

**IS THE ACPA A SAFE HAVEN FOR TRADEMARK INFRINGERS?—
RETHINKING THE UNILATERAL APPLICATION OF THE LANHAM ACT**

By Jinku Hwang*

ABSTRACT

This article analyzes court decisions regarding domain name disputes since the enactment of the Anticybersquatting Consumer Protection Act ("ACPA") and seeks to suggest possible ways to minimize unnecessary conflicts with other countries. Thus this article is limited only to international gTLD disputes. In particular, it focuses on recent court cases dealing with reverse domain name hijacking claims. The reverse domain name hijacking provision of the ACPA and recent courts' interpretation of the provision pose a significant threat to the harmonious resolution of international domain name disputes and the threat may be much more harmful than the frequently criticized *in rem* provision of the ACPA. *In rem* jurisdiction may deny alleged foreign infringers their procedural right; however, the reverse domain name hijacking provision may deny foreign trademark owners their substantive rights just because they do not possess U.S. trademark rights. I argue that the Lanham Act does not always apply to reverse domain name

* LLB 1993, Seoul Nat'l Univ.; LLM 2004, University of California, Berkeley Boalt Hall School of Law; Judge of Daejeon District Court, Republic of Korea. Special thanks to Professor Mark A. Lemley of Stanford Law School for his comments.

hijacking claims. In other words, there may be some instances in which foreign trademark laws could and should be applied to the conduct of U.S. domain name registrants even in cases brought under the reverse domain name provision of the ACPA before U.S. courts. I also argue that my approach is not inconsistent with the fundamental doctrine of territoriality upon which U.S. trademark law is presently based.

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I. Introduction

As a response to international disputes over Internet domain names, the U.S. Congress enacted the Anticybersquatting Consumer Protection Act ("ACPA")¹ in 1999. According to § 1125(d)(2) of the ACPA, a trademark owner may file an *in rem* action over a domain name itself in cases where a U.S. trademark owner is unable to obtain *in personam* jurisdiction over a non-U.S. cybersquatter. The legislative history and the plain language of the *in rem* provision make clear that Congress thought that such *in rem* jurisdiction is appropriate in instances where a non-U.S. resident cybersquats on a domain name that infringes upon a U.S. trademark.²

The main purpose of the Act was to regulate cybersquatting or cyberpiracy, because from Congress's point of view, courts had not been successfully protecting American businesses in cases "where a cyberpirate has either registered the domain name and done nothing more, or where the cyberpirate uses a significant variation on the trademark."³ However, *in rem* jurisdiction of the ACPA does not end there. A trademark owner can invoke *in rem* jurisdiction over an alleged foreign infringer—more precisely over a domain name registered by the foreign

¹ Pub. L. No. 106-113, Division B, §1000(a)(9), & Appendix I, Title III, §3002(a), 113 Stat. 1501, 1531-36, 1501A-521, 1501A-545-48 (1999).

² H.R. REP. No. 106-412, at 14 (1999).

³ *Id.* at 5.

infringer—"provided that mark owner can show that the domain name itself violates substantive Federal trademark law (i.e., that the domain name violates the rights of the registrant of a mark registered in the Patent and Trademark Office, or section 43(a) or (c) of the Trademark Act)."⁴

Accordingly, at least regarding international trademark disputes involving domain names registered with a U.S. registrar or .com, .net, or .org domain names of which current registries are all U.S. entities, the *in rem* provision of the ACPA made all the debates on personal jurisdiction useless. At the same time, the question of personal jurisdiction—the hurdle which U.S. trademark owners must have overcome first and which, indeed, would have struck a balance between the United States and other foreign countries in all international trademark disputes—just disappeared all of a sudden, subjecting all foreign generic top-level domain name ("gTLD") registrants to U.S. courts as long as U.S. trademark owners are involved. Presumably, no matter how elaborately personal jurisdiction theory in the context of the Internet might have been established, the scope of personal jurisdiction would not have reached as far as *in rem* jurisdiction does.

In rem jurisdiction is, however, not the end of disputes at all. The enactment of the ACPA is not only a matter of jurisdiction. What the enactment of the ACPA really means is the limitless

⁴ *Id.* at 14.

extraterritorial application of U.S. trademark law insofar as the Internet is involved. Assume that a foreign registrant has registered a ".com" domain name which is confusingly similar to a U.S. trademark with a foreign registrar and done nothing more. The domain name is just a placeholder. The foreign registrant, of course, does not reside in the United States, does not use that domain name in commerce either in the United States or in other countries, and does not have any contacts at all with the United States either offline or online, except a mere fact that the registry of the domain name is located in the United States. However, the registrant is subject to U.S. courts pursuant to the *in rem* provision of the ACPA and that registrant's act has to be judged by U.S. law regardless of whether that act is really a violation of U.S. law or not. It seems almost obvious that Congress was fully aware of, and expected, this kind of application while enacting the ACPA.⁵

Once the obstacle of personal jurisdiction has disappeared, the expansive application of substantive U.S. laws is almost inevitable in the Internet context. What makes things worse is that Congress, while enacting the ACPA, intended the extraterritorial application of U.S. trademark

⁵ See *id.* at 6. The House Report noted that "[t]he law is less settled, however, where a cybersquatter has either registered the domain name and done nothing more, or where the cybersquatter uses a significant variation on the trademark." *Id.* at 6. This statement, coupled with *in rem* jurisdiction, anticipates the extraterritorial application of the ACPA to the above hypothetical case.

law to conduct occurring outside the United States by foreign infringers on the one hand, but traditionally U.S. trademark law has given protection only to the marks registered in the U.S. or used in commerce in the U.S. on the other hand. Furthermore, all gTLDs are under U.S. control at present.

In sum, with respect to international Internet domain name disputes, the ACPA appears to give full protection to U.S. trademark holders against foreign infringers in terms of jurisdiction and applicable law, regardless of where their conduct occurred and whether their conduct is unlawful under law other than U.S. law, while giving no protection at all to foreign trademark owners against U.S. infringers. This approach will unavoidably bring about tension and conflict with other countries.

This paper analyzes court decisions regarding domain name disputes after the enactment of the ACPA and suggests possible ways to minimize conflicts with other countries. In particular, it focuses on recent court cases involving reverse domain name hijacking, and it is limited only to international, trademark-related, and gTLD disputes.

II. Court Decisions Regarding the ACPA

Despite some commentators' criticisms,⁶ courts have thus far not been hesitant at all to apply the ACPA's *in rem* provisions. Indeed, courts have in some senses come a long way in establishing a reasonable standard of application and interpretation of the ACPA in the short period since its enactment in 1999.

First, courts have confirmed that given the plain language of the ACPA, *in rem* and *in personam* jurisdiction are mutually exclusive in the ACPA and that *in rem* jurisdiction against a domain name itself is allowed only in those circumstances where *in personam* jurisdiction is not available. The owner of a mark must convince the court that *in personam* jurisdiction over a person is unavailable before an ACPA *in rem* action may proceed.⁷ In other words, the mark owner must bear the burden of demonstrating the absence of *in personam* jurisdiction over an alleged infringer. Therefore, the mark owner may not file an *in rem* cause of action and an *in personam* claim simultaneously in the hope that one of them will survive the court's jurisdictional inquiry.⁸

⁶ See generally Catherine T. Struve and R. Polk Wagner, *Realspace Sovereigns in Cyberspace: Problems with the Anticybersquatting Consumer Protection Act*, 17 BERKELEY TECH. L.J. 989 (2002) (arguing that the ACPA's *in rem* provisions are unconstitutional); Suzanna Sherry, *Haste Makes Waste: Congress and the Common Law in Cyberspace*, 55 VAND. L. REV. 309, 311 (2002) (noting that the ACPA, "while not unconstitutional, [is] shortsighted").

⁷ *Porsche Cars N. Am., Inc. v. Porsche.net*, 302 F.3d 248, 255 (4th Cir. 2002).

⁸ *Alitalia Linee Aeree Italiane S.p.A. v. casinoalitalia.com*, 128 F. Supp. 2d 340, 343-47 (E.D. Va. 2001).

Second, with regard to the question of which district court can exercise *in rem* jurisdiction, § 1125(d)(2)(A) appears to contradict § 1125(d)(2)(C). § 1125(d)(2)(A) simply provides that "[t]he owner of a mark may file an *in rem* civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located . . . ," whereas § 1125(d)(2)(C) locates the situs of a domain name in an *in rem* action under § 1125(d)(2) either where the domain name authority is located or in any judicial district in which "documents sufficient to establish control and authority regarding the disposition of the registration and use of the domain name are deposited with the court."⁹

Courts have held that *in rem* jurisdiction lies only in the judicial district where the registrar, registry, or other authority is located as specified in § 1125(d)(2)(A).¹⁰ According to the court in

⁹ 15 U.S.C. § 1125(d)(2)(C) provides:

In an *in rem* action under this paragraph, a domain name shall be deemed to have its situs in the judicial district in which—

(i) the domain name registrar, registry, or other domain name authority that registered or assigned the domain name is located; or

(ii) documents sufficient to establish control and authority regarding the disposition of the registration and use of the domain name are deposited with the court.

¹⁰ See *FleetBoston Fin. Corp. v. fleetbostonfinancial.com*, 138 F. Supp. 2d 121 (D. Mass. 2001); *Mattel, Inc. v. Barbie-Club.com*, 2001 U.S. Dist. LEXIS 5262 (S.D.N.Y. 2001); *Standing Stone Media, Inc. v.*

the *FleetBoston Fin. Corp. v. fleetbostonfinancial.com* case,¹¹ the procedure described in § 1125(d)(2)(D)¹² by which the situs of the domain name is established as provided in § 1125(d)(2)(C)(ii) can only be commenced after a complaint has been filed in the court in the judicial district designated under § 1125(d)(2)(A). And § 1125(d)(2)(C) exists to facilitate the continuation of litigation in one of the districts provided in § 1125(d)(2)(A).¹³ Nothing in the legislative history of the ACPA suggests that Congress intended to give *in rem* jurisdiction to a court other than those courts originally drafted in § 1125(d)(2)(A).¹⁴ Although one commentator¹⁵ noted that some other courts¹⁶ have exercised *in rem* jurisdiction in districts other

Indiancountrytoday.com, 193 F. Supp. 2d 528, 536 (N.D.N.Y. 2002).

¹¹ 138 F. Supp. 2d 121 (D. Mass. 2001).

¹² 15 U.S.C. § 1125(d)(2)(D)(i) provides in relevant part:

Upon receipt of written notification of a filed, stamped copy of a complaint filed by the owner of a mark in a United States district court under this paragraph, the domain name registrar, domain name registry, or other domain name authority shall—

(I) expeditiously deposit with the court documents sufficient to establish the court's control and authority regarding the disposition of the registration and use of the domain name to the court

¹³ *FleetBoston Fin.*, 138 F. Supp. 2d at 124-26

¹⁴ *Id.* at 126-28.

¹⁵ Sherry, *supra* note 6, at 343.

¹⁶ *V'soske, Inc. v. vsoske.com*, No. 00 CIV 6099(DC), 2001 WL 546567, at 5 (S.D.N.Y. 2001); *BroadBridge Media, L.L.C. v. hypercd.com*, 106 F. Supp. 2d 505 (S.D.N.Y. 2000).

than those provided in § 1125(d)(2)(A), and thus there is a division of authority, the *FleetBoston* court's analysis is quite convincing. The *Standing Stone Media, Inc. v. Indiancountrytoday.com* court added that in addition to dictating the situs of the domain name during the pendency of an action, § 1125(d)(2) may be useful "in the event that the registrar of a domain name moves out of the judicial district where the action was commenced, goes out of business, or sells its interests to another company in the time period between the filing of the complaint and the deposit of the required certificates of registration."¹⁷ The Second Circuit in *Mattel, Inc. v. Barbie-Club.com*¹⁸ clearly upheld the *FleetBoston* court's interpretation.

Third, even though the structure of the *in rem* provisions of the ACPA expresses Congress's preference for *in personam* jurisdiction, the statute does not require that *in personam* jurisdiction over a person be unavailable throughout the litigation. Once the owner of a mark files an *in rem* action against a domain name and then the court's finding that that the owner is not able to obtain *in personam* jurisdiction is made,¹⁹ *in rem* jurisdiction is ordinarily established. If *in rem* jurisdiction is lost even long after the court has made that finding no matter how late *in personam* jurisdiction arose, the holder of the domain name may choose to wait and see how the trial goes

¹⁷ *Standing Stone Media*, 193 F. Supp. 2d at 536.

¹⁸ 310 F.3d 293 (2d Cir. 2002).

