION**

10 **A. Website and Emails as Regus plc's Contacts**

11 In their brief opposing Regus plc's previous motion to  
12 dismiss, Plaintiffs made three primary arguments. First, they  
13 asserted that this Court has personal jurisdiction over Regus plc  
14 directly, mostly as a result of the regus.com website. Plaintiffs  
15 also argued that the other defendants' contacts with California  
16 should be imputed to Regus plc because the other defendants were  
17 either agents or alter egos of Regus plc. Plaintiffs continue to  
18 pursue their direct and agency theories of personal jurisdiction,  
19 but they have apparently abandoned their alter ego theory, as it is  
20 not mentioned in their opposition brief.

21 The Court held in its previous order that Plaintiffs had  
22 failed to make a prima facie case for direct personal jurisdiction.  
23 Defendants now argue that the previous order constitutes the law of  
24 the case and bars Plaintiffs from reasserting those theories. That  
25 was not the effect of the January 3 Order. That order made two  
26 holdings regarding personal jurisdiction: (1) with respect to  
27 direct personal jurisdiction, "Plaintiffs have failed to meet their  
28 burden of showing that the exercise of specific jurisdiction would

1 be appropriate," Jan. 2013 Order at 8; and (2) with respect to  
2 personal jurisdiction via agency or alter ego theories, "Plaintiffs  
3 have yet to come forward with any evidence concerning the  
4 functional relationship between Defendants." Id. at 9. Both of  
5 those holdings were determinations that Plaintiffs had failed to  
6 make a prima facie case for jurisdiction at that point. Neither  
7 holding precludes Plaintiffs from reasserting those theories now.  
8 Indeed, by denying Regus plc's motion without prejudice, the Court  
9 specifically envisioned additional argument on Plaintiffs' theories  
10 once the factual record was supplemented with jurisdictional  
11 discovery. If jurisdictional discovery revealed that Regus plc  
12 operated the website directly, rather than through an agent or  
13 alter ego, the Court would be remiss to disregard that evidence.

14 **1. Regus plc's Direct Control of the Website**

15 Plaintiffs have provided substantial evidence of Regus plc's  
16 involvement in the website.<sup>4</sup> First, during the relevant time  
17 periods, the regus.com website footer specified that Regus plc held  
18 copyright for the website. ECF No. 188 ("RJN") Exs. A-H. Second,  
19 the terms and conditions posted on the website during the alleged  
20 class period state that "Regus plc ('Regus Group') (whether  
21 directly or indirectly) owns and operates the regus.co.uk website,  
22 the regus.com website, the hq.com website and the stratisnet.com

23 <sup>4</sup> Plaintiffs have filed a request for judicial notice in support of  
24 their opposition brief. ECF No. 188. The documents Plaintiffs  
25 request to be noticed are archived versions of the regus.com  
26 website and Regus plc's annual reports, which are publicly  
27 available online. Regus plc has not objected to judicial notice to  
28 any of the documents. The Court finds that the facts Plaintiffs  
request to be noticed can be accurately and readily determined from  
sources whose accuracy cannot reasonably be questioned.  
Accordingly the Court GRANTS Plaintiffs' request and takes notice  
of the attached documents.

1 website (collectively, 'Regus Group Websites' and individually,  
2 'Site')." ECF No. 189 ("Garofolo Decl.") Ex. 1. Third, Plaintiffs  
3 point to several statements on the website, such as the claim that  
4 "With 1000 business centres in 75 countries, Regus plc is the  
5 world's largest provider of outsourced workplaces . . . ," which  
6 indicate that Regus plc not only operates the website but actually  
7 provides the office space rented through the site. RJN Exs. E, G,  
8 I. Fourth, Regus plc's annual reports referred to "the Company's  
9 website," and they define "Company" as Regus plc. RJN Ex. J at  
10 PLF00641, PLF00649. There is no mention of RMG in any of the  
11 website pages that Regus plc has submitted.

