

Cyberspace—Conflicting Jurisdictional Spheres of Litigating IPR Claims

Tushar Kanti Saha†

National University of Lesotho, P O Roma 180, Maseru 100, Southern Africa

Received 30 May 2010, revised 9 August 2010

Cyberspace is an amorphous space which operates logically and its domain covers many areas of law and regulation including intellectual property rights infringement nuanced heavily on copyright jurisprudence and trade-related issues. IP protection in cyberspace embraces four clusters, namely, copyright; data protection; trademark, service mark, trade name and trade dress; and domain names. The jurisdictional sphere of cyberspace assumes importance in the light of conflicting claims which are litigated in the traditional mode without a unique model of jurisprudence suitable for resolution of myriad jurisdictional issues emanating from technological innovation. A single transaction in cyberspace may involve the laws of at least three jurisdictions: (1) the laws of the state/nation in which the user resides, (2) the laws of the state/nation where the server hosting the transaction is located, and (3) the laws of the state/nation which apply to the person or business with whom the transaction takes place. The paper explores how the traditional principles of jurisdiction are being adapted to amenability of jurisdiction of cyberspace-origin cases.

Keywords: Cyberspace, jurisdiction, copyright, database, trademarks, domain names

Jurisdiction is a legal aspect of state sovereignty and it refers to judicial, legislative and administrative competence. Although jurisdiction is an aspect of sovereignty, it is not coextensive with it. The laws of a nation may have extra-territorial impact extending the jurisdiction beyond the sovereign and territorial limits of that nation. This is particularly problematic as the medium of the Internet does not explicitly recognize sovereignty and territorial limitations. There is no uniform, international jurisdictional law of universal application, and such questions are generally regarded as matters of conflict of laws or private international law. To exemplify, the contents of a web site may be legal in one country and illegal in another. In the absence of a uniform jurisdictional code, legal practitioners are generally left with a conflict of law.

In the *US v Jake Baker*¹, the defendant faced criminal charges for his e-conduct although his case set a precedent of the right to free speech over Internet. Besides, numerous users of peer-to-peer file-sharing software were also subject to civil lawsuits for copyright infringement in the recent past. The system runs into conflicts, however, when these suits are international in nature. Simply put, legal conduct in one nation may be decidedly illegal in another. In fact, even different standards concerning the burden

of proof in a civil case can cause jurisdictional frictions. Currently, location and activity of the online parties determine the jurisdiction which is based on the idea of minimum contact theory.

Cyberspace is the vanishing point of copyright jurisprudence. The marriage between virtual world and real world is a fertile institution for new born ideas and exploration of immense proportion spiking all dimensions of living entities. The constant revolution of information flow and communication technologies is forcing a rethink of the idea of intellectual property legal regime throughout the world. Infringement of intellectual property rights over the Internet increased to unprecedented scales. The traditional modes of protection of copyrights, trademarks, patents, software, databases, and so forth now appear to be ill-suited to solve many of the problems and no tailor-made solutions are in sight. This creative illusion has affected the governments, businesses and citizens throughout the world—especially when practically every act makes a copy, where innovation is happening at a rapid pace, and in an environment where sharing of information is nearly instantaneous and free. To the developing world, these hydra-headed issues throw the dilemma of an incoming tide of structurally-enforced mechanism, grounded in property rights and enforced by the most powerful, intellectual property-exporting nations.

† Email: drtksaha@gmail.com

The paper first provides an overview of some terms and legal aspects related to cyberspace and later discusses the four clusters, namely, copyright, data protection, trademark and domain names with specific reference to how traditional principles of jurisdiction are being applied to the jurisdiction of cyberspace origin cases.

Definition of Internet

On 24 October 1995, the Federal Networking Council (FNC) unanimously passed a resolution defining the term Internet. According to it, Internet refers to the global information system that (i) is logically linked together by a globally unique address space based on the Internet Protocol (IP) or its subsequent extensions/follow-ons; (ii) is able to support communications using the Transmission Control Protocol/Internet Protocol (TCP/IP) suite or its subsequent extensions/follow-ons, and/or other IP-compatible protocols; and (iii) provides, uses or makes accessible, either publicly or privately, high level services layered on the communications and related infrastructure described herein.

Origin and Subject Matter of Disputes

Disputes in the sphere of cyberspace may be of diverse origin. An Internet agreement is one important and recurring source. Internet agreements do not necessarily imply Internet-only agreements, and often involve other aspects, although, a website linking agreement is an example of an Internet-only agreement. A few of the forms have only a feeble connection to the Internet, e.g. the celebrity endorsement agreement. Legal documents available for websites include terms of use agreements, video content license agreement, domain name purchase agreement, website development agreement, press releases for website milestones or announcements, privacy policies, Internet advertising agreements, copyright and trademark protection notices, website disclaimers, website contracts, and much more.