¹⁹ 15 U.S.C. § 1125(d)(2)(A)(ii)(I).

and then submit to personal jurisdiction to avoid an adverse judgment. Courts do not permit such manipulation.²⁰

Fourth, regarding the question of whether the scope of the *in rem* provision of the ACPA is limited to claims under § 1125(d)(1) for bad faith registration of a domain name with the intent to profit, the Fourth Circuit in *Harrods Ltd. v. Sixty Internet Domain Names*²¹ concluded that the *in rem* provision also covers infringement claims under § 1114 and § 1125(a) and dilution claims under § 1125(c) as well as § 1125(d)(1), reversing the district court ruling. Before *Harrods*, most district courts dealing with this issue had agreed with the assertion that § 1125(d)(2) applies only to § 1125(d)(1).²² According to the *Harrods* court, the plain language of § 1125(d)(2)(A)²³ itself

²⁰ *Porsche Cars N. Am., Inc. v. Porsche.net*, 302 F.3d 248, 254-59 (4th Cir. 2002).

²¹ 302 F.3d 214 (4th Cir. 2002).

²² *See Cable News Network LP v. CNNews.com*, 177 F. Supp. 2d 506, 522-23 (E.D. Va. 2001); *Hartog & Co. v. Swix.com*, 136 F. Supp. 2d 531, 539-40 (E.D. Va. 2001); *Broadbridge Media, L.L.C. v. Hypercd.com*, 106 F. Supp. 2d 505, 511 (S.D.N.Y. 2000). According to the *Harrods* court, up to then at least one district court had decided to the contrary. *Harrods*, 302 F.3d at 228 (citing *Jack in the Box, Inc. v. Jackinthebox.org*, 143 F. Supp. 2d 590, 591 (E.D. Va. 2001)).

²³ 15 U.S.C. § 1125(2)(d)(A) provides in relevant part:

The owner of a mark may file an *in rem* civil action against a domain name . . . if—

- (i) the domain name violates any right of the owner of a mark registered in the Patent and Trademark Office, or protected under subsection (a) [infringement] or (c) [dilution]; and
- (ii) the court finds the owner—

protects not only rights under § 1125(d)(1) but also rights under § 1125(a) against trademark infringement, and rights under § 1125(c) against trademark dilution. If Congress had intended to provide *in rem* jurisdiction only for § 1125(d)(1) claims, it could easily have stated that *in rem* action is available if "the domain name violates subsection (d)(1)." The court went on to say that the phrase of § 1125(d)(2)(A)(ii) "a person who would have been a defendant in a civil action under [§ 1125(d)(1)]" was simply used as a shorthand reference to the current registrant of the domain name holder and thus should not be understood as limiting *in rem* jurisdiction to § 1125(d)(1) bad faith claims. This Fourth Circuit's ruling was confirmed in another Fourth Circuit case, *Cable News Network LP v. CNNNews.com*.²⁴

Fifth, with respect to the constitutionality of the *in rem* provision of the ACPA, the Fourth Circuit affirmed in *Porsche Cars N. Am., Inc. v. Porsche.net*²⁵ that *in rem* jurisdiction authorized by the ACPA is not a violation of the due process clause, succinctly holding that in a case that directly concerns possession of the domain names, "due process is satisfied by assigning

(I) is not able to obtain *in personam* jurisdiction over a person who would have been a defendant in a civil action under [§ 1125(d)(1)]; or

(II) through due diligence was not able to find a person who would have been a defendant in a civil action under [§ 1125(d)(1)]

²⁴ 56 Fed. Appx. 599 (4th Cir. 2003).

²⁵ 302 F.3d 248 (4th Cir. 2002).

jurisdiction based on the location of the property," and "the registrant's other personal contacts with the forum are constitutionally irrelevant to the assertion of *in rem* jurisdiction over the domain names."²⁶

III. The Problems of *In Rem* Jurisdiction of the ACPA

A. Legislative History of the *In Rem* Provision of the ACPA

With regard to *in rem* jurisdiction, Senate Bill 1255, an earlier version of the ACPA introduced on June 21, 1999,²⁷ provided for *in rem* jurisdiction, which allowed a mark owner to file an action against the domain name itself, only in cases where the mark owner, after due diligence, was unable to locate the domain name registrant.²⁸ According to the Senate Report, a

²⁶ *Porsche Cars N. Am., Inc. v. Porsche.net*, 302 F.3d 248, 260 (4th Cir. 2002).

²⁷ S. REP. No. 106-140 (1999).

²⁸ The relevant part of the bill provided:

Section 43. [15 U.S.C. § 1125]

(d) (2) (A) The owner of a mark may file an *in rem* action against a domain name if—

(i) the domain name violates any right of the registrant of a mark registered in the Patent and

Trademark Office, or section 43 (a) or (c) [of the Lanham Act]; and

(ii) the court finds that the owner has demonstrated due diligence and was not able to find a person who would have been a defendant in a civil action under paragraph (1).

S. REP. No. 106-140, at 19.

significant problem faced by trademark owners fighting against cybersquatting is the fact that cybersquatters register domain names under aliases or give false information to their registrars in order to avoid identification and service of process, and the *in rem* provision is drafted to alleviate this difficulty by allowing a mark owner to seek injunction against the domain name itself in those cases where the mark owner has exercised due diligence to find the holder of the domain name but is unable to do so.²⁹ In this bill there is no *in rem* provision at all directly targeting foreign domain name registrants.

However, House Bill 3028 (Trademark Cyberpiracy Prevention Act)³⁰ expanded the scope of *in rem* jurisdiction to foreign domain name registrants by inserting the paragraph that the owner of a trademark may file a civil action against a domain name in cases where "personal jurisdiction cannot be established over" the registrant of the domain name as Section 43(d)(2)(A)(ii)(II).³¹ With respect to the *in rem* provision in cases where personal jurisdiction is

²⁹ S. REP. No. 106-140, at 11.

³⁰ H.R. REP. No. 106-412 (1999).

³¹ The relevant part of the bill provided:

Sec. 43.

(d) (2) (A) The owner of a mark may file an *in rem* civil action against a domain name in the judicial district in which suit may be brought against the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name if—

not available, the House Report merely added to the explanation described above that "such *in rem* jurisdiction is *also* appropriate in instances where personal jurisdiction cannot be established over the domain name registrant. This situation occurs when a non-U.S. resident cybersquats on a domain name that infringes upon a U.S. trademark."³²

Is *in rem* jurisdiction justified because a domain name is property, or is a domain name treated as though it were property "for the purpose of *in rem* jurisdiction"? Why should the basic principle of international jurisdiction in U.S. law jurisprudence established in *International Shoe* be applied so differently only in the context of trademark law involving the Internet domain name? As a practical matter, except for situations involving anonymous registrants as codified in § 1125(d)(2)(A)(ii)(II), is there any reason we must treat domain names so differently despite the

(i) the domain name violates any right of the owner of a mark registered in the Patent and Trademark Office, or under subsection (a) or (c) of this section, or is a trademark, word, or name protected by reason of section 706 of title 18, United States Code, or section 220506 of title 36, United States Code; and

(ii) the court finds that—

(I) the owner has demonstrated due diligence and was not able to find or was not able to serve a person who would have been a defendant in a civil action under paragraph (1); or

(II) personal jurisdiction cannot be established over any person who would have been a defendant in a civil action under paragraph (1).

H.R. REP. 106-412, at 19.

³² *Id.* at 14 (emphasis added).

possible conflicts with other countries that the exercise of *in rem* jurisdiction could possibly bring about?

Before the enactment of the ACPA, even in cases where the allegedly infringing Web site was just a placeholder containing just an "under construction" notice, courts successfully exercised *in personam* jurisdiction.³³ Indeed, as one commentator noted, "[a]lthough plaintiffs have successfully used the *in rem* provisions [since the enactment of the ACPA] against foreign registrants, in many cases the same result could have been reached under the developing doctrines of personal jurisdiction in cybersquatter cases."³⁴ In cases where courts have held an *in rem* action under the ACPA appropriate because of a lack of personal jurisdiction, "it is probable that in the absence of the ACPA, the courts would have examined the precedent more carefully and found the requisite personal jurisdiction over the defendants."³⁵ Furthermore, as some

³³ See Sherry, *supra* note 6, at 337. See also, e.g., Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1323 (9th Cir. 1998); Cello Holdings v. Lawrence-Dahl Cos., 89 F. Supp. 2d 464, 471 (S.D.N.Y. 2000); N. Light Tech., Inc. v. N. Lights Club, 97 F. Supp. 2d 96, 107 (D. Mass. 2000), *aff'd*, 236 F.3d 57 (1st Cir. 2001).

³⁴ Sherry, *supra* note 6, at 339.

³⁵ *Id.* at 340. See also Heathmount A.E. Corp. v. thechnodome.com, 106 F. Supp. 2d 860, 861 (E.D. Va. 2000); BroadBridge Media v. hypercd.com, 106 F. Supp. 2d 505, 507-08 (S.D.N.Y. 2000). For a discussion of personal jurisdiction in the Internet context, see Michael A. Geist, *Is There a There There? Toward Greater Certainty for Internet Jurisdiction*, 16 BERKELEY TECH. L.J. 1345 (2001).

commentators have noted,³⁶ a recent court decision involving copyright and trademark infringement claims confirmed that if there is no personal jurisdiction over a foreign registrant in any given state court, and the registrant's contacts with the United States as a whole are sufficient to permit the exercise of personal jurisdiction in this matter without violating due process, a district court may exercise personal jurisdiction under Federal Rule of Civil Procedure 4(k)(2).³⁷ Probably, most cases in which courts might have trouble finding the elements that constitute minimum contacts to justify the exercise of personal jurisdiction were it not for the *in rem* provisions of the ACPA, would be dismissed on the merits for want of bad faith in cases where a cause of action is §1125(d)(1)³⁸ or for other reasons under the *in rem* provisions of the ACPA.

In sum, except for a relatively limited number of cases involving anonymous defendants, the *in rem* jurisdiction of the ACPA is almost redundant and only causes unnecessary conflicts with

³⁶ See, e.g., Dan L. Burk, *Jurisdiction in a World Without Borders*, 1 VA. J.L. & TECH. 3 ¶¶ 44-52 (1997).

³⁷ Graduate Mgmt. Admission Council v. RVR Narasimha Raju, 241 F. Supp. 2d 589, 600 (E.D. Va. 2003).

Federal Rule of Civil Procedure 4(k)(2) provides:

If the exercise of jurisdiction is consistent with the Constitution and laws of the United States, serving a summons or filing a waiver of service is also effective, with respect to claims arising under federal law, to establish personal jurisdiction over the person of any defendant who is not subject to the jurisdiction of the courts of general jurisdiction of any state.

³⁸ See *Cable News Network LP v. CNNews.com*, 162 F. Supp. 2d 484, 492-93 (E.D. Va. 2001) (noting that "no court has held that a showing of bad faith is or could be a jurisdictional requirement").

other nations.

B. Conflicts with Foreign Courts in the Context of International Jurisdiction

The aggressive U.S.-centric approach of the ACPA will be almost useless, unless supported by effective enforcement mechanisms. The first challenge to the practicability of the ACPA came in a somewhat unexpected way. Indeed, this "legal drama,"³⁹ *GlobalSantaFe Corp v. Globalsantafe.com*,⁴⁰ might have frustrated the basic premise upon which the ACPA, more specifically *in rem* jurisdiction, was predicated, if it had been held otherwise.

There, the plaintiff, a U.S. corporation, first filed an *in rem* suit under the ACPA against the domain name "globalsantafe.com" which had been registered with a foreign registrar by a foreign registrant for cybersquatting and obtained a judgment order directing transfer of the domain name to the plaintiff from the federal court. Shortly after that, however, the registrant filed suit against the registrar in a foreign court in whose jurisdiction both the registrant and registrar were located, seeking an injunction prohibiting its domestic registrar from transferring the domain name to the plaintiff. The foreign court provisionally granted that injunction⁴¹ on the grounds that the U.S. court likely lacked personal jurisdiction over the dispute, refusing to recognize the U.S. court's *in*

³⁹ Michael Geist, *Cyberlaw 2.0*, 44 B.C. L. REV. 323, 342 (2003).

⁴⁰ 250 F. Supp. 2d 610 (E.D.Va. 2003).

⁴¹ *Jong Ha Park v. Han Kang Sytem, Inc.*, District Court of Seoul, No. 50 Civil Court (September 17, 2002).

rem jurisdiction based solely on the location of the registry under the ACPA.⁴² In response to the registrant's successful—at least with regard to the registrar—attempt to block the U.S. court order, the plaintiff sought an amendment of the judgment order directing the registry, VeriSign, to unilaterally cancel the domain name in the U.S. court.

At the time Congress enacted the ACPA, a U.S. corporation called Network Solution, Inc., ("NSI") served as both registrar and registry for all .com, .net, and .org domain names. But right after the enactment of the ACPA, numerous entities outside the United States began to operate as registrars authorized by the Internet Corporation for Assigned Names and Numbers ("ICANN") to grant registration of gTLDs to registrants. Currently, there are over eighty .com and .net registrars in twenty-three countries (Australia, Austria, Bermuda, Canada, China, Denmark, Finland, France, Germany, India, Israel, Italy, Japan, Korea, Kuwait, Latvia, Monaco, Norway, Russia, Spain, Sweden, Switzerland, and the U.K.), and approximately seventy .org registrars in twenty-one countries (Australia, Austria, Barbados, Canada, China, Denmark, France, Germany,

⁴² The Korean court's basic understanding appears to be that unilateral exercise of *in rem* jurisdiction under the ACPA is unjust in terms of international jurisdiction and thus the U.S. judgment cannot be recognized and enforced in Korea. Consequently, according to the Korean court, it can constitute a breach of the registration contract with the registrant for the registrar to comply with the court order which was decided in an incompetent jurisdiction and thus has no possibility of recognition and enforcement in the registrant's or the registrar's country.