12 In response, Regus plc bleats again that RMG handled the  
13 interactive features of the website. The only evidence of RMG's  
14 involvement, though, is the declaration of Tim Regan, Regus plc's  
15 corporate secretary. Mr. Regan states that Regus plc does not own  
16 or operate the regus.com website, and that all interactive features  
17 interface with RMG, not Regus plc. ECF No. 30 ("Regan Decl.") ¶¶  
18 17-18. Those assertions directly contradict the text of the  
19 website that existed during the relevant time period.

20 The Court finds that a factual dispute exists as to whether  
21 Regus plc operated the regus.com website, including its interactive  
22 features, during the class period. Plaintiffs have presented  
23 evidence sufficient to make a prima facie showing that Regus plc  
24 operated the website, and Regus plc has countered with a  
25 declaration asserting the opposite. At the motion to dismiss  
26 stage, the Court must resolve all disputed facts in the Plaintiffs'  
27 favor. See, e.g., In re W. States Wholesale Natural Gas Antitrust  
28 Litig., 715 F.3d 716, 741 (9th Cir. 2013), cert. granted sub nom.,

1 Oneok, Inc. v. Learjet, Inc., 134 S. Ct. 2899 (U.S. 2014); Wash.  
2 Shoe Co. v. A-Z Sporting Goods Inc., 704 F.3d 668, 672 (9th Cir.  
3 2012). Therefore, the Court finds that Plaintiffs have made a  
4 prima facie showing that Regus plc owned and operated the regus.com  
5 website during the relevant time.

6 **2. RMG as Regus plc's Agent**

7 Even were the Court to hold otherwise, the evidence is still  
8 sufficient for a prima facie showing of an agency relationship  
9 between Regus plc and RMG. Under California law, "[a]n agency is  
10 ostensible when the principal intentionally, or by want of ordinary  
11 care, causes a third person to believe another to be his agent who  
12 is not really employed by him." Cal. Civ. Code § 2300. A  
13 "purported agent's use of names and logos and the existence of a  
14 business relationship between the two entities" can establish an  
15 ostensible agency. Holt v. Kormann, SACV 11-1047 DOC MLG, 2012 WL  
16 2150070, at \*5-6 (C.D. Cal. June 12, 2012). California courts have  
17 also held that a franchisee who uses the parent company's name and  
18 logo may be an ostensible agent. See Kaplan v. Coldwell Banker  
19 Residential Affiliates, Inc., 59 Cal. App. 4th 741, 747-48 (Cal.  
20 Ct. App. 1997).

21 Plaintiffs provide significant evidence that RMG acted as  
22 Regus plc's agent in operating the website. As discussed above,  
23 the copyright, terms and conditions, and text of the website state  
24 in no uncertain terms that Regus plc owned and operated the  
25 website. The terms and text also give the impression that Regus  
26 plc not only controlled the website but was the entity that  
27 actually provided rental office space. Nonetheless, it is possible  
28 that the text of the website was inaccurate, and that Mr. Regan was

1 correct in stating that RMG operated the website.

2 Even if RMG actually owned and operated the website, RMG used  
3 Regus plc's name and logo. The intermingling of the corporate  
4 identities was so complete that RMG was not even mentioned in the  
5 website's text or terms of use. In Kaplan, use of the parent's  
6 name and logo were sufficient to render the franchisee an  
7 ostensible agent, even though the fine print on the franchisee's  
8 advertising materials clearly explained that the franchise was  
9 owned and operated independently from the parent. See id. at 744,  
10 747. Here, there is no evidence of such a disclaimer. Because the  
11 website indicated that Regus plc owned and operated the website but  
12 made no mention of any sort of agent or intermediary, a user or  
13 customer must have had the impression that whoever operated the  
14 website -- if not Regus plc itself -- had Regus plc's authority to  
15 do so. Plaintiffs have made a prima facie showing that Regus plc  
16 intentionally or carelessly caused them to believe that the  
17 operator of the regus.com website was either Regus plc or its  
18 agent. The regus.com website may therefore be imputed to Regus plc  
19 for the purpose of personal jurisdiction.