Jurisdiction in International Law

There are three types of jurisdiction generally recognized in international law. These are: (1) jurisdiction to prescribe; (2) jurisdiction to enforce; and (3) jurisdiction to adjudicate. In international law, generally accepted bases of jurisdiction or theories under which a state may claim to have jurisdiction to prescribe a rule of law over an activity fall into following categories: (a) subjective

territoriality (b) objective territoriality (c) nationality (d) protective principle (d) passive nationality and (e) universality with the stipulation that exercise of jurisdiction must be reasonable. In the context of cyberspace, the territoriality question can be addressed by reference to the 'law of the server' i.e. the server where the webpage is physically located. Territorialisation of cyberspace through its servers, however, has range of associated problems if applied literally, such as, existence of webpage in the absence of its accessibility, constituents of a web page collected from other servers, links to other pages located in other countries, and randomness and anonymity of the interactivity conducted on cyberspace. The theory of international space is based on nationality rather than territoriality including outer space and the high seas. In outer space, the nationality of the registry of the vessel, manned or unmanned, is the relevant category whereas on the high seas, the nationality of the vessel, the 'law of the flag', is the primary rule. However, a contesting theory likens the high sea to a 'floating island', the jurisdiction being a part of the territorial jurisdiction. Further, concepts of particular importance in the disputes over international spaces are complicated by dominating principles of *res nullius* (a thing of no one) and *res communis* (a common thing or common heritage of mankind).

Minimum Contact Theory

In the emerging scene of conflict originating from Internet communication channel, the courts around the world face the difficult question of deciding whether to develop a new body of jurisprudence to deal with a novel legal problem, or to identify analogous legal precedents that best fit the facts at par.

In the conventional approach, the question of jurisdiction rests on the twin towers of state sovereignty and due process. The US Supreme Court in *Pennoy v Neff*² formulated two broad principles of jurisdiction: that (1) every state possesses exclusive jurisdiction within its territory; and (2) no state can exercise jurisdiction over persons 'without its territory'. Thus, the state had jurisdiction *in personam* (over persons located in the forum state) or jurisdiction *in rem* (over property located in the forum state). A new concept, the 'minimum contacts' standard was outlined by the Court in *International Shoe v Washington*.³ The Court ruled that a non-resident of a state may be sued in that state if the party has 'certain minimum contacts with [the state] such

that maintenance of the suit does not offend traditional notions of fair play and substantial justice.’ The Court observed that lower courts must quantify the defendant’s contacts with the state and the relationship between the contacts before exercising personal jurisdiction. Broadly, there are two types of jurisdiction. General jurisdiction is permitted over an out-of-state ‘defendant for non-forum related activities when the defendant has engaged in systemic and continuous activities in the forum state’.⁴ If no general jurisdiction is found, specific jurisdiction may be permissible under the test of *International Shoe* and such jurisdiction may be established if a defendant has such minimum contacts with the state that it would comply with due process rights to require the defendant to defend a lawsuit in the forum state. The issue of jurisdiction in cyberspace has been extensively reviewed in its report⁵ by the American Bar Association (ABA), and provides several insights in this regard.

Personal Jurisdiction

Personal jurisdiction concerns the power of a court to decide a case between the parties. Physical presence in a state is always a basis for personal jurisdiction. Physical presence in the forum state also satisfies the requirement of constitutional due process. Personal jurisdiction in the United States is based on the interaction between an affirmative, statutory or common-law source; law dictating the scope of the court’s jurisdiction; long-arm statutes and limitations imposed by constitutional due process rights. The US Supreme Court in a number of cases has limited the reach of state statutory authority because of violations of constitutional due process. Almost all states have ‘long-arm’ statutes which allow the state to exercise jurisdiction over an out-of-state defendant. The name ‘long-arm’ comes from the purpose of these statutes, which is to reach into another state and exercise jurisdiction over a nonresident defendant. The Supreme Court in *International Shoe v Washington*³ first adopted a new standard for jurisdiction over out-of-state residents articulating a triple test requirement: (1) the nonresident defendant must do some act or consummate some transaction with the forum or perform some act by which he purposefully avails himself of the privilege of conducting activities in the forum, thereby invoking the benefits and protections, (2) the claim must be one which arises out of or results from the defendant’s forum-related activities, and (3) exercise of jurisdiction must be reasonable.

