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If the "Shoe" Fits: Reconciling the "International Shoe" Minimum Contacts Test with the Anticybersquatting Consumer Protection Act

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NOTES

If the *Shoe Fits*: Reconciling the *International Shoe* Minimum Contacts Test with the Anticybersquatting Consumer Protection Act

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'Cause online I'm out in Hollywood / I'm 6'5" and I look damn good / I drive a Maserati / I'm a black-belt in karate / And I love a good glass of wine . . . / 'Cause even on a slow day, I could have a 3-way / Chat with two women at one time / I'm so much cooler online . . . / When you got my kind of stats / It's hard to get a date / Let alone a real girlfriend / But I grow another foot and I lose a bunch of weight / Every time I login.

—Brad Paisley, *Online*¹

I. INTRODUCTION

The desire to assume a false identity is one that transcends cultures and time periods. Even the most socially confident and successful person has, at some point, contemplated the possibility of changing or masking his or her identity—if only temporarily—with the hope of gaining some sort of competitive advantage. History and popular culture are replete with instances of such conduct, with varying degrees of success. One of the most famous historical examples, originating in Greek mythology, is the legend of the Trojan horse: the Greeks' surprise invasion of Troy using a hollow, wooden horse.²

This same desire to gain a competitive edge by pretending to be someone else likely contributed, at least indirectly, to the advent of cybersquatting. Cybersquatting is “the act of reserving a domain name,” and then “seeking to profit by selling or licensing the name to a company that has an interest in being identified with it.”³ Cybersquatters depend upon “initial interest confusion,”⁴ meaning that they hope their use of domain names that are similar or identical to well-known trademarks will be so confusing to the trademark holders' customers that the trademark holders will be forced to purchase the domain names from the cybersquatters. Cybersquatting and the problems associated with it highlight some of the most metaphysical questions surrounding legal problems in the Internet world. For example, what does it mean to have an “identity” in cyberspace? Which Brad Paisley is the real one: The short, insecure,

1. BRAD PAISLEY, *Online*, on 5TH GEAR (Arista Records 2007).

2. VIRGIL, THE AENEID 83–84 (Robert Fagles trans., Viking Press 2006).

3. BLACK'S LAW DICTIONARY 414 (8th ed. 2004).

4. Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp., 174 F.3d 1036, 1062 (9th Cir. 1999).

overweight man who (in reality) drives a Hyundai, lives with his parents, and works in fast food, or the tall, debonair ladies' man who drives an Italian sports car?⁵ Also, what are the rules associated with property on the Internet? Where is a website "located"? Is it located on a server somewhere, or is its location tied to the place of its creation or impact? All or none of the above? These sorts of questions demonstrate the confusion and perceived lawlessness upon which cybersquatters have been able to capitalize.

By way of example, assume that two well-known, publicly traded companies—the "John" and "Doe" corporations—have announced their intent to merge, and a press release indicates that the name of the new company will be "JOHNDOE Corporation." The newly formed JOHNDOE Corporation subsequently applies for federal trademark protection of its mark, "JOHNDOE." Less than one day later, someone in China registers the domain name, <johndoe.com>, before the JOHNDOE Corporation has a chance to do so. The registrant has no connection to the names John, Doe, or JOHNDOE through either his business or his personal life. However, his registration of the <johndoe.com> domain name is a total barrier to subsequent registration of that domain name by anyone else, including the JOHNDOE Corporation. Consequently, the JOHNDOE Corporation, despite owning the trademark "JOHNDOE," is unable to use the domain name that consumers most likely would associate with it unless it pays exorbitant fees to the cybersquatter.

The preceding hypothetical parallels the facts of *GlobalSantaFe Corp. v. Globalsantafe.com* ("*GlobalSantaFe*"),⁶ which is the subject of much discussion in this Note. The facts of *GlobalSantaFe* are remarkable for two reasons: (1) they recur with alarming frequency in the United States, especially with regard to foreign cybersquatters who are not subject to in personam⁷ jurisdiction anywhere in this country; and (2) U.S. trademark law itself provides little assistance to the victims of such pusillanimous cybersquatters.⁸ In response to these growing concerns, Congress enacted the

5. See PAISLEY, *supra* note 1 (describing a fantasy alter-ego).

6. 250 F. Supp. 2d 610, 612–13 (E.D. Va. 2003).

7. In personam jurisdiction is jurisdiction over a person, as opposed to property. For a more detailed explanation of the terminology of personal jurisdiction, see *infra* Part II.