India, Israel, Italy, Japan, Korea, Kuwait, Malaysia, Monaco, Norway, Spain, Sweden, Switzerland, and the U.K.) outside of the United States.⁴³

Thus, if U.S. courts fail to have a court order for forfeiture, cancellation, or transfer of the domain name enforced effectively at a registry level, the practicability of the ACPA will be significantly limited only to the occasions involving U.S. registrars. This limitation occurs mainly because according to the contracts⁴⁴ regulating the relationship between the registry and the registrars, transfer or cancellation of a domain name normally requires the approval or initiative of the current registrar,⁴⁵ and the registry is generally barred from changing the information in the Registry Database on its own initiative by contractual restrictions, playing an almost entirely passive role just to process the registrar's orders,⁴⁶ and thus cancellation or transfer of the domain

⁴³ See .com/.net Certified Registrars, <http://www.verisign.com/nds/naming/registrar/custorig.html> (.com and .net registrars) (last visited Apr. 5, 2004); Registrars by Country, http://www.pir.org/register/reg_country (.org registrars) (last visited Apr. 5, 2004).

⁴⁴ These contracts can be found on the ICANN Web site, at <http://www.icann.org/tlds/agreements/verisign/com-index.htm> (Registry-Registrar Agreement, .com Registration Agreement) (last visited Apr. 5, 2004); at <http://www.icann.org/registrars/ra-agreement-17may01.htm> (Registrar Accreditation Agreement) (last visited Apr. 5, 2004).

⁴⁵ *GlobalSantaFe*, 250 F. Supp. 2d at 620. See .com Registry Agreement, *supra* note 43, App. C. § 4(3)(10) (Transfer); § 4(3)(3) (Deleting a Domain Name).

⁴⁶ *GlobalSantaFe*, 250 F. Supp. 2d at 620.

name by normal procedures may not be effective in situations where the registrar has declined to cooperate and is beyond the jurisdiction of U.S. courts.⁴⁷

The *GlobalSantaFe* court's answer to this question seems to be inevitable on the one hand, and as aggressive as the *in rem* provision itself on the other hand. According to the court, the first alternative in the circumstances where cancellation through the usual channels is unavailable does not require the approval or initiative of the current registrar. "Although [the registry] is not contractually authorized to delete a domain name registration on its own initiative, it may nonetheless unilaterally disable a domain name . . . by placing the domain name in REGISTRY-HOLD status."⁴⁸ However, according to the court, "in order to vindicate the purposes of the ACPA, disabling alone in many cases may not be sufficient, for it does not oust the cybersquatter from his perch, but rather allows him to remain in possession of the name in violation of the trademark holder's rights."⁴⁹ The second alternative involves a court order directing the registry "to act unilaterally to cancel the domain name by deleting the registration information in the Registry Database and removing the domain name from the TLD zone file, without regard to the

⁴⁷ *Id.* at 621.

⁴⁸ *Id.* (citing .com Registry Agreement, *supra* note 43, App. C. § 6(1)).

⁴⁹ *Id.* at 623.

current registrar's lack of cooperation and the normal contractual procedures for cancellation."⁵⁰

According to the court, "nothing in the record indicates canceling a domain name without the current registrar's consent is beyond [the registry]'s physical and technical capabilities."⁵¹ Despite the registry's opposition on the grounds that an order directing the registry unilaterally to transfer or cancel a domain name would require the registry to violate its contracts with the registrar and with ICANN and to interfere with the registrar-registrant contract, the court held that:

a court is not limited merely to the disabling procedure envisioned by the registry's contractual agreements, but may also order the registry to carry out the cancellation remedy authorized under the ACPA by deleting completely a domain name registration pursuant to the court's order, just as the registry would in response to a registrar's request.⁵²

Less than three months following *GlobalSantaFe*, the court held in the *America Online, Inc. v. AOL.org* case⁵³ involving a .org⁵⁴ domain name, that "Congress deliberately and sensibly

⁵⁰ *Id.* at 622.

⁵¹ *Id.*

⁵² *Id.* at 623.

⁵³ 259 F. Supp. 2d 449 (E.D.Va. 2003).

⁵⁴ On Jan. 1, 2003, the Public Interest Registry, which is located in Virginia, became a new official, exclusive registry for all ".org" domain names. *See* About .ORG, http://www.pir.org/about_org/. Regarding all registries for

provided for jurisdiction where the registry is located so there would be no doubt that courts had the power to direct the registry to carry out the authorized ACPA remedies of transfer and cancellation."⁵⁵ The court went on to say:

[T]here does not appear to be any relevant practical difference between an order directing the registry to cancel a domain name and one directing the registry to transfer it. Nor do there appear to be any technical obstacles presented by ordering transfer instead of cancellation. . . . Domain name transfer by the registry is only marginally more complicated than domain name cancellation in that it requires cooperation by the acquiring registrar and the acquiring registrant to supply the appropriate information to be entered into the Registry Database. Yet, this cooperation should typically be no obstacle as the trademark owner is the acquiring registrant and it can choose the acquiring registrar and supply the pertinent information for entry in the Registry Database.⁵⁶

gTLDs, see Registry Listing, <http://www.icann.org/registries/listing.html> (last visited Apr. 6, 2004).

⁵⁵ *America Online*, 259 F.3d at 454.

⁵⁶ *Id.* at 455. The court added that:

[b]y choosing to register a domain name in the popular ".org" top-level domain, these foreign registrants deliberately chose to use a top-level domain controlled by a United States registry. They chose, in effect, to play Internet ball in American cyberspace. Had they wished to avoid an American

In so holding, U.S. courts have been going their own way, leaving one of the fundamental issues raised by a foreign court unsolved: whether *in rem* jurisdiction of the ACPA can be justified at an international level, or in the context of recognition and enforcement of foreign judgments.⁵⁷ Particularly, the outcome of *GlobalSantaFe* has significant implications for the overarching U.S. dominance in the conflict involving a foreign judgment and an inconsistent U.S. judgment.

In my opinion, this kind of trouble can be avoided in most cases, if U.S. courts would base their jurisdiction on *in personam* jurisdiction rather than on *in rem* jurisdiction while yielding the same results. According to § 217 of the Code of Civil Procedure of Korea, a final and binding foreign judgment is valid if (1) the foreign court had jurisdiction under the principles of international jurisdiction pursuant to the Acts of Korea or pursuant to the treaties; (2) the

ACPA suit and transfer order and American jurisdiction altogether, they might have chosen to register the infringing domain name in top-level domains with solely foreign registries and registrars, such as ".kr." By the same token, registrants choosing the ".org" top-level domain must know, or reasonably should have known, that the controlling registry for that domain is a United States entity located in Virginia and that, under the ACPA, a federal court in Virginia would ultimately have jurisdiction over any name registered in the ".org" top-level domain.

Id. at 457.

⁵⁷ To this question, the *GlobalSantaFe* court just said that "[t]he Korean court's conclusion . . . is flatly contrary to the ACPA." *GlobalSantaFe*, 250 F. Supp. 2d at 625 n.42. *See also id.* at 617 n.16.

defendant was served with the document which instituted the proceedings or an equivalent document, and notice of the proceedings in sufficient time to enable him to defend; or the defendant voluntarily appeared in the proceedings without being served; (3) such recognition of the foreign judgment is not contrary to the public policy of Korea; and (4) there is reciprocity.

GlobalSantaFe might be one of the marginal cases in which U.S. courts have trouble finding personal jurisdiction. By the same token, it must have been a tough case for the Korean court to declare that the U.S. court *apparently* lacked personal jurisdiction. As a practical matter, if the *GlobalSantaFe* court had exercised personal jurisdiction in one way or another and if service of process on the registrant had been made in accordance with the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil and Commercial Matters,⁵⁸ would the Korean court have issued the injunction prohibiting the Korean registrar from transferring the domain name? Public policy must not have been a decisive factor in this case. It should be applied in a very restricted way. Moreover, even to the Korean court, the domain name registrant in *GlobalSantaFe* presumably was not the kind of innocent domain name holder who must be protected.

⁵⁸ Both the United States and Republic of Korea joined the Hague Convention on Service Abroad. *See* Hague Conference on Private International Law, Full Status Report Convention #14, <http://www.hcch.net/e/status/stat14e.html> (last updated Apr. 8, 2004). *See also* FED R. CIV. P. 4(f).

Thus, if the Korean court had thought that the U.S. court order of transfer could be declared valid pursuant to the Korean Code of Civil Procedure, when its recognition is sought in a Korean court by the U.S. company in the future, the Korean court would not have issued that injunction. But the U.S. judgment merely based on *in rem* jurisdiction in this case somewhat ironically declared itself that "the U.S. court lacked personal jurisdiction over the foreign registrant." That must have made the Korean court conclude almost inevitably that the U.S. court order could not be recognized under the general principles of international jurisdiction.

In this way, careless exercise of *in rem* jurisdiction sometimes can cause almost unnecessary conflict. If the first *GlobalSantaFe* order had been based on more carefully found personal jurisdiction—in most cases, personal jurisdiction exercised by U.S. courts under such theories as the Zippo test, the targeting test, etc.,⁵⁹ may be regarded to be compelling and understandable in foreign courts—and thus the application for an injunction had been dismissed in the Korean court, the Korean registrar certainly would have obeyed the order of the U.S. court, and the U.S. plaintiff in *GlobalSantaFe* would not have had to seek an amendment of the order in the U.S. court.

In sum, I believe, regardless of whether a domain name is property or not, *in personam*

⁵⁹ See generally Geist, *supra* note 34.

jurisdiction is still useful and should be more developed in the context of the ACPA. A quick jump to *in rem* jurisdiction is not always a good solution. It is entirely clear in the *in rem* provisions of the ACPA itself that the more frequently *in personam* jurisdiction can be exercised, the less *in rem* jurisdiction will be applied.⁶⁰ This kind of approach may diminish the possibility of conflicts with foreign courts from a practical point of view. In addition, this approach may make the debate on constitutionality of the *in rem* provisions of the ACPA far less necessary.

IV. Reverse Domain Name Hijacking

A. What Is Reverse Domain Name Hijacking?

§ 1114(2)(D)(v) of the ACPA provides:

A domain name registrant whose domain name has been suspended, disabled, or

⁶⁰ The *GlobalSantaFe* court introduced the warning of a law review article against broader exercise of *in rem* jurisdiction, summarizing that:

an aggressive assertion of *in rem* jurisdiction and control over the domain name system based on the essentially arbitrary physical geography may have the unintended consequence of causing a segmentation of the domain name system as other countries seek to assert their own control over the Internet by establishing competing and conflicting systems physically located outside of the United States.

GlobalSantaFe, F. Supp. 2d at 623-24 (citing Struve & Wagner, *supra* note 6, 1019-41). Who can be sure that this segmentation will not happen?

transferred under a policy described under clause (ii)(II)⁶¹ may, upon notice to the mark owner, file a civil action to establish that the registration or use of the domain name by such registrant is not unlawful under this chapter.⁶² The court may grant injunctive relief to the domain name registrant, including the reactivation of the domain name or transfer of the domain name to the domain name registrant.⁶³

⁶¹ 15 U.S.C. § 1114(2)(D)(ii) provides:

An action referred to under clause (i)(I) is any action of refusing to register, removing from registration, transferring, temporarily disabling, or permanently canceling a domain name—
(I) in compliance with a court order under section 1125(d) of this title; or
(II) *in the implementation of a reasonable policy by such registrar, registry, or authority prohibiting the registration of a domain name that is identical to, confusingly similar to, or dilutive of another's mark* (emphasis added).

15 U.S.C. § 1114(2)(D)(i)(I) also provides:

A domain name registrar, a domain name registry, or other domain name registration authority that takes any action described under clause [§1114(2)(D)](ii) affecting a domain name shall not be liable for monetary relief or, except as provided in subclause [§1114(2)(D)(i)](II), for injunctive relief, to any person for such action, regardless of whether the domain name is finally determined to infringe or dilute the mark.

⁶² "This chapter" means the Trademark Act of 1946 (the Lanham Act). *See* H.R. REP. 106-412, at 4. *See also Barcelona.com*, 330 F.3d 617, 628 n.2.

⁶³ 15 U.S.C. § 1114(2)(D)(v).