Constitutional due process⁶ is thus satisfied if the defendant, even if he is not present within the territory of the forum, has ‘minimum contacts’ with the forum state so that subjecting the defendant to suit in that state satisfies considerations of ‘fair play and substantial justice’.⁷ The Court refined the minimum contacts theory in *Hanson v Denckla*⁸ that there be ‘some act by which the defendant purposefully avails itself of the forum state’. In *Calder v Jones*⁹, the actress, Shirley Jones who worked and lived in California brought a libel suit in California against a reporter and executive for the National Enquirer. The defendant had only visited California twice, and neither of these visits was connected in any manner with the Jones claim of libel. However, the Court held that because Jones caused the story to be published which he knew would have a ‘potentially devastating impact . . . the brunt of that injury would be felt by [plaintiff] in the state in which she lives and work and in which the National Enquirer has its largest circulation’, the defendant must ‘reasonably anticipate being haled into court there’. This case was of an intentional tort that was highly foreseeable to cause damage in California. The Court also found significant effects of the article were veered to the direction in California, both in the content of the story as well as where the harm would be suffered. Thus, the *Calder* case is considered a classic effects case, because jurisdiction was based on the ‘effects’ of the defendant’s conduct. To meet the ‘effects’ test, the defendant must have committed an intentional act, which was expressly aimed at the forum state, and caused harm; which the defendant knows is likely to be suffered in the forum state.

Minimum contacts can be deduced from the fact of selling goods and providing services, maintaining office or store, entering into a contract with someone or committing a tortious act in the state. A nonresident’s minimum contacts with a forum state are treated as the equivalent of territorial presence in the state and hence justify a state’s exercise of sovereignty over the nonresident. At the same time, the nonresident’s ‘purposeful availment’ of opportunities within the state is viewed as amenability to that state’s jurisdiction in exchange for the protection of its laws. As state and national borders disappear where the Internet is concerned, the issue of personal jurisdiction, which determines where a defendant may be legally sued for tortious acts, is a major legal battle by itself in litigating on-line defamation, copyright infringement and other related issues in the Internet.

The cases on personal jurisdiction in the United States followed two distinct schools of thought. The first one follows the general principles developed in *Maritz v Cybergold*¹⁰, and refined in *Inset Systems Inc v Instruction Set Inc*¹¹ that would find jurisdiction in nearly all, if not all, situations. The second one follows the analytical approach adopted by the courts in *CompuServe Inc v Patterson*¹², and refined in *Zippo Manufacturing Co v Zippo Dot Com Inc*¹³, which limits jurisdiction to only those situations where affirmative acts have been performed in the forum state. Thus there are two different sets of jurisdictional precedent, a conflict of law which promises to create confusion in cases related to the Internet until higher appellate courts settle the issue. As far as the Internet is concerned, it remains to be seen whether maintaining a website accessible to people in a state, is deemed to be an activity directed at the state, sufficient to allow the state, personal jurisdiction over the website owner. The problem cropping up in the field concerns determination when maintaining a website accessible to people in a state, is an activity directed at a state sufficient to allow the state to exercise personal jurisdiction over the website owner.

Global Personal Jurisdiction

In the global sphere, systematic and continuous contact may be required and hence website or Internet advertisement by itself may not subject a party to global jurisdiction. However, tortious acts using the Internet directed towards in the forum state may be subject to its jurisdiction. Firstly, where the defendant actively does business over the Internet directed at the forum state, the forum state can exercise jurisdiction over the defendant. Secondly, where the website provides a lower level of interactivity by allowing the defendant to exchange information with customers over the Internet, the court must assess the level of interactivity and commercial nature of the website to determine if sufficient contacts exist to warrant the exercise of jurisdiction. Finally, where the defendant passively provides information or an advertisement on a website, without other contacts existing with the forum state, the forum state can not exercise personal jurisdiction over the defendant.

Websites: Active, Passive and Interactive

Cases examining whether a website maintained outside of the United States can allow a United States court to exercise personal jurisdiction over the website owner follow the same analysis as purely domestic

cases. Using the same rationale, a German court found that it could exercise jurisdiction over a defendant based in Kansas City based on the fact that the website operated at the defendant's domain name was accessible at the plaintiff's location in Germany.¹⁴ In *Citigroup Inc v City Holding Co*,¹⁵ traditional notions of jurisdiction were used, allowing specific personal jurisdiction based on the nature and quality of the activity over the Internet. However, in an earlier decision in *Mink v AAAA Dev LLC*,¹⁶ it was held that passive websites should not be subject to jurisdiction based solely on their site. A passive website that does little more than make information available to those who are interested and this were not grounds for the exercise of personal jurisdiction.¹⁷ In a rare instance, however, passive websites have been found to have the 'minimum contacts' necessary to establish jurisdiction such as in *Tech Heads Inc v Desktop Serv*.¹⁸ The middle ground is occupied by interactive websites where a user can exchange information with the host computer. In these cases, the exercise of jurisdiction is determined by examining the level of interactivity and commercial nature of the exchange of information that occurs on the website as established in *Maritz Inc v Cybergold Inc*.¹⁹ However, a claim to exercise general personal jurisdiction over a foreign defendant based solely on a passive website failed in *Weber v Jolly Hotels*.²⁰ The Court reasoned that maintaining a website as an advertisement is comparable to advertising in a national magazine and is insufficient to allow the forum court to establish personal jurisdiction over the defendant. Because the defendant's sole contact with New Jersey was its website, and because the injury was not related to the website, the Court declined to exercise jurisdiction over the Italian hotel owner.

