The Jurisdiction of Trademark and Copyright Infringement on the Internet

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Comment

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I. INTRODUCTION

The unbounded territory known as cyberspace poses many jurisdictional questions. This Article presents and attempts to answer some of these questions as they relate to intellectual property ownership. The first section gives some background information on the Internet. The second section introduces some of the problems faced by owners of intellectual property who utilize the Internet. The third section discusses the jurisdictional questions posed by Internet infringement litigation. The fourth section discusses personal jurisdiction generally. A case study of existing cases dealing with Internet infringement follows and the Article concludes with a proposal for the most efficient and effective solution.

II. BACKGROUND ON THE INTERNET

It is no longer just chic or hip to have a web page on the Internet. The Internet is now a necessity for most large to medium sized businesses and some small businesses. Experts predict that the Internet will account for 1.3 percent of the nation's economy, or $45.8 billion in
revenues by the year two thousand. Why are so many businesses attracted to the Internet? Because consumers are attracted to it. By the end of 1996, the total number of online subscribers was estimated at 18.1 million, up from 6.3 million in 1994. In response to this synergetic growth, the potential for conflict between trademark or copyright owners and infringers is also increasing. Businesses and individuals now have the capacity to provide places to go on the Internet, containing virtually any type of information, protected or not, for a possible fifty-two million people.

“Places” or hosts on the Internet are accessed using Internetworking Protocol Addresses (“IP addresses”). The Internet Assigned Numbers Authority (“IANA”) is responsible for the assignment of IP addresses to users. IANA delegates the administration of IP address applications and registrations to InterNIC Registration Service, operated by a private firm called Network Solutions, Inc. (“NSI”). IP addresses are represented as strings of digits divided into parts, or fields. Periods usually separate the fields in the IP address. A typical Internet address might be 132.76.249.197. This format is cumbersome and inconvenient, making it difficult for users to remember and use the address. A facility called the Domain Name Service (“DNS”) has made access to IP addresses easier to use by equating mnemonic designations with IP addresses. Internet applications (browsers such as Netscape and Explorer) seamlessly refer to the DNS when a domain name is called for and direct the user to the appropriate IP address. The general format for a domain name is [subdomain].[subdomain].[domain].[field].

The field, or top-level domain, to the right of the domain name is a well specified and regulated area of the Internet. Each domain name is assigned a domain field based on its affiliation: commercial (.com); educational (.edu); governmental (.gov); military (.mil); network operator (.net); or miscellaneous organization (.org). Countries are assigned two-letter domain fields, including France (.fr); Germany (.de); and United

1. Laura B. Smith, Frontier Economics; Internet presence almost necessity, PC WEEK, Dec. 11, 1995, at E1.
5. Id. at 11-12.
6. Id.
Kingdom (.uk). The domain is the designation of the entity, such as the name of the company or organization. Examples of domains are microsoft.com and mercer.edu. The number of domains on the Internet was estimated at 828,000 in January of 1997 (see Table 1).

Table 1: Semi-Annual Estimates of Internet Hosts and Domains

<table>
<thead>
<tr>
<th>Date</th>
<th>Hosts</th>
<th>Domains</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 97</td>
<td>16,146,000</td>
<td>828,000</td>
</tr>
<tr>
<td>Jul 96</td>
<td>12,881,000</td>
<td>488,000</td>
</tr>
<tr>
<td>Jan 96</td>
<td>9,472,000</td>
<td>240,000</td>
</tr>
<tr>
<td>Jul 95</td>
<td>6,642,000</td>
<td>120,000</td>
</tr>
<tr>
<td>Jan 95</td>
<td>4,852,000</td>
<td>71,000</td>
</tr>
<tr>
<td>Jul 94</td>
<td>3,212,000</td>
<td>46,000</td>
</tr>
<tr>
<td>Jan 94</td>
<td>2,217,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Jul 93</td>
<td>1,776,000</td>
<td>26,000</td>
</tr>
<tr>
<td>Jan 93</td>
<td>1,313,000</td>
<td>21,000</td>
</tr>
</tbody>
</table>

A subdomain can be any division of the domain, such as departments of an organization, as in irs.ustreas.gov, or more typically, the organization of the location's contents, such as "www" for World Wide Web pages or "gopher" for gopher servers usually found at universities. The IANA, also responsible for assigning domain names, has delegated to InterNIC the operation of a name registry. InterNIC assigns domain names on a first-come, first-serve basis, and any entity registering a domain name may do as it wishes with that name: use it, reassign it, or simply hold it unused. Domain names are fully portable because they have no direct connection with IP addresses, except through the DNS, and can be transferred to a new machine or site if the name holder moves. It is the domain name that is often remembered or guessed by users when trying to access an organization. With increased competition due to the increased number of domains, companies are finding it increasingly valuable to have easily remembered and distinguishable domain names,