§ 1114(2)(D) was provided "in order to protect the rights of domain name registrants against 'overreaching trademark owners.'"⁶⁴ This provision authorizes a domain name registrant to file an action against overreaching trademark owners for "reverse domain name hijacking." This term means that, if a domain name registrant cybersquats in violation of the ACPA, that registrant "hijacks" the domain name from a trademark owner. By the same token, if a trademark owner overreaches in exercising trademark rights and takes the domain name away from a legitimate registrant, the trademark owner "reverse hijacks" the domain name from the registrant. Thus, § 1114(2)(D)(v) may be referred to as the "reverse domain name hijacking" provision.⁶⁵

As made clear in the language of the provision, reverse domain name hijacking actions under § 1114(2)(D)(v) are ordinarily brought by a registrant who has lost a Uniform Domain Name Dispute Resolution Policy ("UDRP") administrative proceeding.⁶⁶ However, the UDRP,

⁶⁴ S. REP. No. 106-140, at 11.

⁶⁵ See *Barcelona.com, Inc. v. Excelentísimo Ayuntamiento de Barcelona*, 330 F.3d 617, 625 n.1 (4th Cir. 2003). See also Rules for Uniform Domain Name Dispute Resolution Policy [hereinafter UDRP rules], at <http://www.icann.org/udrp/udrp-rules-24oct99.htm>. According to the UDRP Rules, "reverse domain name hijacking" means "using the [UDRP] in bad faith to attempt to deprive a registered domain-name holder of a domain name." *Id.* ¶ 1.

⁶⁶ Paragraph 4(k) of the Uniform Domain Name Dispute Resolution Policy [hereinafter UDRP] provides in relevant part:

If an Administrative Panel decides that your domain name registration should be canceled or transferred,

which is incorporated in the Registration Agreement between the registrar and the registrant, allows trademark owners to file an administrative proceeding under the UDRP only in limited circumstances where the trademark owner asserts: (i) the disputed domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; (ii) the

we will wait ten (10) business days (as observed in the location of our principal office) after we are informed by the applicable Provider of the Administrative Panel's decision before implementing that decision. We will then implement the decision unless we have received from you during that ten (10) business day period official documentation (such as a copy of a complaint, file-stamped by the clerk of the court) that you have commenced a lawsuit against the complainant in a jurisdiction to which the complainant has submitted under Paragraph 3(b)(xiii) of the Rules of Procedure. (In general, that jurisdiction is either the location of our principal office or of your address as shown in our Whois database. See Paragraphs 1 and 3(b)(xiii) of the Rules of Procedure for details.) If we receive such documentation within the ten (10) business day period, we will not implement the Administrative Panel's decision, and we will take no further action, until we receive (i) evidence satisfactory to us of a resolution between the parties; (ii) evidence satisfactory to us that your lawsuit has been dismissed or withdrawn; or (iii) a copy of an order from such court dismissing your lawsuit or ordering that you do not have the right to continue to use your domain name.

UDRP, at <http://www.icann.org/dndr/udrp/policy.htm>. In the above provision, "we" refers to the registrar and "you" and "your" refer to the domain name holder. *Id.* note 3. Regarding challenges to UDRP rulings in courts, see The UDRP-Court Challenge Database, at <http://www.udrplaw.net/UDRPAppeals.htm> (last updated March 27, 2003, last visited Apr. 11, 2004).

registrant has no rights or legitimate interests in respect of the domain name; and (iii) the domain name has been registered and is being used in bad faith.⁶⁷

Moreover, the UDRP does not prevent a trademark owner from submitting the dispute set forth above to a court of competent jurisdiction for independent resolution before the UDRP administrative proceeding is commenced or after such proceeding is concluded,⁶⁸ nor can the UDRP prevent a trademark owner from filing actions that are not brought pursuant to the mandatory administrative proceeding provisions of the UDRP in court.⁶⁹ Accordingly, Paragraph 3 of the UDRP provides that the registrar will cancel or transfer the domain name in cases where the registrar receives a decision of an administrative panel requiring such action in any administrative proceeding to which the registrant was a party and which was conducted under the UDRP, or the registrar receives an order from a court or arbitral tribunal, in each case of competent jurisdiction, requiring such action.⁷⁰ Thus, in some circumstances, reverse domain

⁶⁷ UDRP, *supra*, ¶ 4(a).

⁶⁸ *Id.* ¶ 4(k).

⁶⁹ *Id.* ¶ 5.

⁷⁰ *Id.* ¶ 3.

name hijacking actions can be brought against foreign judgments involving trademark law disputes between U.S. infringers and foreign trademark owners.⁷¹

B. From Bad to Worse—From *In Rem* to Reverse Domain Name Hijacking?

At first glance, the plain language of § 1114(2)(D)(v) clearly suggests that the issue of whether a domain name registrant has infringed on a trademark owner's rights should be decided under the Lanham Act. In the traditional trademark context, U.S. courts have been reluctant to hear foreign trademark infringement claims. Thus, in U.S. federal courts, the lack of U.S. trademark rights invariably leads to dismissal of the case even where foreign trademark law should apply. This traditional approach, however, may result in unexpected consequences when it applies to reverse domain name hijacking without certain limits. That is, in reverse hijacking cases involving foreign trademark owners, the first and most important issue will be whether the foreign trademark owner also possesses U.S. trademark rights (as long as the U.S. court dealing with the case has jurisdiction to adjudicate the case). If not, grant of relief for the domain name registrant is inevitable. This is so because, if the foreign trademark owner lacks U.S. trademark rights under the Lanham Act, logically there are no rights to infringe on and thus the domain name registrant's registration or use cannot be unlawful under the Lanham Act.

⁷¹ See *infra* Part IV.C.3.

The plain and unambiguous text of § 1114(2)(D)(v) does not appear to allow any possibilities of different interpretation. The conclusion seems to be quite simple and apparently consistent with the statute. Does the analysis just end there? Does this interpretation warrant fair and just results?

Assume that Y, a citizen from country X establishes a U.S. corporation and registers a ".com" domain name in the U.S. corporation's name. The domain name is exactly the same as the trademark of ABC corporation in country X. ABC's trademark is very famous in country X, and ABC's goods sell expensively in country X. However, ABC's trademark is not registered in the U.S., and ABC does not do business in the U.S. at all. Y's Web site is operated in the language of country X. Y's U.S. corporation takes orders from consumers from country X on the Web site and ships counterfeit goods containing ABC's trademark to country X. These goods are much cheaper than the goods of ABC and they are poorly made. Although U.S. consumers also may access the Web site, Y's U.S. corporation does not sell these goods in the U.S. at all. In fact, Y intends to sell counterfeit goods bearing ABC's trademark only to country X's market from the beginning, and Y does not manufacture these fake goods in the United States. They are manufactured in a third country and shipped there directly to country X. Neither Y nor the U.S. corporation registers any trademarks in the United States. ABC files an administrative proceeding against the U.S.

corporation under the UDRP. The panel of the proceeding finally rules in favor of ABC and orders the U.S. corporation to transfer the domain name to ABC. Then, the U.S. corporation brings a reverse domain name hijacking action under § 1114(2)(D)(v) in a U.S. court, asserting that ABC has no U.S. trademark rights and thus the registration or use of the domain name is not unlawful under the Lanham Act.

How should the court decide? In this hypothetical case, do you agree that Y's corporation infringed on ABC's trademark by the registration and use of the domain name? If so, what country's law did Y's corporation violate? Probably, under whatever choice of law theory, no one can deny that country X's trademark law should be applied to this case.

In this regard, I believe that there may be some instances in which a superficially logical, apparent and unambiguous interpretation of § 1114(2)(D)(v) should not be allowed in reverse domain name hijacking claims. However, the courts which have dealt with § 1114(2)(D)(v) claims involving foreign trademark owners do not appear to think so.

I also believe that the reverse domain name hijacking provision can be much more harmful than the *in rem* provision.⁷² *In rem* jurisdiction may deny alleged foreign infringers their

⁷² See Graeme B. Dinwoodie, *The Architecture of the International Intellectual Property System*, 77 CHI-KENT L. REV. 993, 1008-09, n.81 (2002) (noting that more all-encompassing U.S. regulation of the domain name space may occur through the operation of the reverse domain name hijacking provision).

procedural rights; however, the reverse domain name hijacking provision may deny foreign trademark owners their substantive rights.

C. Court Decisions Regarding Reverse Domain Name Hijacking

1. *Barcelona.com, Inc. v. Excelentísimo Ayuntamiento de Barcelona*⁷³

In this case, barcelona.com, Inc., a U.S. corporation, filed an § 1114(2)(D)(v) action against the City Council of Barcelona, Spain, seeking a declaratory judgment that the plaintiff corporation's registration and use of the domain name "barcelona.com" were not unlawful under the Lanham Act. In 1996, Nogueras, a Spanish citizen, registered the domain name with NSI in the name of his wife. On this Web site barcelona.com, he provided information about the city of Barcelona and some other commercial services. In early 1999, Nogueras offered the City Council a chance to negotiate for its acquisition of the domain name barcelona.com, but he received no response. In late 1999, Nogueras incorporated the plaintiff corporation to own barcelona.com and to run a tourist portal for the city of Barcelona.

In early 2000, after meeting with Nogueras, the City Council demanded the transfer of the domain name to the City Council. Following this demand, Nogueras had the domain name transferred from his wife's name to the plaintiff corporation. The plaintiff corporation, however,

⁷³ 330 F.3d 617 (4th Cir. June 2, 2003).

had no employees, had no bank accounts in the United States, and did not own or lease office space in the United States. Nogueras and his wife were the sole shareholders of the corporation, and its computer server was in Spain.

Upon the plaintiff corporation's refusal to transfer the domain name to the City Council, the City Council filed a complaint with the World Intellectual Property Organization ("WIPO") under the UDRP. The City Council asserted that under Spanish law the corporation had no rights to the domain name, while the City Council had about 150 Spanish trademarks that contained the word "Barcelona," such as "Theatre Barcelona," "Barcelona Informacio I Grafic," and "Barcelona Informacio 010 El Tlefon Que Ho Contesta Tot." As part of its complaint, the City Council agreed to be subject to the jurisdiction of the courts of Virginia (United States) with respect to any challenge that may be made by the corporation to a panel's decision in favor of the City Council.

In August 2000, a WIPO panelist ruled in favor of the City Council and ordered the transfer of the domain name *barcelona.com* to the City Council.⁷⁴ Subsequently, the plaintiff corporation commenced this reverse domain hijacking claim under § 1114(2)(D)(v) of the ACPA, asserting

⁷⁴ *Excelentísimo Ayuntamiento de Barcelona v. Barcelona.com Inc.*, No. D2000-0505 (WIPO Aug. 4, 2000), available at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0505.html>.

that its use of the name barcelona.com did not infringe on any trademark of the City Council. The City Council filed no counterclaim to assert its trademark rights.

Somewhat surprisingly, in terms of the conclusion, the district court upheld the decision of the WIPO panel.⁷⁵ A threshold question in this case is, as the district court correctly stated, "whether either party in this case possesses a valid trademark for the name [] Barcelona. []"⁷⁶ In this case, the City Council had neither a U.S. trademark for the name "Barcelona" nor a Spanish trademark for the name "Barcelona" alone. Indeed, the term "Barcelona" alone is a purely geographic mark.

However, the district court ruled that under Spanish law, the term "Barcelona," which was included in the City Council's numerous Spanish trademarks, is clearly the dominant word which characterizes the mark, and the dominant word must be given decisive relevance. In this regard, the plaintiff corporation's domain name barcelona.com is confusingly similar to the dominant word "Barcelona" for which the City Council has a legally valid Spanish trademark. The court added that considering the fact that an Internet user would normally expect the services and information provided by the barcelona.com Web site to be offered by some official body of

⁷⁵ 189 F. Supp. 2d 367 (E.D. Va. Feb. 22, 2002).

⁷⁶ *Id.* at 371.

Barcelona, the plaintiff corporation took advantage of the normal confusion of an Internet user.

The district court also found bad faith in the attempts by Nogueras to sell the domain name to the City Council.⁷⁷

The district court went on to say, dealing with the City Council's counterclaim under § 1125(d)(1)(A) of the ACPA, which indeed had never been filed, that "[i]n the text of [§ 1125(d)(1)(A) of the ACPA] Congress makes no distinction between United States or foreign marks, even though trademark law has historically been governed and regulated on a national level."⁷⁸ According to the district court's understanding as to the legislative purpose of the ACPA, "[i]t is untenable to suppose that Congress, aware of the fact that the Internet is so international in nature, only intended for U.S. trademarks to be protected under the Anticybersquatting statute."⁷⁹ Holding that the Spanish trademark "Barcelona" is valid for purposes of the ACPA, the district court denied the plaintiff's request for a declaratory judgment and ordered the transfer of the domain name barcelona.com to the City Council.

In this ruling, the district court abandoned the traditional notion of territoriality in the context of international trademark law and declared that foreign trademarks would be entitled to

⁷⁷ *Id.* at 372-73.

⁷⁸ *Id.* at 373.

⁷⁹ *Id.*

protection at least under the ACPA. This ruling, however, was short lived as the Fourth Circuit reversed the district court's ruling.