Jurisdiction in Copyright Infringement on the Internet

Just how closely copyright and the Internet are intertwined can be seen from the following quote:

'The Internet has been characterized as the largest threat to copyright since its inception. The Internet is awash in information, a lot of it with varying degrees of copyright protection. Copyrighted works on the Net include news stories, software, novels, screenplays, graphics, pictures, Usenet messages and even email. In fact, the frightening reality is that almost everything on the Net is protected by copyright law. That can pose problems for the hapless surfer'.²¹

Protection of Copyright on the Internet

Electronic copyright is a new concept evolving and so also, there is a corresponding legal transition in the area. The protection of copyright extends to the uniqueness, underlying design of a webpage and its contents, including, link, original text, graphics, audio, video, html and other markup language sequence, list of websites compiled by an individual or organization and all other unique elements that make up the original nature of the material.

Copyright protection has several fundamental limitations. Facts and ideas are not protected, only original ways of expressing them. Fair use occupies about half of the copyright statute and grants limited rights to use others' works, regardless of approval. It is the least clear-cut limit to copyright because words like 'fair' or 'reasonable' cannot be defined with precision.

Copyright in the visual domain extends to movies, television shows, photographs, sculptures, and artwork including screenplays, teleplays, and blueprints. The real problem arises when trying to mix all of the above without infringing someone's copyright in one or more of them. A system of registration for online works exists in many jurisdictions which may not cover computer programs and automatic databases which have their own registration rules. Copyright protection extends only to the copyrightable content of the work identified as the subject of the copyright and deposited with the copyright office with appropriate application forms (US Circular 66) covering six main groups such as literary works, visual art works, performing art works, sound recordings, serials and periodicals and mask works.

Apart from this, copyrights also subsist in software. Under English law, for instance, the basic rule is that it is the author of the code who owns the copyright in the software or website. This is not affected by the fact that the person commissioning the work has paid for the work. There are two major exceptions to this rule. Firstly, where the work was done by an employee of a company, it is the employer who owns the copyright. Secondly, here the author has transferred the ownership of the copyright by means of a written document which provides for the assignment of the ownership from the author to another party, usually the client.

As far as judicial precedence is concerned, the two American cases which dealt with Internet copyright issues, *Religious Technology Center v Netcom*²², and *Playboy Enterprises v Frena*²³, did not involve

international jurisdictional issues. Both were cases brought by American nationals against American nationals, all of whom were also clearly subject to American territorial jurisdiction.

Graphics in Electronic Media

Graphic characters, including their names and images, have long been commercialized in connection with a wide range of products and services, such as licensing programs for children's toys, posters, animated cartoons, fast food restaurants, and adult and children's clothing. Character development or exploitation of any particular character is purely motivated by the idea of commercialization and profits.

There have been several judicial precedents which establish beyond doubt that graphic characters are protected by copyright law. However, the early cases failed to determine whether the unauthorized use of a graphic character would result in copyright infringement liability if the new work contained only the graphic character, and not the plot elements of the first work. There also existed a degree of uncertainty regarding copyright infringement liability if only a similarity in the depiction of the character existed without there also being a similarity in the personality of the character. In *Warner Bros Inc v American Broadcasting Cos*²⁴, the Court noted that 'in determining whether a character in a second work infringes a cartoon character, courts have generally considered not only the visual resemblance but also the totality of the characters' attributes and traits'. A similar result was previously evidenced in *Detective Comics Inc v Bruns Publications*²⁵ where the Court found that the character 'Superman' was infringed in a competing comic book publication portraying the character 'Wonderman'. The Court found that the infringing work appropriated the pictorial and literary details embodied in the copyright protecting 'Superman'.

It now appears that similarity in the graphic depiction of a character alone, without the plot elements, may be sufficient for a finding of copyright infringement. However, in *Walt Disney Prods v Air Pirates*²⁶, the infringers admitted copying the names and appearances of more than seventeen Disney cartoon characters for use in their adult, counter culture comic books, but placing them in very different situations than those used by Disney. The court rejected the defendant's fair use defense, but noted that most of the previous cartoon character infringement cases 'have considered the character's personality and

other traits in addition to its image'. This dictum once again raised the issue of whether similarity of appearance by itself is sufficient for copyright infringement liability. However, in a number of other cases where cartoon characters were reproduced as three-dimensional dolls or figures, copyright infringement was found without any regard to the issue of copying the plot or personality of the character. In those instances where copyright infringement was based solely on the appearance of the character, the similarity was 'virtually exact'.