7. Id. at 13.
10. Id. at 14.
usually equivalent to established, recognizable, and valuable trade-
marks.11

III. TRADEMARK AND COPYRIGHT ISSUES ON THE INTERNET

One source of potential conflict between owners of intellectual property
and potential infringers is the use of trademarks as domain names by
the infringer.12 The technical limits of domain names can lead to
confusion and deception with regards to trademarks. For example,
organizations cannot use stylized fonts or formats, designs, or even
capitalization to distinguish themselves from other organizations.13
Another difficulty in distinguishing domain names arises from the lack
of context in the Internet medium. There is a greater risk of confusion
in the marketplace as users cannot distinguish between different lines
of business as they can in real space.14

An Internet address is not just a reference to a source of information;
it is often the link between the buyer and seller or advertiser and
audience. "From a commercial standpoint, it is the billboard component
which is the carne of this electronic enchilada, and everyone wants a
bite."15 The importance of being able to utilize the strength of a
trademark by allowing users to access the owners via the domain name
is often the highest priority among organizations with an Internet
presence. Unreliable and difficult to use search engines16 are inade-
quate substitutes for typing “ford.com.”17

Another source of potential conflict between intellectual property
owners and potential infringers is the infringement of copyrights.18
Internet users can produce their own web pages and, with a few clicks
of a mouse, could potentially fill the screen of anyone who accesses the
site with copyrighted material.19 Many large organizations, from 20th

11. Kenneth Sutherlin Dueker, Note, Trademark Law Lost in Cyberspace: Trademark
13. Dueker, supra note 11, at 484.
14. Id. at 484.
15. Id. at 487.
16. Search engines such as Yahoo, Excite, and Webcrawler retrieve adresses by
searching for keywords. A search for "car trucks american" might return a reference to
Ford Motor Company's web site, along with Chevrolet, Chrysler, and General Motors, and
any other site containing these keywords (probably thousands).
17. Dueker, supra note 11, at 496.
18. See, e.g., Constance Sommer, Point! Click! Lawsuit! Hollywood honchos angry about
images on the Net, YORK DAILY RECORD, Jan. 9, 1997, at 01.
19. Amy Harmon, Web Wars: Companies Get Tough on Rogues Studios and Fortune 500
firms target unauthorized Internet sites that feature their products. Crackdown affects fans
as well as foes, L.A. TIMES, Nov. 12, 1996, at A1. See also Sommer, supra note 18, at 01.
Century Fox to K-Mart, are aggressively seeking out copyright infringers on the Internet and threatening litigation. So far, most of the infringers have been either small scale fans setting up "unofficial WWW sites" or vengeful ex-employees berating employers. The only issues the infringers raise in response are usually in the form of hateful e-mail (a.k.a. "flames"), but the issues they raise often have merit and are in part the subject of President Clinton's proposed National Information Infrastructure Copyright Act. Presently, however, the laws governing intellectual property in cyberspace are questionable and quite possibly the subject of future litigation as more dedicated and legally resourceful infringers get involved.

The bottom line is that litigation over intellectual property issues related to the Internet is inevitable. Given the vast number of intellectual property owners putting their marks and works on the Internet and the ease with which others can infringe on those marks, curbing infringement is likely to become a high priority with owners.

IV. POTENTIAL PROBLEMS WITH INTERNET INFRINGEMENT LITIGATION

When the mere threats by intellectual property owners no longer make potential infringers shut down their sites or remove offending material, owners will have to sue to enforce their rights. One question that needs to be answered, and is as yet unclear, is where to sue. The physical locations of the infringers and owners can be virtually unlimited. Anyone with a computer and a phone line located anywhere in the world can access the Internet and publish or distribute offending material. Do intellectual property owners have to seek out and determine the location of infringers and bring suit there or is it possible to bring suit somewhere more convenient and less costly to the intellectual property owner?