On appeal, the plaintiff corporation contended that when it sought protection under § 1114(2)(D)(v), it was entitled to have its conduct judged by U.S. trademark law, not Spanish trademark law. The City Council countered this assertion by saying that "[t]he [WIPO] administrative transfer proceeding itself gives the district court both subject matter and personal jurisdiction; jurisdiction is not dependent upon allegations of U.S. trademark rights."⁸⁰ The City Council went on to say quite compellingly that "[t]o hold otherwise would be to strip a trademark owner of its foreign rights whenever it is haled into court by a U.S. domain name owner who has lost a UDRP administrative proceeding. Without the ability to assert their rights [in U.S. courts], foreign trademark owners would automatically lose such proceedings, creating an unintended and unjust result."⁸¹

However, the Fourth Circuit does not appear to have been affected by the City Council's argument. The Fourth Circuit ruled first that a § 1114(2)(D)(v) claim has four elements. To seek protection against an overreaching trademark owner under the reverse domain name hijacking

⁸⁰ *Barcelona.com*, 330 F.3d at 622.

⁸¹ *Id.* at 623.

provision,

a plaintiff must establish (1) that it is a domain name registrant; (2) that its domain name was suspended, disabled, or transferred under a policy implemented by a registrar as described in 15 U.S.C. § 1114(2)(D)(ii)(II); (3) that the owner of the mark that prompted the domain name to be suspended, disabled, or transferred has notice of the action by service or otherwise; and (4) that the plaintiff's registration or use of the domain name is not unlawful under the Lanham Act, as amended.⁸²

Then, with regard to the last element that raised the principal issue in the present case, the Fourth Circuit ruled that:

[t]he text of the ACPA explicitly requires application of the Lanham Act, not foreign law, to resolve an action brought under 15 U.S.C. § 1114(2)(D)(v). Specifically, it authorizes an aggrieved domain name registrant to "file a civil action to establish that the registration or use of the domain name by such registrant is not unlawful under this chapter." 15 U.S.C. § 1114(2)(D)(v). It is thus readily apparent that the cause of action created by Congress in this portion of the ACPA requires the court adjudicating such an action to determine whether the registration

⁸² *Id.* at 626.

or use of the domain name violates the Lanham Act. Because the statutory language has a plain and unambiguous meaning that is consistent with the statutory context and application of this language in accordance with its plain meaning provides a component of a coherent statutory scheme, our statutory analysis need proceed no further.

....

By requiring application of United States trademark law to this action brought in a United States court by a United States corporation involving a domain name administered by a United States registrar, 15 U.S.C. § 1114(2)(D)(v) is consistent with the fundamental doctrine of territoriality upon which our trademark law is presently based.

....

It follows from incorporation of the doctrine of territoriality into United States law through Section 44 of the Lanham Act that United States courts do not entertain actions seeking to enforce trademark rights that exist only under foreign law. *See Person's Co., Ltd. v. Christman*, 900 F.2d 1565, 1568-69 (Fed. Cir. 1990) ("The concept of territoriality is basic to trademark law; trademark rights exist in

each country solely according to that country's statutory scheme"). Yet the district court's application of foreign law in this declaratory judgment action did precisely this and thereby neglected to apply United States law as required by the statute.

When we apply the Lanham Act, not Spanish law, in determining whether [the plaintiff corporation]'s registration and use of barcelona.com is unlawful, the ineluctable conclusion follows that [the plaintiff corporation]'s registration and use of the name "Barcelona" is not unlawful.⁸³

One interesting point in this case is that the Fourth Circuit did not rule directly that the City Council had no U.S. trademarks registered in the U.S. or used in U.S. commerce. Rather, the court ruled that "under the Lanham Act, and apparently even under Spanish law, the City Council could not obtain a trademark interest in a purely descriptive geographical designation that refers only to the City of Barcelona."⁸⁴

Before I analyze the Fourth Circuit's reasoning, I must note several things. First, I agree that the district court had subject matter jurisdiction insofar as the plaintiff corporation based this claim on § 1114(2)(D)(v) regardless of whether the Lanham Act ultimately could be applied to

⁸³ *Id.* at 627-29 (footnote omitted) (citation omitted).

⁸⁴ *Id.* at 629.

the claim or not, and whether the claim finally would be decided in favor of the plaintiff or not.⁸⁵

Second, I agree with the Fourth Circuit's understanding that under Spanish law, the City Council could not seek trademark protection against the registration of a domain name that used purely a geographically descriptive part of the City Council's Spanish trademarks that refers only to the city of Barcelona. Third, I agree with the Fourth Circuit's ruling that basically U.S. trademark law is based on the fundamental doctrine of territoriality, which is also recognized in the Paris Convention for the Protection of Intellectual Property, in the sense that a trademark exists only under the laws of each sovereign nation. Thus, I admit that the counterclaim would have been dismissed under the principle of territoriality, had the City Council filed a counterclaim under § 1125(d)(1)(A) of the ACPA in this case. Fourth, and most importantly, I agree with the Fourth Circuit's conclusion that the plaintiff corporation should be granted a declaratory judgment under § 1114(2)(D)(v) of the ACPA. However, I believe that the declaratory judgment in favor of the plaintiff should be granted not because the City Council lacks U.S. trademark rights under the Lanham Act but because the plaintiff corporation's registration and use of the domain name are not unlawful under Spanish law.

⁸⁵ See *Hartford Fire Ins. Co. v. California*, 509 U.S. 764, 794 (1993) (Scalia, J., dissenting); *Lauritzen v. Larsen*, 345 U.S. 571 (1953). See also *Bell v. Hood*, 327 U.S. 678, 685 (1946); *The Fair v. Kohler Die & Specialty Co.*, 228 U.S. 22, 25 (1913).

What if in this case the plaintiff corporation (or Nogueras) had registered and used exactly the same domain name as one of the City Council's Spanish trademarks? If U.S. courts followed the reasoning of the Fourth Circuit in *Barcelona.com* without exception, a foreign trademark owner who sought protection under the UDRP against an alleged U.S. infringer would inevitably face an adverse ruling whenever a U.S. registrant brought a case before a U.S. court⁸⁶ under § 1114 of the ACPA as long as the foreign trademark was not registered in the U.S. or not used in commerce within the meaning of the Lanham Act. More importantly, U.S. court decisions will be final de facto given the fact that all gTLD registries are currently under U.S. control, thereby leaving foreign trademark owners bereft of eventual protection.

To avoid such extremely biased results, in some instances it is desirable for U.S. courts to apply foreign trademark law to the case even though determining when and how to apply foreign law is not a simple question in the international trademark law context, especially in light of the fact that the Internet is accessible simultaneously all over the world. However, once the U.S. voluntarily has taken the responsibility to police all cybersquatting and trademark infringement

⁸⁶ With regard to jurisdiction, at the time of filing a UDRP complaint a foreign trademark holder must agree to submit to jurisdiction of a court either at location of the domain name holder or where the registrar is located in order for a losing domain name registrant to challenge an adverse UDRP decision in court. Thus, U.S. courts will usually be able to exercise personal jurisdiction when a U.S. domain name registrant is involved. *See infra* Part IV.D.1.

relating to gTLDs by the enactment of the ACPA, U.S. courts are required to give the same amount of protection to foreign trademark owners who suffered infringement by U.S. infringers as that given to the U.S. trademark holders who suffered infringement by foreign infringers. It is not justifiable to deny foreign trademark owners protection on the only basis that they are not trademark holders under U.S. trademark law.

2. *International Bancorp, LLC v. Societe des Bains de Mer et du Cercle des Etrangers a Monaco*⁸⁷

In this regard, another Fourth Circuit case, *International Bancorp*, can be understood as the court's effort to avoid harsh results for foreign trademark owners. This case, however, approached the problem in a totally different way. In other words, the Fourth Circuit adopted an approach to broaden the scope of the trademark rights that can be protected under the Lanham Act rather than apply a foreign trademark law. This approach is possible because the U.S. basically has adopted a use-based trademark system as opposed to a registration-based trademark system. *International Bancorp* dealt with the issue of what the exact meaning of "use in commerce" is under the Lanham Act and how broadly it can be construed to protect foreign trademark owners.

In this case, the defendant, a Monaco corporation called Societe des Bains de Mer et du

⁸⁷ 329 F.3d 359 (4th Cir. May 19, 2003), *cert. denied*, 124 S. Ct. 1052 (2004).

Cercle des Etrangers a Monaco ("SBM"), operated historic properties, including a casino in Monte Carlo, Monaco. The casino had operated since 1863 under the "Casino de Monte Carlo" trademark registered in Monaco but not in the United States. SBM had promoted this casino around the world along with its other properties within the U.S. from its New York office, with \$1 million annually for eighteen years. The plaintiff companies,⁸⁸ which were formed and controlled by a French national, operated numerous online gambling Web sites whose domain names included some portion of SBM's trademark, such as "casinodemontecarlo.com," "casinodemontecarlo.net," "casinomontecarlo.com," and "casinomontecarlo.net." All these domain names were registered with NSI.⁸⁹

⁸⁸ In this case, one of the defendants is a U.S. company and the other defendants are U.K. companies. *See Societe des Bains de Mer et du Cercle des Etrangers a Monaco v. I. Bancorp Europe et al.*, No. D2000-1323 (WIPO Jan. 8, 2001), *at* <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1323.html>; *Societe des Bains de Mer et du Cercle des Etrangers de Monaco limited v. International Lotteries*, No. D2000-1326 (WIPO Jan. 8, 2001), *at* <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1326.html>; *Societe des Bains de Mer et du Cercle des Etrangers a Monaco v. International Lotteries et al.*, No. D2000-1327 (WIPO Jan. 8, 2001), *at* <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1327.html>; *Societe des Bains de Mer et du Cercle des Etrangers a Monaco v. International Services Inc. et al.*, No. D2000-1328 (WIPO Jan 8, 2001), *at* <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1328.html>; *Societe des Bains de Mer et du Cercle des Etrangers a Monaco v. Britannia Finance et al.*, No. D2000-1315 (WIPO Jan. 8, 2001), *at* <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1315.html>.

⁸⁹ *Id.*

These Web sites exhibited pictures of the Casino de Monte Carlo's exterior and interior as if they offered online gambling as an alternative to their Monaco-based casino, though they had no such facility. Upon learning of these Web sites, SBM filed a complaint with WIPO under the UDRP. A WIPO panelist ruled in favor of SBM and ordered the transfer of the fifty-three domain names to SBM. To escape this ruling, the plaintiff companies commenced this suit in U.S. federal court⁹⁰ against SBM, seeking a declaratory judgment under 28 U.S.C. § 2201(a).⁹¹ Subsequently, SBM counterclaimed under the Lanham Act for, among other things, trademark infringement and cybersquatting.

The plaintiff companies, as expected, first raised the issue on whether SBM's trademark could be protected in the United States. Under U.S. law, the holder of an unregistered mark must satisfy the "use in commerce" requirement in order to be entitled to trademark protection.

According to the Lanham Act, "[a] mark shall be deemed to be in use in commerce . . . on services when it is used or displayed in the sale or advertising of services and the services rendered in

⁹⁰ The basis for exercise of jurisdiction is not entirely clear. The Fourth Circuit simply noted that "[b]oth [the plaintiff companies] and SBM submitted to the federal court's exercise of *in personam* jurisdiction over them." *Int'l Bancorp*, 329 F.3d at 369 n.6.

⁹¹ The plaintiff companies based their claim on 28 U.S.C. § 2201(a) of the Declaratory Judgment Act, rather than on the reverse domain name hijacking provision under 15 U.S.C. § 1114(2)(D)(v). However, this does not appear to have substantial effects on analyzing this case.

commerce."⁹² It is undisputed that SBM's mark falls within "service mark" under the Lanham Act. Thus, the "use in commerce" requirement consists of two essential elements: (1) advertising the mark, and (2) the rendering of services in commerce. Neither alone is insufficient to establish the protectability of a service mark. In this case, SBM satisfied the first element of the use in commerce requirement because SBM advertised and promoted its gambling services in the U.S. to U.S. citizens, employing the Casino de Monte Carlo mark. The question is whether the second element of the use in commerce requirement was met within the meaning of the Lanham Act, because SBM had never rendered its gambling services in the United States. The record showed

⁹² 15 U.S. C. § 1127 provides in relevant part:

The term "use in commerce" means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce—

(1) on goods when—

(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and

(B) the goods are sold or transported in commerce, and

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

only that some U.S. citizens went to and gambled at SBM's casino in Monte Carlo, Monaco.

The majority of the court began with term "commerce" as defined in the Lanham Act.⁹³

According to the court, the clear definition of "commerce" under the Lanham Act is "coterminous with that commerce that Congress may regulate under the Commerce Clause of the United States Constitution." The majority went on to hold that:

[the plaintiff companies'] concession [that some U.S. citizens gambled at SBM's casino], when taken together with [] the fact that the Casino de Monte Carlo is a subject of a foreign nation, make unavoidable the legal conclusion that foreign trade was present here, and that as such, so also was "commerce" under the Lanham Act.⁹⁴

The majority summarized its logic holding that:

[b]ecause SBM used its mark in the sale and advertising of its gambling services to United States citizens; because its rendering of gambling services to United States citizens constitutes foreign trade; because foreign trade is commerce Congress may lawfully regulate; and because commerce under the Lanham Act comprises all

⁹³ The Lanham Act defines the term "commerce" as "all commerce which may lawfully be regulated by Congress."
15 U.S.C. § 1127.