Copyright on Email

The High Court in London, ruled that business letters can be protected by copyright but forwarding them to others can be an infringement. The decision could have implications for email communication because the same principles will apply. The judgment said, 'In the light of the evidence and having compared the letter to the earlier works upon which it was based, I have no doubt that its production did involve a substantial degree of independent skill and labour and that it does justify the subsistence of copyright'²⁷. Not every letter or email will enjoy copyright protection, which is reserved for works which involve original skill or labour and which do not involve copying the work of another person. Originality in this context does not require the work to be an original or inventive thought; it only requires originality in the execution or expression of the thought. However, where existing subject matter is used by an author, independent skill must be applied to justify copyright protection for a resulting work.

Fair Use of Email

Copyright law allows fair use of copyrighted material, provided only limited copies are made and it is for journalistic, educational or private use. Fair use is a legal license conferred by the statute. Licenses may arguably be implied by context. Writers who post messages to public e-mail lists should contemplate, for example, both forwarding and archiving. But fair use is limited to the extent that the value of the original article is not reduced in any way. Commercial use of another's work is not fair use. Thus, anyone who uses another's e-mail message to suggest endorsement of a particular product is an unfair use. Yet, all commercial uses of another's work are not forbidden—most magazines, newspapers, and even many professional journals are operated by for-profit entities, and their uses, as in quotes within an article, for instance, may nevertheless be fair.

Data Protection on the Internet

Purchasing databases, surveillance cameras, mobile phone tracking, wiretapping, misuse of medical records, genetic testing, etc., have put privacy, the most basic civil right, in grave peril. Internet service providers may have a lot of information about the users because servers routinely record information about users' e-mail and web browsing habit.

In November 2004, the European Court of Justice (ECJ) handed down judgments in four cases concerning the interpretation of the EU Directive on the Legal Protection of Databases, which provides a *sui generis* database right (to be distinguished from copyright) to the maker of a database if there has been a substantial investment in either the obtaining, verification or presentation of the contents of the database. The cases relate to similar factual circumstances and concern databases of sporting information (horse racing information and football fixture lists.) Certain pieces of information from these databases were used by third parties for commercial gambling operations. In proceedings before the relevant national courts, the claimants alleged that these uses by the gambling operators were an infringement of the claimants' *sui generis* rights under the Directive. In these cases, the ECJ, *inter alia*, clarified that the definition of the term 'database' as used in the Directive determined the scope of protection (especially with regard to the substantial investment requirement); and specified that extraction or re-utilization would result the infringement of the *sui generis* right.

Data Protection Law

Data protection legislation normally recognizes the right to know what information about an individual is held and sets out rules to make sure that this information is handled properly. Individuals have a wide range of rights under the Data Protection Act, including access, compensation and the prevention of processing. EU's Data Protection Directive provides that personal data can only be transferred to third countries providing adequate protection. Under the 'safe harbor' principle, US companies can voluntarily adhere to a set of data protection principles recognized by the European Commission as providing adequate protection and thus meet the requirements of the Directive as regards transfers of data out of the EU.

The European Court of Justice in *Lindqvist*²⁸ decided that mere placing of personal data in the website does not amount to transferring them outside

European Economic Area (which has a strict data protection law) under Article 25. This necessitates search for a safe harbor system of self regulation incorporating certain basic principles. Self regulatory schemes for privacy form a very significant part of EU data protection regime enjoying indirect legislative backing by national data protection law.

Infringement of Trademark and Domain Names on the Internet

Just as in the case of copyrights, the Internet provides ample opportunity for new means of trademark infringement. At the same time, the Internet has created enormous potential to build international brands online and for new forms of non-commercial communication. Traditional rules of trademark law have been employed to resolve clashes over domain names with some mixed results. In response, those currently charged with a supervisory role in relation to the allocation of domain names have formulated their own policies to deal with the clashes. These policies have in their turn led to yet more disputes, and resulted in international efforts to resolve the clashes.

Trademarks

The issuance of trademarks was not originally conceived with a global platform in mind. Hence, a number of recent controversies have occurred with respect to large trademark holders pursuing smaller pre-existing sites. There have also been cases where some companies have purchased domain names related to competitor's names in order to make it more difficult for the competitor to enter the online market. Others purchase domain names for their resale value, in other words, stockpiling. Most Internet jurisdiction cases, like the *Panavision International LP v Toeppen*²⁹ case, involve trademark disputes concerning use of the website domain names and hold that the forum state can exercise jurisdiction over the owner of the website because the infringing conduct targets the forum state and thus creates a basis for specific jurisdiction. US federal laws and a new international arbitration procedure have made it much easier and cheaper for mark owners to obtain infringing domain names and damages from cybersquatters. The Anti-cybersquatting Consumer Protection Act (ACPA) is a US federal law which gives trademark and service mark owners' legal remedies against defendants who obtain domain names in bad faith.