8. See Heather A. Forrest, *Drawing a Line in the Constitutional Sand Between Congress and the Foreign Citizen "Cybersquatter,"* 9 WM. & MARY BILL RTS. J. 461, 462, 482 (2001) (citing the "epidemic frequency" of claims against foreign cybersquatters in U.S. courts and the inability of trademark law to protect against cybersquatting by those who have not availed themselves of American commerce).

Anticybersquatting Consumer Protection Act ("ACPA"),⁹ which plaintiffs have used several times in exactly these types of actions—including in *GlobalSantaFe*¹⁰—in an attempt to rein in cybersquatting.

The ACPA provides, *inter alia*, for the "owner of a mark" to file a civil action against the holder of a domain name if the "domain name violates any right of the owner of a mark registered in the Patent and Trademark Office."¹¹ This provision is meaningless and unenforceable, however, unless U.S. courts can obtain personal jurisdiction over the alleged infringer (who often is located outside of the United States). To that end, the ACPA has additional language that provides for in rem jurisdiction over the domain name itself when the trademark holder is unable to locate or obtain in personam jurisdiction against the alleged infringer.¹² In other words, this provision of the ACPA showcases Congress's intent to treat a domain name as a piece of property that creates a jurisdictional nexus wherever it is "located." The net effect is that although a plaintiff may not be able to find, sue, or even identify the alleged cybersquatter, he may nonetheless bring an action to determine the "true owner" of the domain name in the judicial district in which the domain name is registered.¹³ Because all <.com> and <.net> domain names currently are registered in Northern Virginia,¹⁴ the in rem provision of the ACPA is the ultimate trump card for U.S. plaintiffs suing foreign cybersquatters. This provision has been the subject of much controversy and has engendered much opposition, resulting in constitutional challenges to the ACPA.

Many scholars and theorists have particular difficulty reconciling the ACPA's jurisdictional provision with the personal jurisdiction contours articulated in *International Shoe v. Washington* and its progeny.¹⁵ Although any first year law student in Civil Procedure knows by heart the *International Shoe* requirement of "minimum contacts" with the forum state, "such that maintenance of the suit does not offend traditional notions of fair play and substantial justice,"¹⁶ courts have struggled to apply it to the Internet.¹⁷ Although

9. 15 U.S.C. § 1125(d) (2000).

10. 250 F. Supp. 2d at 614–17.

11. 15 U.S.C. § 1125 (d)(2)(A).

12. *Id.*

13. *Id.*

14. For a complete understanding of the ACPA's provisions and its scope, see *infra* Part II (including a more detailed explanation of the structure of the Internet).

15. 326 U.S. 310, 316 (1945).

16. *Id.* (quoting *Milliken v. Meyer*, 311 U.S. 457, 463 (1940)).

the *International Shoe* Court formulated its test with in personam jurisdiction in mind,¹⁸ the minimum contacts formula has been interpreted broadly by U.S. courts for more than half a century and now applies to all types of personal jurisdiction, including in rem jurisdiction.¹⁹ Consequently, scholars and courts express discomfort with the ACPA's jurisdictional provision,²⁰ which some believe strains due process. Additionally, the provision implicates potential comity concerns²¹ because the ACPA relies heavily upon U.S. trademark law. Perhaps most troubling is the difficulty many courts and commentators have reconciling the ACPA's provision for in rem jurisdiction with the Supreme Court's decision in *Shaffer v. Heitner*, in which the Court expanded the reach of the *International Shoe* test to cover in rem actions in addition to in personam actions.²²

This Note argues that the in rem provision of the ACPA is unconstitutional and should be considered an invalid exercise of Congress's power because it represents this country's unlawful stranglehold on legal regulation of the Internet. In particular, as scholars David Johnson and David Post persuasively argue, "[N]o physical jurisdiction has a more compelling claim than any other to subject [Internet activities] exclusively to its laws."²³ This is the so-called "exceptionalist" view: activities on the Internet cannot be governed by the traditional legal methods; consequently, successful

17. See, e.g., *Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, 952 F. Supp. 1119, 1124 (W.D. Pa. 1997) (holding that the creator of a website is subject to personal jurisdiction in any jurisdiction where such website's effects are felt, in accordance with a sliding scale of the nature and quality of the commercial activity in which the website engages).

18. 326 U.S. at 316.

19. See *Shaffer v. Heitner*, 433 U.S. 186, 212 (1977) (holding that the *International Shoe* minimum contacts test is the inquiry that should be used to determine all types of personal jurisdiction, not just *in personam*).