⁹⁴ *Int'l Bancorp*, 329 F.3d at 365.

commerce that Congress may lawfully regulate, the services SBM renders under "Casino de Monte Carlo" mark to citizens of the United States are services rendered in commerce, and the "use in commerce" requirement that the Lanham Act sets forth for the mark's [protectability] is satisfied.⁹⁵

The majority then held that numerous court opinions⁹⁶ and Trademark Trial and Appellate Board decisions⁹⁷ cited by the dissent and the plaintiff companies are distinguishable, inapposite, or unpersuasive, and rejected the dissent's interpretation of "use in commerce" that both elements must take place in the United States. Finally, the majority ruled that the district court did not err in finding that SBM's mark had acquired secondary meaning and affirmed the district court ruling in favor of SBM.

⁹⁵ *Id.* at 370.

⁹⁶ *E.g.*, *Buti v. Perosa, S.R.L.*, 139 F.3d 98 (2nd Cir. 1998); *Person's Co. v. Christman*, 900 F.2d 1565 (Fed. Cir. 1990); *Imperial Tobacco Limited v. Phillip Morris, Inc.*, 899 F.2d 1575 (Fed. Cir. 1990); *Fuji Photo Film Co. v. Shinohara*, 754 F.2d 591 (5th Cir. 1985); *La Societe Anonymme des Parfums le Galion v. Jean Patou, Inc.*, 495 F.2d 1265 (2nd Cir. 1974); *Morningside Group Limited v. Morningside Capital Group, LLC*, 182 F.3d 133 (2nd Cir. 1999); *CBS, Inc. v. Logical Games*, 719 F.2d 1237 (4th Cir. 1983).

⁹⁷ *E.g.*, *Mother's Restaurants, Inc. v. Mother's Other Kitchen, Inc.*, 218 U.S.P.Q. 1046 (TTAB 1983); *Linville v. Rivard*, 41 U.S.P.Q. 2d 1731 (TTAB 1997); *Techex, Ltd. v. Dvorkovitz*, 220 U.S.P.Q. 81 (TTAB 1983); *Stagecoach Properties, Inc. v. Wells Fargo & Co.*, 199 U.S.P.Q. 341 (TTAB 1978); *Oland's Breweries v. Miller Brewing Co.*, 189 U.S.P.Q. 481 (TTAB 1976); *Sterling Drug, Inc. v. Knoll A.G. Chemische Fabriken*, 159 U.S.P.Q. 628 (TTAB 1968).

With regard to policy concern, the majority admitted that policy was not its forte, but the majority advocated its position by saying that "since avoidance of consumer confusion is the ultimate end of all trademark law, this case presents a paradigmatic situation in which we may see our laws working, as intended, to reduce consumer confusion."⁹⁸ The majority added that "we do not know that this is 'reverse imperialism,' . . . but we do know that the law requires that we permit mark owners like SBM to petition our courts for protection."⁹⁹ To me, this remark seems to be the real reason that led the majority to its conclusion no matter what logical framework they established.

The dissent resisted the majority, noting that allof the existing authorities and every court to address this issue had concluded that both elements of the "use in commerce" must occur in the United States. The dissent criticized that the majority reached an unprecedented conclusion. The dissent noted:

Before concluding, I must note the potential consequences of adoption of the majority's rule. The rule announced by the majority today would mean that any entity that uses a foreign mark to advertise and sell its goods or services to United

⁹⁸ *Int'l Bancorp*, 329 F.3d at 381.

⁹⁹ *Id.* at 382.

States citizens in a foreign country would be eligible for trademark protection under United States law. Such a rule threatens to wreak havoc over this country's trademark law and would have a stifling effect on United States commercial interests generally. Before investing in a mark, firms and individuals would be forced to scour the globe to determine when and where American citizens had purchased goods or services from foreign subjects to determine whether there were trademarks involved that might be used against them in a priority contest or in an infringement action in the United States. On the other hand, SBM and companies like it would, under the majority's rule, suddenly acquire a windfall of potential United States trademark rights for all of the goods and services advertised to and purchased by United States citizens while traveling in their countries. Like some sort of foreign influenza, these new entitlements would accompany American travelers on their return home, creating a vast array of new duties for individuals in the United States seeking to use the same or similar marks on goods or services sold in the United States.¹⁰⁰

¹⁰⁰ *Id.* at 388-89 (footnotes omitted).

Even though the majority distinguished this case from *Person's Co. v. Christman*,¹⁰¹ the dissent's criticism looks quite compelling. In *Person's*, the defendant, a U.S. citizen had visited Japan and purchased several articles of clothing bearing the plaintiff's Japanese trademark. After returning with the clothing to the U.S., the defendant began manufacturing and selling clothing bearing an identical mark and registered the mark with the PTO. However, the Federal Circuit denied relief to the Japanese manufacturer. According to the majority in *International Bancorp*, because the Japanese trademark holder had never used or displayed its mark to advertise or sell its products in the U.S. to U.S. consumers and thus there had been only foreign advertising to foreign consumers, *Person's* could be distinguished from *International Bancorp*.¹⁰² The dissent, however, criticized that because *Person's* involved a mark for goods, not services, and because no advertising element is required as to goods under the Lanham Act, the Federal Circuit in *Person's* must have grounded its conclusion on the fact that the plaintiff's goods had not been sold in the United States. Thus, according to the dissent, the majority's logic, were it applied to *Person's* directly, would lead to a conclusion exactly the opposite of that reached by the Federal Circuit, because under the majority's theory the purchase of clothing in Japan by a U.S. customer

¹⁰¹ 900 F.2d 1565 (Fed. Cir. 1990).

¹⁰² See *Int'l Bancorp*, 329 F.3d at 374-75.

in *Person's* would constitute foreign commerce of the U.S. that Congress may lawfully regulate.¹⁰³ To me, this criticism appears to correctly point out the weakness or inconsistency of the majority's logic because the majority itself made clear that it would not apply its interpretation to a case involving goods.¹⁰⁴

From a slightly different point of view, at least one commentator predicted earlier that the Internet might increase an opportunity for foreign trademark owners to reach U.S. infringers.¹⁰⁵ Indeed, in the era of global commerce and networks, foreign trademark owners are more likely to reach the U.S. market advertising their goods and services via the Internet, making the matter of consumer confusion more problematic. Thus, the question of whether goods or services must be sold or rendered in the U.S. for foreign trademark owners to be protected under the Lanham Act may be raised more frequently in the near future. It is still doubtful whether the majority opinion in *International Bancorp* could be upheld by other courts.

¹⁰³ *Id.* at 390.

¹⁰⁴ *Id.* at 375 n.8.

¹⁰⁵ See Dan L. Burk, *Trademark Doctrines for Global Electronic Commerce*, 49 S.C. L. REV. 695, 730-31. However, the author notes that "the foreign mark must also be in use in the United States," citing *Buti v. Perosa, S.R.L.*, 139 F.3d 98 (2nd Cir. 1998); *Linville v. Rivard*, 41 U.S.P.Q. 2d 1731 (TTAB 1997); *Mother's Restaurants, Inc. v. Mother's Other Kitchen, Inc.*, 218 U.S.P.Q. 1046 (TTAB 1983). See *id.* at 731 n.177.

3. *Hawes v. Network Solutions, Inc.*¹⁰⁶

Shortly after *International Bancorp* and *Barcelona.com*, another Fourth Circuit ruling regarding reverse domain name hijacking followed. Interestingly, this case did not involve a UDRP administrative proceeding. In *Hawes v. Network Solutions, Inc.*, Hawes registered a domain name "lorealcomplaints.com" with NSI allegedly to develop a forum in which to communicate with L'Oreal, a French corporation, concerning problems with its products. L'Oreal filed an action against Hawes in a French court, alleging infringement of L'Oreal's French trademark. Upon learning of this French litigation, NSI transmitted a "Registrar Certificate" for the domain name to L'Oreal's counsel in Paris, tendering control and authority over the registration of the domain name to the French court in accordance with NSI's service agreement with its registrants and the dispute policy. The French court, on Hawes's failure to appear before the court, entered the judgment and ordered transfer of the domain name to L'Oreal. Hawes appealed. But NSI transferred the domain name to L'Oreal. Then, Hawes filed this reverse domain name hijacking action in a U.S. district court seeking transfer of the domain name back to him. L'Oreal filed a counterclaim for trademark infringement and trademark dilution. After the

¹⁰⁶ 337 F.3d 377 (4th Cir. July 9, 2003).

dismissal of Hawes's claim, L'Oreal voluntarily dismissed its counterclaim.¹⁰⁷

The district court dismissed Hawes's reverse domain name hijacking claim for several reasons. The court held, among other reasons, that Hawes's claim lacked one element of a § 1114 (2)(D)(v) claim because L'Oreal's receipt of the domain name was pursuant to a court order, and not pursuant to the implementation of NSI's reasonable policy.¹⁰⁸

The Fourth Circuit reversed the district court ruling. The Fourth Circuit held that Hawes's complaint alleged that the transfer of the domain name occurred pursuant to NSI's Domain Name Dispute Policy incorporated in the Domain Name Registration Agreement, and it was because of that policy that the Registrar Certificate was filed with the French court and that the domain name was ultimately transferred. The Fourth Circuit ruled that because the transfer of the domain name was based on NSI's interpretation of the scope of its "Domain Name Dispute Policy," the requirement that "the transfer be pursuant to a policy implemented by a registrar" would appear to have been adequately alleged.¹⁰⁹

The Fourth Circuit added, citing *International Bancorp*, that adjudication of a § 1114 (2)(D)(v) claim involves neither appellate-like review of, nor deference to, any simultaneously

¹⁰⁷ *Id.* at 379-80.

¹⁰⁸ *Id.* at 384-86.

¹⁰⁹ *Id.*

pending foreign litigation and a § 1114 (2)(D)(v) cause of action requires application of only U.S. law, but that the foreign trademark owner can seek protection by filing a counterclaim, asserting any rights that it may have under U.S. law.¹¹⁰

This case appears to have involved pending foreign litigation. But if courts would apply this ruling equally to all cases involving foreign litigation regardless of whether the litigation is still pending or not and whether the domain name was registered with a foreign registrar or a U.S. registrar, this ruling would likely bring about another type of international conflict with foreign nations. And as I have noted analyzing *GlobalSantaFe*, the fact that all gTLDs are, practically, under the technical control of the United States would bring about eventual dominance of U.S. judgments.

D. Analysis

1. International Jurisdiction: *In Rem* or *In Personam*?

Before analyzing the question of whether the Lanham Act always governs § 1114(2)(D)(v) claims, I will address the matter of international jurisdiction in § 1114(2)(D)(v) claims.¹¹¹ As to reverse domain name hijacking, can U.S. registrants who have lost UDRP administrative

¹¹⁰ *Id.* at 386-87.

¹¹¹ No courts thus far have addressed the personal jurisdiction issue seriously in dealing with reverse domain name hijacking cases involving a foreign trademark owner and a U.S. registrant.

proceedings (or foreign suits) always bring § 1114(2)(D)(v) claims in U.S. courts?

With regard to § 1114(2)(D)(v) claims directly brought as an appeal-like action from the adverse UDRP administrative proceedings, U.S. courts may exercise personal jurisdiction over a foreign trademark owner by consent. The UDRP Rules, which govern administrative proceedings for the resolution of disputes under the UDRP, provide that a trademark owner who files an administrative proceeding must agree to "submit, with respect to any challenges to a decision in the administrative proceeding canceling or transferring the domain name, to the jurisdiction of the courts in at least one specified Mutual Jurisdiction."¹¹² Paragraph 1 of the UDRP Rules also provides:

Mutual Jurisdiction means a court jurisdiction at the location of either (a) the principal office of the Registrar (provided the domain-name holder has submitted in its Registration Agreement to that jurisdiction for court adjudication of disputes concerning or arising from the use of the domain name) or (b) the domain-name holder's address as shown for the registration of the domain name in Registrar's Whois database at the time the complaint is submitted to the Provider.¹¹³

¹¹² See UDRP Rules, *supra* 65, ¶ 3(b)(xiii).

¹¹³ *Id.* ¶ 1.