Domain Names

A domain name is known technically as a 'Uniform Resource Locator' or URL. A domain name is part of an address which is assigned to each computer or service on the Internet. Besides in the virtual space, domain names are now highly visible in real space as well—showing up on television commercials, billboards, magazine ads, and so on. In these new forms, they sometimes conflict with trademarks and other traditional business identifiers. Two factors intensify this conflict. First, domain names are global and must be unique - a particular string of letters can link to only one site, while trademarks may overlap in different industries or different geographical locations. Second, it is common practice for many Internet users to guess at domain names.

In this context, The Internet Corporation for Assigned Names and Numbers (ICANN) is a significant step. ICANN is a private non-profit corporation that operates under contract with the US Department of Commerce. It was created at the request of the government for the purpose of privatizing the Domain Name System (DNS), the addressing system on which the Internet depends. The creation of ICANN in 1998—what some have called cyberspace's own 'constitutional moment' - represented a significant shift in power to control the Internet from government to private industry. ICANN is charged with management of Internet names and addresses but 'does not set out a system of Internet governance'. In furtherance of these responsibilities, however, ICANN does four important things. It (1) approves companies to become accredited primary registrars for domain names in .com, .net, and .org.; (2) decides whether and when new TLDs are added to the root system; (3) coordinates technical parameters to maintain universal connectivity to the Internet; and (4) creates and administers a Uniform Domain Name Dispute Resolution Policy (UDRP) for competing domain names. These policy aspects, in a way, serve as a private form of Internet governance.

Exemplary Cases in Different Jurisdictions

Cases in US

The United States Court of Appeals for the 3rd Circuit, in case of *Shields v Zuccarini*³⁰, upheld a federal district court award of statutory damages of US\$ 50,000 plus attorneys' fees of US\$ 39,109 in the appellate court's first case involving the ACPA.³¹ This case provides a lot of ammunition for owners of famous trademarks who desire to obtain infringing domain names plus damages from cybersquatters and typosquatters.³⁰

Cases in UK

In *Harrods Ltd v UK Network Services Ltd and Others*³², the domain name 'harrods.com' was registered by one Michael Lawrie. Harrods, the famous department store in London wanted this domain name to advertise themselves and their wares on the Internet. Michael Lawrie was ordered by the court to hand over the domain name to Harrods, on the grounds that his potential use of the domain name constituted 'trademark infringement and passing off'. In *Pitman Training Limited and PTC Oxford Ltd v Nominet UK Ltd and Pearson Professional Ltd*³³, the common law principle of 'passing off' was applied as neither party had a registered trademark. The dispute was over the domain name 'pitman.co.uk' which was claimed by Pearsons plc who operated a publishing business, and Pitman Training Limited who operated a training and correspondence course business. Both were equally entitled to use the trading name 'Pitman' in the UK within their respective spheres of business. Nominet, the body in the UK responsible for allocating domain names under the top level domain 'co.uk' originally allocated the name to Pearsons plc. Curiously, when Pitman Training Limited asked Nominet to register the same domain name several months later, it was duly allocated to them, thus depriving Pearsons plc of their registration. Pitman Training Limited proceeded to set up a web site and email service using the domain name, and it was only a period of months later, when Pearsons were ready to go 'live' with their website that they discovered that they no longer had the registration. Nominet eventually re-allocated the domain name to Pearsons plc. On application for interlocutory injunction, the Court ordered that it should revert to Pitman Training Limited, pending the full hearing. At the full hearing, Pitman Training Limited argued that because they had used the domain name for a period of months, the general public would associate that name with their business, and should it revert to Pearsons plc, that would constitute passing off. The Court disagreed that a case of passing off had been established on the rather thin evidence presented (two e-mail messages had been sent to Pitman Training Limited during the months that the site had been in operation) and ordered that the domain name should be allocated to Pearsons plc on the basis that they had registered it first with Nominet.