20 Similarly, the emails that Plaintiffs submit were sent by  
21 Regus plc's apparent agents. See ECF Nos. 213-6, 213-7, 213-8.  
22 Defendants assert that the authors of all three emails were RMG  
23 employees. Once again, those claims are based solely on the  
24 testimony of one of Defendants' employees, this time RMG's Vice  
25 President of Human Resources. See ECF No. 202-3 ("Edmondson  
26 Decl.") ¶¶ 2, 3, 5. However, some of the emails are copyrighted by  
27 Regus plc. They all contain a footer listing Regus plc and an  
28 address in Luxembourg. There is no mention whatsoever of RMG. The

1 employees' titles are listed, but the emails state that they are  
2 employees of "Regus" with no further specification. ECF Nos. 213-  
3 6, 213-7, 213-8. The Court therefore finds that Plaintiffs have  
4 made a prima facie showing that Regus plc intentionally or  
5 carelessly created the impression that the authors of those emails  
6 were Regus plc employees. Whether or not they were actually Regus  
7 plc employees, Plaintiffs have made a prima facie showing that the  
8 authors of the emails acted as Regus plc's ostensible agents. The  
9 emails, too, may be imputed to Regus plc for the personal  
10 jurisdiction analysis.

11 Having concluded that Plaintiffs have made a prima facie  
12 showing that the website and emails may be imputed to Regus plc,  
13 the Court now turns to the personal jurisdiction analysis specified  
14 by the Supreme Court and Ninth Circuit.

15 **B. Specific Jurisdiction**

16 The exercise of specific jurisdiction requires three elements:  
17 (1) the non-resident must purposefully direct an activity or  
18 transaction at the forum state; (2) the claim must arise out of or  
19 relate to the defendant's forum-related activities; and (3)  
20 personal jurisdiction must comport with traditional notions of fair  
21 play and substantial justice. The Court examines each in turn.

22 **1. Purposeful Direction**

23 The Ninth Circuit has further divided the purposeful direction  
24 prong into a three-part test in tort cases: the defendant must have  
25 (1) committed an intentional act (2) expressly aimed at the forum  
26 state, (3) causing harm that the defendant knows is likely to be  
27 suffered in the forum state. Yahoo! Inc. v. La Ligue Contre Le  
28 Racisme Et L'Antisemitisme, 433 F.3d 1199, 1206 (9th Cir. 2006).

1           Regarding the first part of that test, simply creating and  
2 registering a website, even a passive one, qualifies as an  
3 intentional act. See, e.g., Brayton Purcell LLP v. Recordon &  
4 Recordon, 606 F.3d 1124, 1128-29 (9th Cir. 2010); Rio Props., Inc.  
5 v. Rio Int'l Interlink, 284 F.3d 1007, 1020 (9th Cir. 2002). The  
6 Court finds that Regus plc's operation of the regus.com website was  
7 an intentional act.<sup>5</sup>

8           The next issue is whether that intentional act was expressly  
9 aimed at California. In the Ninth Circuit, operation of a passive  
10 website without "something more" is insufficient to confer  
11 jurisdiction. See Rio Props., 606 F.3d at 1020. Among the factors  
12 considered in determining whether a defendant has done "something  
13 more" are the interactivity of the website, the geographic scope of  
14 the defendant's commercial ambitions, and whether the defendant  
15 individually targeted a plaintiff known to be a forum resident.  
16 Additionally, the forum state has jurisdiction over a defendant who  
17 "continuously and deliberately exploited" the market in the forum  
18 state through a website. Mavrix Photo, Inc. v. Brand Techs., Inc.,  
19 647 F.3d 1218, 1230 (9th Cir. 2011). In Mavrix, the Ninth Circuit