In the early days of the Internet and computer bulletin boards, individuals openly trafficked unauthorized copyrighted and trademarked material with an above-the-law attitude coined "the spirit of the Internet." In 1994, one infringer actually defended himself by

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21. Id.
22. Id. The proposed updated copyright laws would specifically prohibit piracy in Cyberspace and slap offenders with up to $250,000 in fines and five years in jail. Sommer, supra note 18, at 01.
23. See Harmon, supra note 19, at A1; Sommer, supra note 18, at 01.
25. Id.
claiming that because 45,000 other computer bulletin boards across the
country posted copyright material, he should not be liable for his
infringement.26

During this “information wants to be free”27 time period, Internet
usage was limited to small time bulletin boards without international
access. Individual networks were not connected and the sharing of
information was limited.28 The injury to intellectual property owners
was small and did not justify the legal fees necessary to fully protect
copyright and trademark rights.29 The result was infrequent litigation;
but when suit was brought, it was usually brought at the defendant's
location.30 This practice became the rule, and this unfortunate “rule of
thumb” made protection of intellectual property rights on the Internet
inconvenient and expensive, and opened the door to more damaging
infringement as the medium gained popularity.31

The face of the Internet has changed vastly since the development of
the “rule of thumb.”32 Almost fifty million people have access to over
ninety thousand networks.33 Aggressive intellectual property owners
are seeking more convenient and cost-effective means of protecting their
works and marks.34

V. SUMMARY OF PERSONAL JURISDICTION

Any exercise of personal jurisdiction over a defendant outside of a
defendant's home forum is limited by constitutional due process. In
International Shoe v. Washington,35 the Court laid the foundation that
a defendant must have “certain minimum contacts with [the forum],
such that the maintenance of the suit does not offend 'traditional notions
of fair play and substantial justice.'”36 A court may exercise personal
jurisdiction over a nonresident defendant where the defendant either is
present in the forum, known as general jurisdiction, or where the
defendant's contacts with the forum give rise to specific jurisdiction over
the nonresident.37

28. Cook, supra note 24, at 76.
29. Id.
30. Id.
31. Id.
32. Id.; see also supra text accompanying notes 2, 8.
33. Cook, supra note 24, at 76.
34. Id.
35. 326 U.S. 310 (1945).
36. Id. at 316.
An exercise of general jurisdiction requires "continuous and systematic" contacts between the defendant and the forum. General jurisdiction is difficult to assert because of the extent of contacts required within the forum state; some commentators have even suggested that general jurisdiction ought to be limited to the defendant's home base. Where a defendant is present in the forum, the defendant is subject to personal jurisdiction in the forum's courts for any cause of action that arises anywhere in the world. Even if a defendant's contacts with the forum are not related to the cause of action, personal jurisdiction will be available.

In order to support an exercise of specific jurisdiction, on the other hand, the nonresident defendant's minimum contacts with the forum must give rise to the particular controversy. Thus, whether the requisite minimum contacts exist is determined by examining the relationship between the defendant, the forum and the litigation. Determining if specific personal jurisdiction is available is a fact-specific inquiry as to whether a forum's assertion of personal jurisdiction over a nonresident defendant comports with due process.

This vague and imprecise standard as to whether the exercise of specific personal jurisdiction meets the requirements of the fairness test in International Shoe has led to further refinements by the Supreme Court. In Asahi Metal Industry v. Superior Court, the Court listed five factors to determine fundamental fairness: (1) "the burden on the defendant"; (2) "the forum state's interest in adjudicating the dispute"; (3) "the plaintiff's interest in obtaining convenient and effective relief"; (4) "the interstate judicial system's interest in obtaining the most efficient resolution of controversies"; and (5) "the shared interests the several states have in furthering fundamental substantive social

38. Id. at 415 n.10. In Helicopteros, Texas was asked to assert jurisdiction over a Colombian corporation (Helicol) that had done business in Texas for several years. The cause of action was based on a helicopter crash in Peru that killed four American passengers. Helicol had purchased the helicopter from a Texas firm and was using it to transport the American employees. The Texas Supreme Court asserted general jurisdiction over Helicol because of its "numerous and substantial" contacts with the forum and the United States Supreme Court reversed. Id. at 419. See also Perkins v. Benguet Consol. Mining Co., 342 U.S. 437 (1952) (finding substantial unrelated contacts adequate for jurisdiction).


40. Id.
41. Helicopteros, 466 U.S. at 414.
Courts generally use a three-prong test that has been developed to determine generally whether the assertion of specific jurisdiction is constitutional: (1) the defendant must purposefully avail itself of the privilege of conducting business in the forum;\(^46\) (2) the cause of action must arise out of the defendant's activities in the forum; and (3) the exercise of jurisdiction must be fundamentally fair under the five fundamental fairness factors enunciated in \textit{Asahi}.\(^47\) Most importantly, the defendant's conduct remains the central concern of the jurisdictional analysis.\(^48\)

In addition to constitutional due process limitations, each state has its own law for extending personal jurisdiction over defendants located beyond the boundaries of its own territory.\(^49\) These state long-arm statutes can be very broad, limited only by federal due process, or more narrow, carving out small parts of the state's constitutionally permitted authority.\(^50\) For example, the Georgia long-arm statute authorizes specific personal jurisdiction over any defendant who "(1) \[t]\ransacts any business within this state; [or] (2) \[c]\ommits a tortious act or omission within this state" and such exercise comports with federal due process.\(^51\) The federal due process analysis is only appropriate after it is first established that the defendant has committed one of the acts enumerated in the long-arm statute.\(^52\) There is an unresolved question in Georgia as to whether jurisdiction under the \"\[t]\ransacts any business\" provision requires more contacts with the forum than does the Due Process Clause of the United States Constitution.\(^53\) However, \"[i]n cases where jurisdiction is based on the defendants' tortious act, there is no question that the Georgia long-arm statute gives Georgia courts the

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\(^47\) Weintraub, \textit{supra} note 45, at 540.