In *Bostik v Sellotape*³⁴, the Court found it irrelevant that a customer might find the colours of the 'blu-tack' offered by competing brands confusing after they had torn open the packets, because that confusion

would only arise after the sale was made. The problem with domain names is almost the reverse of this; there may be confusion at the point of accessing the address, but once the relevant page is accessed, there need not be any confusion thereafter. In *Reckitt & Colman Products Ltd v Borden Inc & Ors*³⁵, which concerned the similarity of packaging of two products comprising lemon juice packaged in a plastic lemon, the Court held that the crucial point of reference for a shopper who wishes to purchase a lemon was the shape of the lemon itself. 'Virtually no, if any, attention is paid to the label which that lemon bears'; when the shopper gets home, the label is taken off as it performs no useful function and is easily detachable, so that it is not thereafter any part of the purchased product'. It is worth considering whether an analogy can be drawn here with the function of a domain name. Once the website is accessed, the domain name is discarded; what matters is the mark at the point of sale. Is the equivalent of the point of sale on the Internet? It may not be the point of log on, but rather the point at which website is accessed.

Recent Cases on Internet Jurisdiction: Towards a Solution?

In a recent case, a French court³⁶ assumed jurisdiction over Yahoo, an American online content provider, and ordered it to remove web pages showing Nazi memorabilia, material that is illegal to view in France but legal almost everywhere else. In another case³⁷, a British court held a British subject liable for posting photographs on an American web server considered obscene in Britain but not in the United States. In *United States v Galaxy Sports*³⁸, an American court held the president of a gambling company organized and headquartered in Antigua liable for soliciting and accepting bets from Americans over the Internet whereas this principle can be potentially injurious to the principle of comity³⁹, sovereignty commercial relations in the age of free trade.

A temporary answer at least needs to be found in the absence of long term cap on the hydra-headed issues emerging from the introduction of more and more devices in the cyber world. A recent decision by the United States District Court for the District of Virginia held it had '*In rem* Jurisdiction' over domain name registrants that were located in a foreign country and had been accused of cyber squatting in Virginia. This was not a contested case. The plaintiff was granted summary judgment setting a great precedent on the interpretation of the US Anti-cybersquatting Act

and US Courts' jurisdiction on foreign cybersquatters. In this case⁴⁰, the plaintiff, Atlas Copco AB and Atlas Copco North America LLC were the owners of a US registered trademark. Atlas Copco filed a lawsuit under the US ACPA against the defendant's domain names: Atlascopcoiran.com, Atlascaspian.com, Atlascaspian.net, Atlascaspian.org, Atlascaspian.biz, Atlascapianir.com, Atlascaspianiran.com, Atlascaplan.us, Atlascapian.cc, Atlascaspian.tv, and Atlas-caspian.com. The registrants of these domain names appeared to be located in Iran, Afghanistan, or India. Yet, the registries of the domain names were located in Virginia and were under this Court's jurisdiction. The registrants did not have enough contacts with the state to trigger long-arm jurisdiction. Thus, the Court reasoned, it had *in rem* jurisdiction over the defendants citing *Continental Airlines Inc v ContinentalAirlines.com*.⁴¹ It is proven now that Anti-cybersquatting Act has the tentacles to catch cyber squatters that seek heaven in foreign jurisdictions and this principle can be equally adopted and emulated by other countries.

Conclusion

There is a tremendous need for stability in the flow of information without compromising the urgency for universalization of knowledge. Intellectual property rights are important for creating knowledge and for giving shape to ideas and inspiration. The protection extended by legislations and the evolving court decisions are insufficient to address the current concerns. In devising new jurisdictional rules for cyberspace, judges, legislators, and treaty draftsmen are using analogy—the tried-tested-true tool of legal reasoning to modify existing rules to fit this new paradigm. Reasoning by analogy can have its problems, however, especially when differences in context are not taken into account. The complexity of the problem arises out of the question of meeting several preconditions relating to territoriality, nationality, immunity and universality nexus before finding and invoking jurisdiction upon convincing additional factors.

Hence, a deeper and closer examination of policy, law and technology covering the grounds of copyrights, trademarks, domain names and database, requires urgent attention which again must find a common meeting point for resolution of disputes and quicker response to the hazards of the incoming tide of electronic revision and invasion. Jurisdiction in cyberspace requires clear principles rooted in

international law. Only through these principles can courts in all nations be persuaded to adopt uniform solutions to questions of Internet jurisdiction.