20 \_\_\_\_\_  
21 <sup>5</sup> Regus plc asserts that it cannot be held responsible for the  
22 website's advertising and marketing content because that content is  
23 developed by Regus Group Services, Ltd. and RMG. See Reply at 9;  
24 ECF No. 202-4 ("Sherman Decl.") ¶¶ 2-3. Plaintiffs object to the  
25 Sherman declaration because it is phrased in the present tense and  
26 refers to a marketing agreement dated August 7, 2012 through which  
27 Regus Group Services, Ltd. develops the website content.  
28 Plaintiffs argue that Ms. Sherman's statements are irrelevant  
because they deal only with website content developed after  
Plaintiffs entered into their office rental agreements. ECF No.  
204. The Court agrees. Plaintiffs' objection is SUSTAINED and the  
declaration is STRICKEN. However, even were the Court to consider  
Ms. Sherman's declaration, it would be insufficient to overcome  
Plaintiffs' prima facie case that Regus plc operated the website  
directly or through an ostensible agent.

1 determined that the defendant "operated a very popular website with  
2 a specific focus" on certain California industries. Id. The court  
3 held that "the website's subject matter, as well as the size and  
4 commercial value of the California market" supported a conclusion  
5 that the defendant "anticipated, desired, and achieved a  
6 substantial California viewer base." Id. The Ninth Circuit also  
7 considered two additional factors. First, the defendant sought and  
8 attracted a nationwide audience, so it could count on reaching  
9 consumers in all fifty states. Second, the defendant cultivated a  
10 nationwide audience for commercial gain, and therefore could not  
11 "characterize the consumption of its products in any state as  
12 'random,' 'fortuitous,' or 'attenuated.'" Id.

13 Applying these principles to this case, it is clear that  
14 operation of the regus.com website constituted an intentional act  
15 expressly aimed at California. During the relevant period, the  
16 regus.com website advertised offices for rent in 37 states,  
17 California among them, and in several California cities (including  
18 San Francisco, San Diego, San Jose, Los Angeles, Santa Clara, San  
19 Mateo, San Bruno, and many others). RJN Ex. Q. The website also  
20 advertised offices for rent in more than fifteen buildings in San  
21 Francisco alone. RJN Ex. R. As for cultivating business for  
22 commercial gain, the Regus companies' revenues derived from  
23 California were around £60 million<sup>6</sup> each year from 2010 to 2012,

24 <sup>6</sup> These numbers are derived by multiplying the revenue numbers for  
25 the Americas published in Regus' publicly available annual reports  
26 by the percentages of the Regus Group's revenues that come from  
27 California. See RJN Ex. J at PLF00667; RJN Ex. K at PLF00760; RJN  
28 Ex. L at PLF00863; ECF No. 187-5 ("Redacted Regus Revenue Stip.")  
(redacted portions filed under seal). It is somewhat confusing to  
read the stipulation because, while the stipulation reports the  
percentages of both RMG and Regus Group revenues derived from

1 accounting for over fifteen percent of United States revenues.  
2 There can be no doubt that Regus plc intended to, and did,  
3 significant business in California through its website.

4       The interactive features of the website are also important.  
5 The website's interactive features included options to contact  
6 Regus, book a tour of an office, and get a "quick quote" for rental  
7 rates. During jurisdictional discovery, Regus plc turned over  
8 examples of requests for information submitted to Regus through the  
9 website. One example was a request for information from a  
10 potential customer seeking "executive suite space in San  
11 Francisco." ECF No. 187-1 ("Garofolo Decl.") Ex. 9 (filed under  
12 seal). Regus plc also turned over an example of the sort of  
13 response it give to inquiries through the website's "contact us"  
14 feature. That response provides additional information about the  
15 products that Regus offers. Its footer lists Regus plc's corporate  
16 name, address, and other information. There is no reference to RMG  
17 or any other Regus entity. ECF No. 189-4. Once again, Regus plc  
18 asserts that RMG, not Regus plc, handled these interactive features  
19 of the website. However, Plaintiffs' evidence suggests otherwise,  
20 and at this stage factual disputes are resolved in their favor.  
21 Even if the Court were to agree that RMG actually operated the  
22 interactive features, the absence of any reference to RMG on the  
23 website or the response to the "contact us" inquiry would render  
24 RMG Regus plc's ostensible agent in operation of those features.  
25 Therefore, Plaintiffs have made a prima facie showing that Regus  
26 plc operated -- either directly or through an agent -- a website  
27 \_\_\_\_\_  
28 business in California, the stipulation only reports total revenue  
figures for RMG.