Thus, in most § 1114(2)(D)(v) cases in which a U.S. domain name registrant brings a § 1114(2)(D)(v) claim as the losing party in a UDRP administrative proceeding, U.S. courts will have personal jurisdiction over a foreign trademark owner. However, it is not entirely clear whether U.S. courts can always exercise personal jurisdiction in cases where a UDRP administrative proceeding is not involved, as shown in *International Bancorp*. The question of whether the *in rem* provisions of the ACPA can be applied to § 1114(2)(D)(v) claims may be raised theoretically. Unlike § 1125(d)(2), § 1114(2)(D)(v) does not appear to provide for *in rem* jurisdiction. Some may argue that, since the primary—in fact, the only—rationale that justifies exercise of *in rem* jurisdiction in § 1125(d)(2) is that the domain name is property which has its situs where a U.S. registry or registrar is located, logically courts also may exercise *in rem* jurisdiction in § 1114(2)(D)(v) claims over a foreign trademark owner.¹¹⁴

¹¹⁴ There are no comments about *in rem* jurisdiction regarding § 1114(2)(D)(v) in the legislative history of the ACPA. Interestingly, according to the legislative history, § 1114 (2)(D)(ii)(II), which is cited in § 1114 (2)(D)(v), was originally

in the implementation of reasonable policy by such registrar, registry, or authority prohibiting the registration of a domain name that is identical to, confusingly similar to, or dilutive of another's mark registered on the Principal Register of the United States Patent and Trademark Office, or of a trademark, word, or name protected by reason of section 706 of title 18 United States Code, or section 220506 of title 36, United States Code.

H.R. REP. No. 106-412, at 3-4 (emphasis added). Compare this with current § 1114 (2)(D)(ii)(II) "in the

However, I do not agree with that interpretation. The *in rem* provision of the ACPA has been criticized by a number of commentators for offending due process since its enactment. Hence, it is my view that the *in rem* provision of the ACPA should be applied as restrictively as possible, rather than expansively. More importantly, if *in rem* jurisdiction is allowed in § 1114(2)(D)(v) claims, there are no reasonable grounds to limit its application only to the § 1114(2)(D)(v) claims brought by U.S. citizens. Therefore, under that broad interpretation, the conclusion is inevitable that all foreign domain name registrants who have lost UDRP proceedings or court litigation can always bring § 1114(2)(D)(v) actions against foreign trademark owners before U.S. courts merely because the registry of gTLD is located in the United States, even though a foreign registrant and a foreign trademark owner have no other contacts with the United States. This conclusion appears

implementation of a reasonable policy by such registrar, registry, or authority prohibiting the registration of a domain name that is identical to, confusingly similar to, or dilutive of another's mark." In enacting § 1114 (2)(D), the ACPA is said to have anticipated "a reasonable policy against cyberpiracy will apply only to marks registered on the Principal Register of the Patent and Trademark Office in order to promote objective criteria and predictability in the dispute resolution process." *See id.* at 15. The House Report also noted that "NSI has maintained a domain name policy since 1995[.] . . . Only owners of trademark that are registered with the U.S. Trademark Office's Principle Register and are identical to the disputed domain name can invoke the dispute policy." *See id.* at 6. The reason the original draft of § 1114 (2)(D)(ii)(II) was changed is not clear; however, this legislative history may provide some clues as to why there was no *in rem* jurisdiction provision with regard to reverse domain name hijacking.

to be somewhat unreasonable and unacceptable to both U.S. courts and foreign trademark owners.

Inconsistency between § 1114(2)(D)(v) and § 1125(d)(2) with regard to *in rem* jurisdiction only evidences the precariousness of *in rem* jurisdiction in § 1125(d)(2).

2. Does the Lanham Act Always Govern All Reverse Domain Name Hijacking Claims?

Although I believe that the Fourth Circuit decided rightly in both *International Bancorp* and *Barcelona.com*, I do not agree with their reasoning. Traditionally, U.S. courts have been reluctant to hear claims based on foreign trademark laws, while expressing much willingness to apply U.S. trademark law extraterritorially. Thus, in order to prevail in U.S. federal courts, trademark owners must assert they have trademark rights under the U.S. trademark law first under this theory. If a foreign trademark owner fails to assert U.S. trademark rights, the claim will be dismissed even in cases where the foreign plaintiff has trademark rights under a foreign law and the foreign law should be applied to the case.

With regard to claims based on § 1114(2)(D)(v), courts appear to take the position that as long as (1) the court has personal jurisdiction over the foreign defendant, and (2) the registrant's domain name was suspended, disabled, or transferred under the UDRP, the question of whether the registrant infringes on foreign trademark rights should be decided by the Lanham Act. Under this interpretation, the only decisive factor is invariably whether or not the foreign trademark

owner has U.S. trademark rights.

If other countries adopted the Fourth Circuit's approach in *Barcelona.com* in instances where a trademark owner and a domain name registrant were from different countries, the results would be disastrous in terms of the smooth operation of the UDRP. If a foreign court (i.e., the domain name registrant's home country court) before which a reverse domain name hijacking claim is brought by a trademark holder's submission to the foreign court's jurisdiction in accordance with the UDRP and the Rules for UDRP looked only to its own trademark law, all UDRP decisions in favor of the trademark owner would be reversed as long as the trademark owner does not have trademark rights in the registrant's home country. These results would make the UDRP almost meaningless.

I do not think that the Fourth Circuit's interpretation is a fair reading of § 1114(2)(D)(v). The legislative purpose of § 1114(2)(D)(v) is to protect the rights of domain name registrants against "overreaching" trademark owners, not against "foreign trademark" owners.¹¹⁵ Why is it always "overreaching" for foreign trademark owners to assert their foreign trademark rights against U.S. registrants in UDRP administrative proceedings? Is there no possibility at all for U.S. registrants to infringe on foreign trademark rights? Do the U.S. courts really agree that foreign trademarks

¹¹⁵ S. REP. NO. 106-140, at 11.

cannot be protected from U.S. registrants at all in UDRP proceedings? If not, what makes the status of foreign trademark owners so different in the U.S. courts? Just as foreign registrants may infringe on U.S. trademark rights, U.S. registrants sometimes may infringe on foreign trademark rights.

The Fourth Circuit in the *Barcelona.com* case ruled that

[b]y requiring application of United States trademark law to this action brought in a United States court by a United States corporation involving a domain name administered by a United States registrar, *15 U.S.C. § 1114(2)(D)(v) is consistent with the fundamental doctrine of territoriality upon which our trademark law is presently based.*¹¹⁶

Again, I do not agree with this ruling. The fundamental doctrine of territoriality does not always warrant immunity from foreign trademark law violation. The doctrine of territoriality simply means that U.S. courts do not adjudicate foreign trademark claims. In cases where foreign trademark owners seek protection under foreign trademark laws in U.S. courts, and courts conclude that foreign trademark laws should apply, courts do not hear their claims.¹¹⁷ However,

¹¹⁶ *Barcelona.com, Inc. v. Excelentísimo Ayuntamiento de Barcelona*, 330 F.3d 617, 628 (4th Cir. 2003) (emphasis added).

¹¹⁷ *Vanity Fair Mills v. Eaton Co.*, 234 F.2d 633 (2d Cir. 1956); *Alcar Group v. Corporate Performance Sys., Ltd.*,

the dismissal of the case does not mean at all that the defendant did not infringe on foreign trademark rights.

Indeed, as *Person's*¹¹⁸ noted, "[t]he concept of territoriality is basic to trademark law; trademark rights exist in each country solely according to that country's statutory scheme." No matter how broadly U.S. courts have, since *Steele*, applied the Lanham Act extraterritorially, there have been and must be some limits. If a certain case crosses that border, the Lanham Act does not apply any more. Neither U.S. courts nor Congress can regulate all sales of goods and services bearing foreign marks and carried out by foreigners in foreign nations. Where the only question has become whether a person violated foreign trademark law or not, the U.S. courts' answer that it is not a violation because the foreign trademark owner has no U.S. trademark rights does not make sense at all. Rather, it is a meaningless answer. Again, what if, in *Barcelona.com*, the Spanish citizen had registered exactly the same domain name as one of the City Council's registered Spanish trademarks which obtained a secondary meaning without any doubt? How would the Fourth Circuit have decided? Remember that in *Barcelona.com* the City Council had not filed a counterclaim.

109 F. Supp. 2d 948, 952 (N.D. Ill. 2000).

¹¹⁸ *Person's Co. v. Christman*, 900 F.2d 1565, 1568-69 (Fed. Cir. 1990).

In § 1114(2)(D)(v) cases, foreign trademark owners are not claiming their foreign trademark rights. They are just subjected to U.S. courts as defendants by U.S. domain name registrants.

Regardless of the nationality and physical situs of U.S. domain name registrants, some of their conduct might occur or be considered to occur in foreign countries or have effects on foreign countries. In those cases, foreign trademark laws may be applied justifiably just as U.S. courts apply U.S. trademark law to foreign infringers, declaring that the conduct of such foreign infringers occurred in the United States in some cases or holding that U.S. trademark law may apply extraterritorially in other cases.

Thus, I argue that in § 1114(2)(D)(v) claims the Lanham Act does not always apply. In other words, there may be some instances in which foreign trademark laws could and should be applied to the conduct of U.S. registrants even in the cases brought under § 1114(2)(D)(v) before U.S. courts.

In most cases where foreign trademark owners assert that U.S. domain name registrants are infringing on their rights in UDRP proceedings or in their own countries' courts, these foreign trademark owners are alleging that U.S. domain name registrants are violating foreign trademark laws. Therefore, courts adjudicating § 1114(2)(D)(v) claims brought by U.S. domain name registrants first have to address the question of what law should govern the disputed infringement

rather than whether the foreign trademark owner has U.S. trademark rights.

If a court concludes that foreign trademark law should govern a case *and* a U.S. domain name registrant has infringed on the rights of a foreign trademark owner, just as U.S. courts apply the Lanham Act to protect U.S. trademark owners against foreign infringers, the court should dismiss the U.S. domain name registrant's § 1114(2)(D)(v) claim. This dismissal should occur because the cause of action is that the domain name registrant is not unlawful *under the Lanham Act*, but it has proven that the case is *not under the Lanham Act*. My view is that the language of § 1114(2)(D)(v) does not always require that the decision about whether a U.S. domain name registrant infringes on foreign trademark rights or not be made by looking at whether the foreign trademark owner also has U.S. trademark rights or not. Whether a U.S. domain name registrant may bring a § 1114(2)(D)(v) claim asserting that the Lanham Act should apply to a given case is one thing; whether the domain name registrant's claim really falls within the scope of § 1114(2)(D)(v), where the Lanham Act should apply, is quite another.

I argue that my approach is *not inconsistent* with the fundamental doctrine of territoriality upon which U.S. trademark law is presently based. If a foreign trademark owner files a counterclaim in a § 1114(2)(D)(v) case as instructed by the *Hawes* court,¹¹⁹ the counterclaim will

¹¹⁹ *Hawes v. Network Solutions, Inc.*, 337 F.3d 377, 387 (4th Cir. 2003).

be dismissed as long as the foreign mark owner fails to assert and prove his or her trademark rights under U.S. trademark law. This is the very application of the fundamental doctrine of territoriality upon which U.S. trademark law is based. In my approach, indeed, the foreign trademark owners do not have to file counterclaims in U.S. courts at all because foreign trademark owners who win UDRP proceedings (or foreign suits) may request that the registrar comply with UDRP resolutions or foreign judgments.¹²⁰

Some may argue that whether the Lanham Act or foreign trademark laws should govern a case is not an easy question to decide. Some may also argue that finding and applying foreign law is not so easy. Nevertheless, these problems are not unique only in § 1114(2)(D)(v) claims; rather they reflect typical choice of law questions. U.S. courts have well-established trademark law jurisprudence involving U.S. trademark owners and foreign domain name registrants. Is there any reason not to apply the same standard to cases involving U.S. domain name registrants and

¹²⁰ Paragraph 4(k) of the UDRP provides in relevant part:

If we [the registrar] receive such documentation within the ten (10) business day period, we will not implement the Administrative Panel's decision, and we will take no further action, until we receive (i) evidence satisfactory to us of a resolution between the parties; (ii) evidence satisfactory to us that your lawsuit has been dismissed or withdrawn; or (iii) a copy of an order from such court dismissing your lawsuit or ordering that you do not have the right to continue to use your domain name.

UDRP, *supra* note 66, ¶ 4(k).

foreign trademark owners in deciding whether U.S. domain name registrants violate foreign trademark laws? Does the application of foreign law appear to be so difficult in *International Bancorp* and *Barcelona.com*?¹²¹ In this sense, the above-suggested approach may be roughly referred to as a (*restricted*) *reverse extraterritorial application of foreign trademark law* compared to an *extraterritorial application of U.S. trademark law* established in *Steel v. Bulova Watch Co.*¹²² In deciding whether a foreign trademark law or the Lanham Act applies to a given case, the following elements may be considered: (1) substantial effects of the U.S. domain name registrant's conduct on foreign commerce or the foreign trademark owner's rights; (2) the domain name holder's trademark rights under U.S. trademark law; (3) in some cases, the citizenship of the domain name holder, etc., along with other factors. In addition, some significant U.S. values, such as free speech, should also be considered. In a sense, such an approach requires a "reverse-Steele test." Admittedly, however, the most problematic question may arise in cases where the conduct of U.S. (or, in some cases, foreign) registrants has effects on both U.S. and foreign

¹²¹ Interestingly, the Fourth Circuit in *Barcelona.com* added that "apparently even under Spanish law, the City Council could not obtain a trademark interest in a purely descriptive geographical designation that refers only to the City of Barcelona. . . . [S]ee also Spanish Trademark law of 1988, Art. 11(1)(c) (forbidding registration of marks consisting exclusively of 'geographical origin')." *Barcelona.com, Inc. v. Excelentísimo Ayuntamiento de Barcelona*, 330 F.3d 617, 69 (4th Cir. 2003).