References

- 1 *US v Jake Baker*, 890 F. Supp. 1375, 1381, 1997 Fed App. 0036P (6th Cir).
- 2 *Pennoyer v Neff*, 95 US 714 (1877).
- 3 *International Shoe v Washington*, 326 US 310, 66 S.Ct. 154, 90 L.Ed. 95 (1945).
- 4 *Helicopteros Nacionales de Columbia, SA v Hall*, 466 US 408, 414-16 (1984).
- 5 Achieving legal and business order in cyberspace: A report on global jurisdiction issues created by the Internet, *Business Lawyer*, 55 (2000) 1801.
- 6 The 5th Amendment, ratified in 1791, states, 'No person shall be deprived of life, liberty, or property, without due process of law' and Section 1 of the 14th Amendment, ratified in 1868, states 'nor shall any State deprive any person of life, liberty, or property, without due process of law'.
- 7 *Asahi Metal Indus Co v Superior Court*, 480 US 102, 107 S. Ct. 1026, 94 L. Ed. 2d 92 (1987) where it is stated that 'mere awareness' is not sufficient to satisfy the test of minimum contacts.
- 8 *Hanson v Denckla*, 357 US 235 (1958).
- 9 *Calder v Jones*, 465 US 783, 104 S.Ct. 1482, 79 L.Ed.2d 804 (1984) 1484.
- 10 *Maritz v Cybergold*, 947 F. Supp. 1328 (ED Mo.1996).
- 11 *Inset Systems Inc v Instruction Set Inc*, 937 F. Supp. 161(D. Conn. 1996).
- 12 *CompuServe Inc v Patterson*, 89 F.3d 1257, 39 U.S.P.Q.2d (BNA) 1502 (6th Cir 1996).
- 13 *Zippo Manufacturing Co v Zippo Dot Com Inc*, 952 F. Supp. 1119 (W.D. Pa. 1997).
- 14 LG Berlin 97O193/96 (Nov. 20, 1996), *aff'd*, KG, 5U659/97 (March 25, 1997).
- 15 *Citigroup Inc v City Holding Co*, 97 F. Supp. 2d 549 (S.D.N.Y. 2000).
- 16 *Mink v AAAA Dev LLC*, 190 F.3d 333 (5th Cir. 1999).
- 17 *Bensusan Restaurant Corp v King*, 937 F. Supp. 295 (S.D.N.Y. 1996).
- 18 *Tech Heads Inc v Desktop Serv* 105 F. Supp. 2d 1142 (D. Or. 2000).
- 19 *Maritz Inc v Cybergold Inc*, 947 F. Supp. 96 (E.D. Mo. 1996).
- 20 *Weber v Jolly Hotels*, 977 F. Supp. 327 (D.N.J. 1997).
- 21 The Copyright website, <http://www.benedict.com> (1 May 2010).
- 22 *Religious Technology Center v Netcom*, 907 F. Supp. 1367 (N.D. Cal 1995).
- 23 *Playboy Enterprises v Frena*, 839 F. Supp. 1552 (M.D. Fla. 1993).
- 24 *Warner Bros Inc v American Broadcasting Cos*, 720 F.2d 231(2nd Cir 1983).
- 25 *Detective Comics Inc v Bruns Publications*, 111 F.2d 432 (2nd Cir 1940).
- 26 *Walt Disney Prods v Air Pirates*, 581 F.2d 751 (1978).
- 27 *Cembrit Blunn Ltd and Another v Apex Roofing Services LLP and Another* (2007) EWHC 111 (Ch).
- 28 *Lindqvist*, Case C-101/01[2003] All ER (D) 77 (Nov), ECJ.
- 29 *Panavision International LP v Toeppen*, 938 F. Supp. 616 (C.D. Cal. 1996).
- 30 *Shields v Zuccarini*, 89 F. Supp. 2d 634, 635-636 (E.D. Pa. 2000).

- 31 Anticybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d) (the 'Act').
- 32 *Harrods Ltd v UK Network Services Ltd and Others*, [1997] 4 EIPR D-106.
- 33 *Pitman Training Limited and PTC Oxford Ltd v Nominet UK Ltd and Pearson Professional Ltd*, [1998] 17 Tr.LR 173.
- 34 *Bostik v Sellotape*, [1994] RPC 556.
- 35 *Reckitt & Colman Products Ltd v Borden Inc & Ors*, [1990] RPC 341.
- 36 LICRA, *French Union of Jewish Students v Yahoo Inc USA*, Yahoo France, Tribunal de Grande Instance de Paris, Interim Court Order, November 2000.
- 37 *R v Waddon* [2000] All ER (D) 502.
- 38 *United States v Galaxy Sports*, US Department of Justice, (28 Feb 2000), <http://www.usdoj.gov/criminal/cybercrime/cohen.htm> (8 March 2010).
- 39 US Supreme Court has defined comity as 'The recognition which one nation allows within its territory to the legislative, executive, or judicial acts of another nation, having due regard both to international duty and convenience, and to the rights of its citizens, or of other persons who are under the protection of the laws', *Hilton v Guyot*, 159 US 113, 164 (1895).
- 40 *Atlas Copco v AtlasCopcoiran.com*, 533 F. Supp. 2d 610 (ED Va. 2008).
- 41 *Continental Airlines Inc v ContinentalAirlines.com*, 390 F. Supp2d, 507 (E.D. Va. 2005).