\(^49\) See, e.g., O.C.G.A. § 9-10-91 (1982).


\(^51\) O.C.G.A. § 9-10-91 (1982).


power to exercise specific personal jurisdiction over nonresident defendants to the full extent allowed by constitutional due process.\textsuperscript{54}

The importance of the state long-arm statutes in trademark and copyright litigation is found in rules 4(e) and 4(f) of the Federal Rules of Civil Procedure.\textsuperscript{55} Federal law provides no means by which service may be effected upon individuals in copyright and trademark litigation.\textsuperscript{56} Rules 4(e) and 4(f) provide that when a federal statute does not authorize service upon foreign defendants, the service may be made in accordance with the forum state's service of process provisions.\textsuperscript{57} Additionally, courts have generally held that actions for trademark or copyright infringement sound in tort.\textsuperscript{58} Therefore, the power of a court over a nonresident defendant in a copyright or trademark infringement action is measured by the state's long arm statute to the extent it varies from the requirements of federal due process.\textsuperscript{59}

\section*{VI. EXISTING CASE LAW DEALING WITH INTERNET INFRINGEMENT}

While the cases dealing with jurisdictional issues of trademark and copyright infringement on the Internet are few, the existing ones provide some guidance. The cases establish a continuum, consistent with well developed personal jurisdiction principles, that is grounded on the nature and quality of commercial activity conducted on the Internet.\textsuperscript{60} Situations in which the defendant clearly does business in the forum on

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\textsuperscript{54} Id.
\textsuperscript{55} FED. R. CIV. P. 4(e),(f).
\textsuperscript{59} Securities Training Corp., 633 F. Supp. at 940 n.4.
the Internet combined with other, more traditional means of doing business such as entering into contracts with forum residents or continuous and extensive transfers of information from the defendant to the forum state, result in the exercise of personal jurisdiction over the defendant. However, when the defendant's contacts with the forum via the Internet are passive, only making information available to those who access the site from the forum state, the forum state often does not exercise personal jurisdiction over the defendant. It is this end of the spectrum that is less clearly defined. The following analysis begins with the "clearly doing business" cases and concludes with seemingly contradictory cases.

The first case, decided by the Court of Appeals for the Sixth Circuit, is *CompuServe, Inc. v. Patterson.* Defendant Richard Patterson, a resident of Houston, Texas, subscribed to CompuServe's network information service, located in Columbus, Ohio. Patterson uploaded two shareware applications known as WinNav and Window Navigator for distribution on the CompuServe network. To become a shareware provider, Patterson entered into a Shareware Registration Agreement ("SRA") with CompuServe. The SRA established an independent contractor relationship between Patterson and CompuServe, whereby Patterson made his shareware available through CompuServe and other CompuServe subscribers could download the files and, if they chose to do so, pay for them. The SRA, which provided that it be governed by and construed in accordance with the laws of Ohio, was agreed to by Patterson in Texas and then transmitted to the CompuServe computer system in Ohio. CompuServe began to market a product similar to the shareware developed by Patterson and in December 1993, Patterson notified CompuServe that the terms "WinNAV," "Windows Navigator," and "FlashPoint Windows Navigator" were common law trademarks owned by Patterson. CompuServe changed the name of its products, but Patterson persisted, demanding at least $100,000 to settle his
potential claims. Additionally, the claims threatened a $10.8 million loss for "CompuServe." CompuServe filed a declaratory judgment action in the federal district court for the Southern District of Ohio, relying on the court's diversity subject matter jurisdiction, seeking a declaration that it had not infringed any common law trademarks of Patterson. The district court refused to hear the declaratory judgment action holding that CompuServe had failed to establish personal jurisdiction over Patterson. The Sixth Circuit reversed, holding that Patterson's contacts with the forum were sufficient under the Due Process Clause to support the exercise of specific personal jurisdiction over him. The Ohio long-arm statute extends to the federal constitutional limits of due process. Using the three-prong test to determine personal jurisdiction, the court first determined that Patterson had purposefully availed himself of the privilege of doing business in the forum. In making the determination, the court considered Patterson's action of entering into the SRA, Patterson's repeated transmission of computer software to Ohio via electronic links, the fact that Patterson advertised the software on CompuServe's system, and Patterson's initiation of events that led to the filing of the suit by CompuServe. These contacts were found substantial by the court which stressed Patterson's deliberateness in reaching out from Texas to Ohio to subscribe to and use CompuServe and in "conducting business in Ohio." The court concluded that the cause of action did arise from Patterson's activities in Ohio and that exercising personal jurisdiction over Patterson was reasonable.