1 with interactive features targeted at Californians and through  
2 which Californians interacted with Regus. For all of these  
3 reasons, the Court finds that operation of the regus.com website  
4 was an intentional act aimed at California.

5 Finally, the intentional act must cause harm the defendant  
6 knows is likely to be suffered in the forum state. In Marvix, the  
7 Ninth Circuit found that harm to Californians was foreseeable  
8 because a significant number of Californians would have bought the  
9 plaintiff's publications. Because the plaintiff alleged copyright  
10 infringement of photographs in those publications, the court  
11 concluded that it was foreseeable that "a jurisdictionally  
12 significant amount of" the plaintiff's harm would be suffered in  
13 California. Marvix, 647 F.3d at 1232-33. Here, the foreseeability  
14 of harm suffered in California is even clearer. The regus.com  
15 website advertised office space in California to Californian  
16 residents and businesses. If, as alleged, Defendants'  
17 advertisements were misleading and thereby harmed Regus customers,  
18 it was eminently predictable that those customers and that harm  
19 would be in California. The Court finds that Regus plc  
20 purposefully directed the operations of the regus.com website at  
21 California.

22 **2. Claim arises out of the forum-related activities**

23 The second requirement for specific jurisdiction is that  
24 Plaintiffs' claims arise out of Regus plc's forum related  
25 activities. "This requirement is satisfied if [Plaintiffs] would  
26 not have been injured 'but for' [Regus plc]'s conduct in  
27 [California]." Rio Props., 284 F.3d 1007, 1021.

28 Here, Plaintiffs rented property advertised on the regus.com

1 website. They did so after viewing advertisements on the website  
2 claiming that Regus provided office space for a low monthly price.  
3 According to Plaintiffs, they would not have rented office space  
4 from Regus in the absence of the advertising on the website. SAC  
5 ¶¶ 46, 57, 72. As the Court found previously, the advertising of  
6 office space in California through the website constituted an  
7 activity purposefully directed at California. Assuming the truth  
8 of Plaintiffs' well-pleaded factual allegations, they would not  
9 have rented office space from Regus absent Regus plc's forum-  
10 related activities. But for Regus plc's activities directed at  
11 California, Plaintiffs' alleged injuries would not have occurred.  
12 Therefore, the Court finds that Plaintiffs' claims arise out of  
13 Regus plc's forum-related activities.

14 **C. Fair Play and Substantial Justice**

15 The Ninth Circuit has developed a multi-factor test for  
16 assessing this aspect of specific personal jurisdiction:

17  
18 The exercise of jurisdiction is reasonable if it comports  
19 with traditional notions of fair play and substantial  
20 justice. In determining reasonableness, seven factors are  
21 considered: (1) the extent of a defendant's purposeful  
22 interjection; (2) the burden on the defendant in  
23 defending in the forum; (3) the extent of conflict with  
24 the sovereignty of the defendant's state; (4) the forum  
25 state's interest in adjudicating the dispute; (5) the  
26 most efficient judicial resolution of the controversy;  
27 (6) the importance of the forum to the plaintiff's  
28 interest in convenient and effective relief; and (7) the  
existence of an alternative forum." Rio Props., 284 F.3d  
at 1021.