¹²² 344 U.S. 280 (1952).

consumers simultaneously.

This approach also may prevent conflicts between U.S. and foreign judgments effectively.

As in *Hawes*, there may be parallel suits in U.S. and foreign courts. As long as U.S. courts strictly adhere to the current position, conflicts with foreign judgments seem unavoidable. These conflicts occur mainly because foreign trademark owners who are unable to invoke U.S. trademark rights always end up losing cases in U.S. courts under the current interpretation. And the fact that all gTLDs are under the control of the U.S. results in the dominance of U.S. judgments. It is needless to say that those results are extremely unacceptable in this era of global economy. Moreover, the current interpretation of U.S. courts may also be inconsistent with the general principles of recognition and enforcement of foreign judgments.

It should be noted that this new approach has far fewer effects on the traditional and fundamental doctrine of territoriality in the context of international trademark law than does the district court's approach in *Barcelona.com*,¹²³ where the district court ruled that foreign trademark owners may bring claims premised on the violation of foreign trademarks under § 1125(d) because the statute's coverage is not limited to violations of U.S. trademarks.¹²⁴ Indeed,

¹²³ *Barcelona.com, Inc. v. Excelentísimo Ayuntamiento de Barcelona*, 189 F. Supp. 2d 367 (E.D. Va. 2002).

¹²⁴ *Id.* at 373-77.

the doctrine of territoriality is not unique in the United States. Rather, this doctrine is common in the context of international trademark law. As described above, I do not argue that foreign trademark owners should be allowed to seek protection pursuant to foreign trademark laws in U.S. courts.

With regard to the ruling in *International Bancorp*, above all, it appears to be an anomaly in traditional U.S. trademark law jurisprudence, although I am quite respectful of the *International Bancorp* court's effort to reach a just and fair conclusion. Surely, a foreign trademark owner may counterclaim in a § 1114(2)(D)(v) claim, asserting that his or her mark is protected in the United States because it is used in U.S. commerce. Nonetheless, it is still doubtful that the interpretation of "use in commerce" in *International Bancorp* will prevail in other courts.¹²⁵ Furthermore,

¹²⁵ In *Empresa Cubana Del Tabaco v. Culbro Corp.*, the court noted:

The Fourth Circuit has recently called the territoriality principle into question. . . . The dissent warned that the decision "threatens to wreak havoc over this country's trademark law" because potential trademark registrants "would be forced to scour the globe to determine when and where American citizens had purchased goods and services from foreign subjects to determine whether there were trademarks involved that might be used against them in a priority contest or in an infringement action in the United States." [*International Bancorp, LLC v. Societe Des Bains De Mer et du Cercle Des Etrangers a Monaco*, 329 F.3d 359 (4th Cir. 2003) (cert. denied)], at 388 (Motz, J., dissenting). Th[is] Court concurs with McCarthy, 29:4 (2003), who "agrees with the result, but disagrees with the legal analysis." Rather than decide the case on the meaning of "use in commerce," McCarthy argues, "the case should have been analyzed as an application of the 'famous marks' doctrine."

International Bancorp can be said to be also based on the theory that all § 1114(2)(D)(v) claims require the application of the Lanham Act. Therefore, *International Bancorp* cannot be a solution in disputes involving foreign trademark owners who do not have U.S. trademarks at all.

In sum, what I argue is that § 1114(2)(D)(v) should not act as a safe haven for trademark infringers against foreign trademark owners and should not function as an absolute bar to foreign trademark owners who have no U.S. trademark rights. In other words, the applicability of foreign law in reverse domain name hijacking claims should not be completely denied, even though the standards of when and how to apply foreign law in the Internet context have still not been sufficiently established and those cases in which foreign law should be applied may not be very common. The dogma of unilateral application of U.S. trademark law should be overcome at least in reverse domain name hijacking claims.

3. *Forum Non Conveniens*

From the perspective of courts, another possible way to solve the problem of reverse domain name hijacking claims involving foreign factors is the dismissal of a claim on the basis of *forum non conveniens*.¹²⁶ Although most reverse domain name hijacking claims involve UDRP

Empresa Cubana Del Tabaco v. Culbro Corp., 2004 U.S. Dist. LEXIS 4935 at *88 n.8 (S.D.N.Y. 2004).

¹²⁶ See *McNeil v. Stanley Works*, 33 Fed. Appx. 322, 324 (9th Cir. 2002)

proceedings and thus U.S. courts dealing with the claims have personal jurisdiction over defendants by their consent to jurisdiction, the fact that the court has personal jurisdiction is not a bar to the application of the doctrine. The doctrine of *forum non conveniens*, by definition, applies only if a court has jurisdiction. If the court lacks personal or subject matter jurisdiction, the court must dismiss the action for want of jurisdiction, not on the ground of *forum non conveniens*. It should be noted that a complainant's consent to jurisdiction at the time of filing a UDRP proceeding pursuant to the UDRP Rules is "permissive, rather than mandatory, because it does not specify that the court[] [determined pursuant to the UDRP Rules] will have exclusive jurisdiction."¹²⁷ Thus, the holding in *M/S Bremen v. Zapata Off-Shore Co.*¹²⁸ that the (mandatory) forum-selection clause should be enforced does not apply to the forum choice pursuant to the UDRP Rules.¹²⁹

Forum non conveniens is a discretionary doctrine that allows a court to decline to exercise jurisdiction if the court determines that there is a more appropriate court to adjudicate the case. The issue of *forum non conveniens* usually comes before the court on a motion by the defendant

¹²⁷ *Id.* (citing *N. Cal. Dist. Council of Laborers v. Pittsburg-Des Moines Steel Co.*, 69 F.3d 1034, 1036-37 (9th Cir. 1995) ("To be mandatory, a clause must contain language that clearly designates a forum as the exclusive one.")).

¹²⁸ 407 U.S. 1 (1972).

¹²⁹ *See McNeil*, 33 Fed. Appx. at 324.

to dismiss. *Gulf Oil Corp. v. Gilbert*¹³⁰ and *Piper Aircraft Co. v. Reyno*¹³¹ established a formulation of the *forum non conveniens* doctrine and provided a list of factors for courts to consider in exercising their sound discretion. The defendant moving to dismiss, must show that: (1) there is an adequate alternative forum; and (2) relevant public and private factors are in favor of dismissal. The private interest factors include the ease of access to sources of proof; availability of witnesses; possibility of view of premises, if it would be needed; and all other practical problems that make trial of a case easy, expeditious, and inexpensive.¹³² Public interest factors include "the administrative difficulties flowing from congestion; the local interest in having localized controversies decided at home; the interest in having the trial of a diversity case in a forum that is at home with the law that must govern the action; the avoidance of unnecessary problems in conflict of laws, or in the application of foreign law; and the unfairness of burdening citizens in an unrelated forum with jury duty."¹³³

"At the outset of any *forum non conveniens* inquiry, the court must determine whether there

¹³⁰ 330 U.S. 501 (1947).

¹³¹ 454 U.S. 235 (1981).

¹³² *Piper*, 454 U.S. at 241 n.6 (citing *Gilbert*, 330 U.S. at 508).

¹³³ *Id.* (citing *Gilbert*, 330 U.S. at 509) (internal quotation omitted).

exists an alternative forum."¹³⁴ If "the remedy provided by the alternative forum is so clearly inadequate or unsatisfactory that it is no remedy at all,"¹³⁵ the first step in *forum non conveniens* analysis will not be satisfied. However, since most domain name hijacking claims involve UDRP proceedings and the registrar of the disputed domain name will not implement the decision of an administrative panel until the claim filed by the registrant is finally resolved,¹³⁶ the adequate alternative forum requirement will be met without difficulty as long as the forum proposed by the defendant¹³⁷ allows a declaratory judgment and the defendant submits to the jurisdiction of the alternative forum.

¹³⁴ *Id.* at 254 n.22.

¹³⁵ *Id.* at 254.

¹³⁶ According to the UDRP,

[the registrar] will not implement the Administrative Panel's decision, and [the registrar] will take no further action, until [the registrar] receive[s] (i) evidence satisfactory to [the registrar] of a resolution between the parties; (ii) evidence satisfactory to [the registrar] that[the registrant's] lawsuit has been dismissed or withdrawn; or (iii) a copy of an order from such court dismissing [the registrant's] lawsuit or ordering that [the registrant] do[es] not have the right to continue to use [the] domain name.

UDRP, *supra* note 66, ¶ 4(k). In my opinion, the plaintiff whose reverse domain name hijacking claim has been dismissed on the ground of *forum non conveniens* should be allowed to invoke a further stay of the implementation of the UDRP decision by filing a new claim in the alternative forum.

¹³⁷ The defendant moving for *forum non conveniens* dismissal will probably select a forum where the defendant's trademark is protectable under the forum's law as an adequate alternative forum.

Thus, in circumstances where both parties to a reverse domain name hijacking claim are foreign, and U.S. jurisdiction is *only* based on the defendant's consent to jurisdiction of a court at the location of a registrar pursuant to the UDRP, and consequently foreign trademark law issues are raised, more often than not the dismissal of the case on the basis of *forum non conveniens* will be appropriate. "A permissive [i.e., not exclusive] choice of forum does not constitute a concession that the forum selected is convenient, and does not require the party moving to dismiss on the basis of *forum non conveniens* to make a heightened showing of inconvenience."¹³⁸ Furthermore, "the possibility of an unfavorable change in law should *never* be a relevant consideration in a *forum non conveniens* inquiry."¹³⁹ Indeed, a foreign registrant who has no contacts with United States might intentionally have registered his or her domain name with a U.S. registrar only in the hope that the lack of a foreign trademark owner's U.S. trademark rights would warrant protection of the domain name under the reverse domain name provision of the ACPA despite the domain name's apparent infringement on foreign trademark rights. Such an absurd result, however, is exactly what U.S. courts should avoid. In those cases, the real question is whether the foreign domain name registrant infringes on the foreign trademark owner's rights

¹³⁸ *McNeil*, 33 Fed. Appx. at 325-326 (citing *Blanco v. Banco Indus. de Venezuela S.A.*, 997 F.2d 974, 979-80 (2d Cir. 1993); *Gemini Capital Group, Inc. v. Yap Fishing Corp.*, 150 F.3d 1088, 1092 (9th Cir. 1998)).

¹³⁹ *Piper*, 454 U.S. at 254.

under applicable foreign law. In this regard, dismissal of the case under the *forum non conveniens* doctrine may be a possible solution in circumstances where only foreign trademark law issues between foreign parties are involved and a trial of the case in U.S. courts is not appropriate in light of relevant private and public factors.

On the other hand, considering that plaintiff's choice of forum is given great deference in U.S. courts when the chosen forum is the home of the plaintiff,¹⁴⁰ a U.S. court will be reluctant to dismiss a reverse domain name hijacking claim brought by a U.S. registrant against a foreign trademark owner under the *forum non conveniens* doctrine. In this regard, the doctrine of *forum non conveniens* also cannot be an alternative to the application of foreign trademark law in reverse domain name hijacking claims.

V. Conclusion

In rem jurisdiction in the ACPA regarding foreign registrants is almost futile except in very limited cases, as most cases in U.S. courts can find *in personam* jurisdiction by examining minimum contacts between the foreign defendants and the forum more carefully. Moreover, these

¹⁴⁰ See *Koster v. Lumbermens Mutual Casualty Co.*, 330 U.S. 518, 524 (1947) ("In any balancing of conveniences, a real showing of convenience by a plaintiff who has sued in his home forum will normally outweigh the inconvenience the defendant may have shown.").

in rem jurisdiction provisions are inconsistent even with other provisions of the ACPA itself.

Despite possible—sometimes actual—conflicts with foreign countries, the ACPA has been applied and executed effectively in the present circumstance in which all gTLDs are under U.S. control.

While subjecting to U.S. law and U.S. courts all alleged foreign infringers on the U.S. trademark rights, the ACPA fails to give the same amount of protection to foreign trademark rights infringed by U.S. registrants in U.S. courts. The ACPA might even frustrate execution of the foreign judgments decided in favor of foreign trademark owners for the sake of U.S. registrants.

From a practical point of view, this problem cannot be resolved appropriately by foreign courts due to the ultimate control of gTLDs by the United States. Even though the ACPA might have intended to protect U.S. trademark owners via *in rem* jurisdiction and the unilateral application of the Lanham Act, ironically enough, the ACPA would bring about a fundamental challenge to, and precipitate rethinking of, the traditional unilateral U.S. trademark law jurisprudence in the international trademark law context.