One of the earlier cases to deal with the nature of computer related contacts between the defendant and the forum is PLUS System, Inc. v. New England Network, Inc. Plaintiff PLUS Systems, Inc. ("PLUS") is incorporated under the laws of Delaware with its principal place of

71. Id.
72. Id.
73. Id.
75. CompuServe, 89 F.3d at 1268.
76. Id. at 1262.
77. See supra text accompanying notes 45-46.
78. CompuServe, 89 F.3d at 1266.
79. Id. at 1264.
81. Id. at 1267-68.
business in Denver, Colorado. Its depository institutions issue plastic debit and credit cards bearing the PLUS mark and accepts such cards at automated teller machines ("ATMs") for use in banking transactions such as withdrawals, deposits, transfers, and inquiries. PLUS established its PLUS mark as a nationwide identifier of the services offered by PLUS. Defendant, New England Network, Inc. ("NENI") is organized under the laws of Connecticut with its principal place of business in Wallingford, Connecticut. Under agreement, NENI is a "processor" member of the PLUS network entitling it to process twenty-four hour ATM transactions bearing the PLUS mark. NENI was responsible for processing transactions involving financial institutions in its region. These shared ATM networks enable customers to process transactions through the ATMs of unrelated banks. Customers can determine if they can use an ATM by matching one of the trademarks appearing on the ATM with the trademark on the card. When the customer enters the card at an ATM, the transaction is routed from the ATM-owning bank through the PLUS computer system if necessary, or through NENI's system to the issuing bank to authorize the transaction. PLUS' central processing computer, which processes over twelve million transactions per month, is located in Denver, Colorado. For transactions that were not processed through PLUS' system, PLUS required members to pay a royalty of three cents per transaction. NENI refused to comply with PLUS' royalty rule and PLUS brought this action for declaratory judgment in Colorado district court. Defendants challenged the court's personal jurisdiction, which was premised on diversity jurisdiction. The court looked toward the Colorado long-arm statute, which allowed the court to assert jurisdiction to the fullest extent permitted by the Due Process Clause of the Fourteenth Amendment. The court held that the three-prong test to
determine personal jurisdiction was satisfied. In determining whether NENI had purposefully availed itself of the forum state, the court evaluated all of its contacts with Colorado, including their knowledge that the agreement was with a Colorado company, the fact that the agreement provided that it is to be governed by the laws of Colorado, the payments made to Plaintiff in Colorado, and finally, the contact between NENI's computers and PLUS computers in Colorado on a regular basis. The computer connections included inter-member processing of transactions, daily settling of accounts, and exception handling procedures. The court noted that had these procedures been performed in person, there could be no dispute over minimum contacts. "Defendant's use of Plaintiff's computer system to effect the same result is no less an availment of Colorado and its laws." 

A third case, not dealing with infringement, but with federal obscenity charges, is United States v. Thomas. As the analysis moves further down the continuum away from the easier cases, the non-computer related contacts with the forum become less extensive, as in this case. Defendants Robert Thomas and his wife Carleen Thomas operated the Amateur Action Bulletin Board System ("AABBS") beginning in February 1991 from their home in Milpitas, California. People could access the AABBS through their computers using a modem and a phone line. After callers became members of the service by paying a fee, submitting a signed application form, and obtaining a password, they could download explicit photographs in computer files called Graphic Interchange Format ("GIF"). Additionally, members could request via e-mail sexually explicit videotapes that were delivered by use of the United Parcel Service ("UPS"). A United States Postal Inspector, responding to a complaint regarding the AABBS, accessed the service from Tennessee by calling the AABBS' telephone number. The agent obtained a password using an assumed name and, using his computer and modem, downloaded explicit GIF files containing depictions of "bestiality, oral sex, incest, sado-masochistic abuse, and sex