25 Because the Court has found that Plaintiffs have made a prima facie  
26 showing under the first two prongs of the specific jurisdiction  
27 test, the burden now shifts to Regus plc to show that the exercise  
28 of personal jurisdiction would be unfair.

1           Regus plc asserts that it has not purposefully injected itself  
2 into California because it has no presence, operations, or assets  
3 here. Reply at 12. That hardly matters given the Court's prior  
4 findings. In Rio Properties, the Ninth Circuit held that a Costa  
5 Rican internet business was amenable to suit in Nevada because it  
6 had purposefully injected itself into Nevada by running print and  
7 radio advertisements for its website in Nevada. Id. at 1012, 1020-  
8 21. Here, Regus plc owned and operated a website with advertising  
9 directed at California, offering services which would be provided  
10 in California, and through which Californians interacted with  
11 Regus. The Court finds that the extent of Regus plc's purposeful  
12 injection into California favors the exercise of personal  
13 jurisdiction.

14           Regus plc also asserts that it would be burdened by defending  
15 in California. That is likely true. However, it applies equally  
16 to any international defendant, and, as in Rio Properties, Regus  
17 plc "would be so burdened defending in any judicial district in the  
18 United States." Id. at 1021. With respect to the third factor,  
19 Regus plc cites no source of conflict with the sovereignty of its  
20 home state. By contrast, California has a strong interest in  
21 adjudicating these claims. Given the size of Regus plc's business  
22 in California and the fact it specifically advertises office space  
23 here, California has a strong interest in ensuring that its  
24 citizens are not harmed by Regus plc's actions.

25           The fifth factor focuses on the location of the witnesses and  
26 evidence. See Menken v. Emm, 503 F.3d 1050, 1060-61 (9th Cir.  
27 2007). Plaintiffs assert that most (or all) of their witnesses and  
28 evidence are here. Opp'n at 18. Regus plc counters only by

1 rehashing its argument under the second factor -- that it would be  
2 hard for Regus plc to litigate here. Reply at 12. Thus the Court  
3 finds that this factor, too, favors Plaintiffs.

4 The sixth factor assesses the importance of the forum to  
5 Plaintiffs' effective and convenient relief. Though "not of  
6 paramount importance," Menken, 503 F.3d at 1061, this factor favors  
7 Plaintiffs. Plaintiff Circle Click is a small business based in  
8 San Francisco that would have a difficult time litigating  
9 elsewhere. Opp'n at 18.

10 The seventh factor considers the existence of a reasonable  
11 alternative forum. Regus plc asserts that Plaintiffs bear the  
12 burden of proving the unavailability of such a forum. The only  
13 conceivable alternative fora are the Channel Islands or Luxembourg,  
14 where Regus plc is located. However, Plaintiffs point out that  
15 their claims are grounded in California law and specific to  
16 California. They might therefore be unavailable elsewhere.

17 On balance, the factors weigh considerably in favor of the  
18 reasonable exercise of personal jurisdiction over Regus plc. The  
19 first and fourth factors militate particularly strongly in favor of  
20 personal jurisdiction. The fifth and sixth favor personal  
21 jurisdiction as well, though perhaps not quite so powerfully. The  
22 third and seventh are neutral. Only the second favors Regus plc,  
23 but not in any way unusual for an international defendant. Indeed,  
24 the Ninth Circuit has found that "the factors weigh overwhelmingly  
25 in favor of the reasonable exercise of personal jurisdiction" under  
26 similar circumstances. See Rio Properties, 284 F.3d at 1021. The  
27 Court finds that the exercise of personal jurisdiction over Regus  
28 plc comports with the traditional notions of fair play and

1 substantial justice.

2

3 **V. CONCLUSION**

4 For the foregoing reasons, Defendant Regus plc's motion to  
5 dismiss for lack of personal jurisdiction is DENIED.

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7 IT IS SO ORDERED.

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9 Dated: October 14, 2014

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UNITED STATES DISTRICT JUDGE