

NOT FOR PUBLICATION

FILED

UNITED STATES COURT OF APPEALS

SEP 4 2026

FOR THE NINTH CIRCUIT

MOLLY C. DWYER, CLERK
U.S. COURT OF APPEALS

META PLATFORMS, INC., a Delaware
corporation; FKA Facebook,
Inc.; INSTAGRAM, LLC, a Delaware
limited liability company,

Plaintiffs - Appellees,

v.

LEASCEND TECHNOLOGY CO., LTD.,
FKA: Xiamen 35.com Internet Technology
Co., Ltd.,

Defendant - Appellant.

and

ONLINENIC, INC., DOMAIN ID SHIELD
SERVICE CO., LTD,

Defendants

No. 25-1773

D.C. No.

3:19-cv-07071-SI

MEMORANDUM*

Appeal from the United States District Court
for the Northern District of California
Susan Illston, District Judge, Presiding

* This disposition is not appropriate for publication and is not precedent
except as provided by Ninth Circuit Rule 36-3.

Submitted August 13, 2026**
San Francisco, California

Before: LEE, MENDOZA JR., and DE ALBA, Circuit Judges

Leascend Technology Co., Ltd. appeals the district court's determination that it is the alter ego of OnlineNIC, Inc. and that the court thus has personal jurisdiction over it. Meta Platforms, Inc. sued OnlineNIC for cybersquatting and ultimately obtained a default judgment against it. Leascend also challenges the district court's terminating sanctions, asset freeze order, and cost and fees award. We have jurisdiction under 28 U.S.C. § 1291 and affirm.

1. Alter ego finding. We review the district court's determination that Leascend is the alter ego of OnlineNIC for clear error. *Towe Antique Ford Found. v. I.R.S.*, 999 F.2d 1387, 1391 (9th Cir. 1993). Under California law, alter ego liability exists when organizations act as “a single business enterprise.” *Toho-Towa Co., Ltd. v. Morgan Creek Prods., Inc.*, 159 Cal. Rptr. 3d 469, 479–80 (Ct. App. 2013). The analysis is based “on equitable principles” and results “vary according to the circumstances of each case.” *Id.* at 480 (quoting *McLaughlin v. L. Bloom Sons Co.*, 24 Cal. Rptr. 311, 314 (Ct. App. 1962)).

Here, the district court did not clearly err in determining Leascend was the

** The panel unanimously concludes this case is suitable for decision without oral argument. *See* Fed. R. App. P. 34(a)(2).

alter ego of OnlineNIC because the businesses (i) shared ownership and management structures, *see Zoran Corp. v. Chen*, 110 Cal. Rptr. 3d 597, 606–07 (Ct. App. 2010), (ii) shared almost all of OnlineNIC’s employees, *Toho-Towa Co.*, 159 Cal. Rptr. 3d at 480–81, (iii) comingled assets, *id.*, and (iv) Leascend vigorously defended OnlineNIC’s misbehavior during discovery proceedings, aiding in the “concealment . . . of the identity of the responsible ownership, management and financial interest” of the business, *Zoran Corp.*, 110 Cal. Rptr. 3d at 607. In light of the case’s facts and the district court’s equitable analysis, we find the alter ego determination was not made in clear error. *See Toho-Towa Co.*, 159 Cal. Rptr. 3d at 480.

2. Jurisdiction over Leascend. Given our affirmance of the district court’s alter ego finding, we also find that the district court properly exercised personal jurisdiction over Leascend. We review the district court’s personal jurisdiction determination de novo. *Pebble Beach Co. v. Caddy*, 453 F.3d 1151, 1154 (9th Cir. 2006). If a company is subject to a court’s personal jurisdiction, the court may exercise personal jurisdiction over that company’s alter ego business. *See Ranza v. Nike, Inc.*, 793 F.3d 1059, 1065 (9th Cir. 2015) (holding that a court “may attribute a parent company’s contacts with the forum state to its foreign subsidiary for the purpose of exercising general personal jurisdiction over the subsidiary . . . upon a showing that the subsidiary is an alter ego of its parent”). Here, exercise of specific

personal jurisdiction over Leascend was proper as it purposefully directed its activities to the Northern District of California via its alter ego, OnlineNIC. *See Asahi Metal Indus. Co. v. Superior Ct. of Cal.*, 480 U.S. 102, 112 (1987). While the district court determined that it possessed general personal jurisdiction over both Leascend and OnlineNIC, we need not address general personal jurisdiction because the exercise of specific personal jurisdiction was proper. *See Goodyear Dunlop Tires Operations, S.A. v. Brown*, 564 U.S. 915, 923–24 (2011).

3. Terminating sanctions. The district court’s terminating sanctions and entry of default against Leascend were not contrary to due process. We review due process challenges to sanctions de novo. *S.E.C. v. McCarthy*, 322 F.3d 650, 654 (9th Cir. 2003). District courts consider several factors when considering whether terminating sanctions are warranted, including “the possibility of prejudice to the plaintiff,” “the merits of plaintiff’s substantive claim,” and “the sufficiency of the complaint.” *Eitel v. McCool*, 782 F.2d 1470, 1471–72 (9th Cir. 1986). In light of those factors, the district court’s determination that Leascend and OnlineNIC failed to preserve, concealed, and actively spoliated evidence, which “significantly hampered” Meta’s “ability to prosecute this case on the merits,” is sufficient to justify terminating sanctions and is consistent with due process and the requirements of Federal Rule of Civil Procedure 37.

4. Freeze of assets and award of fees. We review the district court’s injunction

order freezing Leascend's assets and awarding fees for abuse of discretion. *Johnson v. Couturier*, 572 F.3d 1067, 1084–86 (9th Cir. 2009); *Resurrection Bay Conservation All. v. City of Seward*, 640 F.3d 1087, 1094 (9th Cir. 2011). The district court considered bank statements, the pending sale of part of Leascend's Chinese business, and evaluated Leascend and OnlineNIC's history of obfuscation and failure to comply with court orders. The court found these factors weighed in favor of establishing an asset freeze and escrow order. Further, the fee award was proper as Meta's expenses were largely attributable to Leascend and OnlineNIC's litigation misbehavior. The facts here rise to the level of an "exceptional case[]" in which "reasonable attorney fees" can be awarded to the prevailing party under the Lanham Act. 15 U.S.C. § 1117(a).

AFFIRMED.