97. Id.
98. Id. at 118-19.
99. Id. at 119.
100. Id.
101. Id.
102. 74 F.3d 701 (6th Cir.), cert. denied, 117 S. Ct. 74 (1996).
103. 74 F.3d at 705.
104. Id.
105. Id.
106. Id.
107. Id.
scenes involving urination.  He also ordered and received sexually explicit videotapes using the e-mail function of the AABBS. Defendants, in the Western District of Tennessee, were charged and convicted of conspiracy to violate federal obscenity laws, knowingly using and causing to be used a facility and means of interstate commerce for the purpose of transporting obscene images, and shipping obscene videotapes via UPS. Defendants challenged venue in the Western District of Tennessee, claiming that they did not cause the GIF files to be transmitted to the Western District of Tennessee, but that the inspector accessed and caused the GIFs to enter Tennessee. In determining the propriety of venue, the court considered "a number of factors - the site of the defendant's acts, the elements and nature of the crime, the locus of the effect of the criminal conduct, and the suitability of each district for accurate fact finding." The court noted that the AABBS was accessible to subscribers in other jurisdictions with the knowledge of the defendants, who could have precluded the risk of liability in those jurisdictions by limiting access to passwords. While this case did not involve an Internet connection, it nevertheless demonstrates the extent to which a bulletin board operator, analogous to a single Internet site owner, can be held liable for information downloaded to users of the system.

In Zippo Manufacturing Co. v. Zippo Dot Com, Inc., the contacts between the defendant and the forum state were exclusively through the Internet. However, a traditional form of contact, the contract with a forum resident, still existed. Zippo Manufacturing Company ("Zippo"), located in Bradford, Pennsylvania, is the maker of the well known "Zippo" lighters. Defendant, Zippo Dot Com, Inc. ("Dot Com") is a California corporation with its principal place of business in Sunnyvale, California. Dot Com has obtained the exclusive right to use the domain names "zippo.com," "zippo.net" and "zipponews.com" from Network Solutions, Inc., the provider of Internet domain names.

108. Id.
109. Id.
110. Id. at 705-06.
111. Id. at 709.
112. Id. (quoting United States v. Beddow, 957 F.2d 1330, 1335 (6th Cir. 1992) (quoting United States v. Williams, 788 F.2d 1213, 1215 (6th Cir. 1986))).
113. Id. at 709-10.
114. The Thomas' were sentenced to two and one-half and three years respectively. See Cook, supra note 24.
116. Id. at 1121.
117. Id.
118. Id. at 1121 n. 3.
Dot Com uses these domain names to allow access to its Web page, which includes information about the company, advertisements, and an application for its Internet news service. A customer could subscribe to various types of news services by filling out an online application that requires applicants to include their name and address. Approximately three thousand such subscribers are Pennsylvania residents, which account for about two percent of Dot Com's subscribers. Zippo objected to Dot Com's use of the word "zippo" in its domain name and sought an equitable accounting and the imposition of a constructive trust in the federal district court in the Western District of Pennsylvania. Dot Com objected to the court's personal jurisdiction over the California resident. The Pennsylvania long-arm statute authorizes personal jurisdiction over nonresidents "(c)ontracting to supply services or things in" Pennsylvania to the "fullest extent allowed under the Constitution of the United States." The court analyzed whether it could exercise personal jurisdiction over Dot Com on this issue under the three-prong test. The court held that Dot Com had purposely availed itself of the Pennsylvania forum by not merely advertising its services, but by contracting with Pennsylvania residents, thereby "conducting electronic commerce." The selling of passwords to Pennsylvania residents that allowed access to Dot Com's services, and provided Dot Com with profits from Pennsylvania residents, was more than a "fortuitous" contact with Pennsylvania. The court held that if Dot Com had not wanted to be amenable to jurisdiction in Pennsylvania, it could have refused to sell passwords and services to Pennsylvania residents. The court finally concluded that the "nature and quality" of the Pennsylvania contacts were sufficient, the cause of action arose out of those contacts, and the exercise of jurisdiction would not be unreasonable. In the next case, Maritz, Inc. v. CyberGold, Inc., a Missouri company, Maritz, alleged that CyberGold, Inc., a California based company, was infringing Maritz's trademark via CyberGold's Internet

119. Id. at 1121.
120. Id.
121. Id.
122. Id.
123. Id.
129. Id. at 1127.
site on the World Wide Web.\textsuperscript{131} CyberGold's website is accessible by anyone in Missouri with Internet access using the domain name "www.cybergold.com."\textsuperscript{132} The website is currently used by CyberGold to promote its upcoming service by which subscribers can receive advertisements that are suited to their particular interests.\textsuperscript{133} When users access the site, they are encouraged to "sign-up" for CyberGold's upcoming service by submitting personal information, including name and address. Then CyberGold automatically and indiscriminately responds to each and every user who requests information.\textsuperscript{134} CyberGold objected to the court's exercise of personal jurisdiction and the court analyzed the case under the Missouri long-arm statute and the federal due process requirements.\textsuperscript{135} Missouri's long-arm statute allows the exercise of personal jurisdiction over nonresidents to the extent of the due process clause limitations.\textsuperscript{136} The court held that Defendant's activities satisfied the "commission of a tortious act" provision, reasoning that infringement is tortious in nature and the activities have produced the alleged effect in Missouri of causing Maritz economic injury.\textsuperscript{137} Finally, the court held that the Due Process Clause did not prevent the court's exercise of jurisdiction over the Defendants.\textsuperscript{138} The nature and quality of the contacts through the website were sufficient to establish minimum contacts with the form because through them, "CyberGold has consciously decided to transmit advertising information to all internet users, knowing that such information will be transmitted globally."\textsuperscript{139} In this case, the courts have made a large leap down the continuum away from the clear cut cases. In this case, unlike the first three cases, the forum contact is initiated almost exclusively by the forum residents with the exception of the automated computer response from the defendant's computer. Additionally, no contracts existed between the

\begin{itemize}
\item 131. \textit{Id.} at 1329.
\item 132. \textit{Id.} at 1330.
\item 133. \textit{Id.}
\item 134. \textit{Id.} at 1333.
\item 135. \textit{Id.} at 1329.
\item 136. \textit{Mo. Rev. Stat.} § 506.500 (1996). This section states:
\begin{quote}
Any person or firm, whether or not a citizen or resident of this state, or any corporation . . . submits . . . to the jurisdiction of the courts of this state as to any cause of action arising from the doing of any of such acts: (1) The transaction of any business within this state . . . (3) The commission of a tortious act within this state . . .
\end{quote}
\textit{Id.}
\item 137. \textit{Maritz,} 947 F. Supp. at 1331.
\item 138. \textit{Id.} at 1333-34.
\item 139. \textit{Id.} at 1333.
defendant and forum residents. The exercise of jurisdiction is based solely on non-traditional, Internet only contacts with the forum.

Another case in which the defendant's contacts with the forum involve no contracts and are exclusively Internet-related is Inset Systems, Inc. v. Instruction Set, Inc. 140 Plaintiff, Inset Systems, Inc. ("Inset"), is a corporation organized under the laws of Connecticut, with its principal place of business in Brookfield, Connecticut. 141 Defendant, Instruction Set, Inc. ("ISI"), is a corporation organized under the laws of Massachusetts, with its principal place of business in Natick, Massachusetts. 142 ISI obtained and used "inset.com" as a domain address to advertise its goods and services. 143 Inset, the registered owner of the trademark "INSET," filed for damages and injunctive relief against ISI in federal district court in the District of Connecticut. 144 ISI objected to the court's exercise of personal jurisdiction. 145 The court held that ISI's contacts with Connecticut were sufficient to establish personal jurisdiction over ISI. 146 In analyzing the federal due process standards, the court held that because ISI purposefully directed its advertising activities toward Connecticut on a continuing basis, it purposefully availed itself of the privilege of doing business there. 147 These advertising activities were considered purposeful availment because the advertisements, unlike television and radio advertising, were available on a continuous basis to any Internet user in any state. 148 Finally, the court held that its exercise of jurisdiction did not upset the notion of "fair play and substantial justice" because of the minimal distance between Connecticut and Massachusetts and Connecticut's interest in adjudicating the dispute. 149

The final case, Bensusan Restaurant Corp. v. King, 150 illustrates the end of the continuum, where jurisdiction is not asserted over the

141. Inset, 937 F. Supp. at 162.
142. Id.
143. Id. at 163.
144. Id. at 162.
145. Id. at 163.
146. Id. at 164. The Connecticut long-arm statute states that:
   Every foreign corporation shall be subject to suit in this state, by a resident of this state . . . on any cause of action arising . . . (2) out of any business solicited in this state . . . if the corporation has repeatedly so solicited business, whether the orders or offers relating thereto were accepted within or without the state . . .
   CONN. GEN. STAT. § 33-411(c)(2) (repealed 1997).
147. Inset, 937 F. Supp. at 165.
148. Id.
149. Id.
defendant. Plaintiff Bensusan, a New York corporation, created and owns "The Blue Note," a jazz club in New York City. Defendant King is an individual who lives in Columbia, Missouri and operates a local club also called "The Blue Note." In April of 1996, King posted a World Wide Web site on the Internet which contained marks that allegedly infringed those owned by Bensusan. The computer server on which the web site was actually located was in Missouri and allowed general access to anyone around the world with access to the Internet. The site contained general information about the club in addition to a calendar of events and ticketing information. King's Web page contained a disclaimer purporting to distinguish it from the New York City Blue Note owned by Bensusan. The disclaimer originally recommended Bensusan's establishment to anyone in the New York City area and included a "hyperlink" to Bensusan's Web page; however these were removed when Bensusan objected to King's Web site. Bensusan brought an action for trademark infringement, trademark dilution and unfair competition in the Federal District Court for the Southern District of New York, and King moved to dismiss for lack of personal jurisdiction.

Bensusan relied on sections 302(a)(2) and 302(a)(3)(ii) of the New York Civil Practice Law and Rules, the state's long-arm statute, to support its claim that the New York court could assert personal jurisdiction over Defendant in this action. The first provision of section 302 permits personal jurisdiction over any nonresident who "commits a tortious act within the state" if the cause of action arises from the tortious act. Citing cases that held trademark infringement occurs "where the passing off occurs, i.e., where the deceived customer buys the defendant's product in the belief that he is buying the plaintiff's," the court noted that the offering for sale of an infringing copy in New York, even if no sale results, is sufficient to vest a court with personal jurisdiction.

152. Id.
153. Id.
154. Id.
155. Id.
156. Id. at 297-98.
157. Id. at 298. A "hyperlink" is "highlighted text or images that, when selected by the user, permit him to view another, related Web document." Id. at 298 n.2 (quoting Shea v. Reno, 930 F. Supp. 916, 929 (S.D.N.Y. 1996), petition for cert. filed, 65 USLW 3323 (1996)).
158. Id. at 298.
161. Id. at 299.
The court determined, however, that the establishment of a Web site with a telephone number for placing orders of an allegedly infringing product is not an offer to sell the product in New York, and personal jurisdiction over the Missouri defendant is not proper. The court reasoned that "[i]t takes several affirmative steps by the New York resident, however, to obtain access to the Web site and utilize the information there," including accessing the Web site via either knowledge of the DNS address or the use of a search engine, telephoning the box office to reserve tickets, and traveling to Missouri to pick up the tickets. Under those facts, the infringement would have occurred in Missouri, not New York. It is important to note, however, that the court recognized that a different result may have been reached had the infringing goods been shipped to New York.

In determining whether the assertion of personal jurisdiction would violate the Due Process Clause of the Constitution, the court held that King had done nothing to purposefully avail himself of the benefits of New York. The court analogized the creation of a Web site to the mere placing of a product into the stream of commerce. Assertion of personal jurisdiction in New York would have required that King actively seek to encourage New Yorkers to access his site, conduct some business in New York, or have some presence in New York other than a Web site that can be accessed worldwide.

VII. CONCLUSION

The continuum that exists today in case law regarding the exercise of jurisdiction over nonresident Internet infringers of copyrights and trademarks is, as yet, a skeleton. A tenuous line exists between cases in which the infringer is or is not availing of a forum when using the Internet as medium for infringement. When trying to draw this line, or threshold point in the continuum, parties and courts should consider the observations of Chief Justice Warren announced almost fifty years ago, that

162. Id.
163. Id.
164. See supra text accompanying note 6.
166. Id.
167. Id.
168. Id. at 301.
169. Id. See Asahi, 480 U.S. at 112 (plurality opinion).
170. Bensusan, 973 F. Supp. at 301.
[a]s technological progress has increased the flow of commerce between States, the need for jurisdiction over nonresidents has undergone a similar increase. At the same time, progress in communications and transportation has made the defense of a suit in a foreign tribunal less burdensome. In response to these changes, the requirements for personal jurisdiction over nonresidents have evolved . . . .

Chief Justice Warren could not have imagined the extent to which "technological progress has increased the flow of commerce" by the use of the Internet. One of the earliest cases to deal with computer communications also noted that "while modern technology has made nationwide commercial transactions simpler and more feasible, even for small businesses, it must broaden correspondingly the permissible scope of jurisdiction exercisable by the courts." These predictions were applied to the present technology, the Internet, in Zippo. The court in Inset followed the Zippo court's lead. Perhaps it is time for other forums to do the same. Due to the nature of the Internet, the possibility of trademark or copyright infringement is so extreme that the time has come to heed Chief Justice Warren's foreshadowing. The risk of offending the "traditional notions of fair play and substantial justice" has been substantially reduced by the ease of transportation and communication between forums. Additionally, the importance of local adjudication of these issues is high because of the locus of these types of damages. Cases such as Inset, Maritz, and Zippo should be seen as models for future litigation. These courts have realized the global and local damage caused by the infringement of trademarks and copyrights on the Internet, and the need to provide a local forum in which injured plaintiffs can seek to enforce their rights.

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172. Id.
177. Inset, 937 F. Supp at 165. See Maritz, 947 F. Supp. at 1331 (the infringing activities produced an effect in the forum by causing the plaintiff economic injury).