20. See, e.g., Forrest, *supra* note 8, at 462 (arguing that Congress lacks the power under the Commerce Clause to regulate extraterritorial cybersquatters and other domain name offenders).

21. See *GlobalSantaFe Corp. v. Globalsantafe.com*, 250 F. Supp. 2d 610, 624–26 (E.D. Va. 2003) (describing the potential comity concerns that could result if U.S. courts exercise in rem jurisdiction too aggressively over domain names). "Comity" refers to the general obligation that political entities feel to recognize each other's legislative, executive, and judicial acts and decisions. BLACK'S LAW DICTIONARY 284 (8th ed. 2004). With respect to the ACPA, the primary comity concern is that other nations will view the United States as attempting to monopolize global trademark law.

22. 433 U.S. at 207. It should be noted that many courts have interpreted *Shaffer* more narrowly. See, e.g., *Cable News Network L.P. v. Cnnews.com*, 162 F. Supp. 2d 484, 491 (E.D. Va. 2001) (holding that where "an action is properly categorized as 'true *in rem*,' there is no requirement that the owner or claimant of the property have minimum contacts with the forum").

23. David R. Johnson & David G. Post, *Law and Borders – The Rise of Law in Cyberspace*, 48 STAN. L. REV. 1367, 1376 (1996).

Internet regulation requires adapting laws and societal norms to the Internet, not the other way around.²⁴ Exceptionalists would argue that a provision such as the ACPA's provision for in rem jurisdiction is no more effective or legitimate than ordering someone to fit a square peg into a round hole. However, this Note does *not* advocate complete cyberanarchy; a less extreme solution exists between such anarchy and the ACPA's overreaching.

Part II of this Note explores the historical background of Internet law and personal jurisdiction, and it provides a detailed explanation of the structure and function of the Internet. In particular, Part II explains the mechanism of domain name registration, as well as procedures to cancel or transfer domain names. Part II also explores the leading case law concerning cybersquatting and the ACPA.

Part III analyzes the shortcomings and benefits of the existing slate of judicial interpretations of the ACPA. However, this Note should not be interpreted as arguing that nothing of value can be salvaged from the ACPA or from ACPA jurisprudence. Instead, Part III examines the positives and negatives of existing jurisprudence with an eye towards formulating a compromise that has the potential to be more effective and legitimate than any of the current options, particularly because the ACPA's in rem provision represents Congress's attempt to circumvent established personal jurisdiction jurisprudence, and thereby, due process.

Part IV presents and elaborates upon this Note's proposed solution, which advocates excising the in rem provision from the ACPA and using a more traditional approach to establish personal jurisdiction over domain names. In addition to being unwise, Congress's enactment of the ACPA also was unnecessary because much of the existing personal jurisdiction jurisprudence in this country already is able to deal with domain name disputes expeditiously and with the requisite degree of flexibility. Therefore, Part IV advocates a return to the basics in the form of a juxtaposition of the *International Shoe* minimum contacts test and the "effects" test from *Calder v. Jones*.²⁵ Finally, Part V offers some concluding remarks.

24. David G. Post, *Against "Against Cyberanarchy,"* 17 BERKELEY TECH. L.J. 1365, 1365 (2002).

25. *Calder v. Jones*, 465 U.S. 783, 789–90 (1984).

II. BACKGROUND AND CONTEXT: THE ACPA, THE DOMAIN NAME SYSTEM, AND SELECTED CASE LAW

Those unaccustomed to what might loosely be termed “Internet Law” or “Cyberlaw” may be unaware of the danger that the factual complexities can overwhelm the law. Indeed, it can be more difficult to wrap one’s head around the technology that underlies the regulations and laws than to understand the laws themselves. The purpose of Section A, therefore, is to demystify some aspects of the Internet—particularly domain names and domain name registration. Because the thesis of this Note relies so heavily upon the doctrine of personal jurisdiction, Section B gives a brief review of personal jurisdiction jurisprudence in the United States, highlighting the most important cases and trends in that area of the law. Sections C and D describe the ACPA and selected ACPA case law, respectively.

A. The Domain Name System and Internet Architecture: The Internet as a “Decoder Ring”

To explain the ACPA’s regulation of domain names and cybersquatting, it is necessary first to explain the mechanics of domain name registration, the domain name system (“DNS”), and the structure, or “architecture,”²⁶ of the Internet.

At its most basic level, the DNS can be thought of as a giant decoder ring, which is a device allowing only the sender and recipient of a coded message to decipher the contents of the message, provided that both the sender and recipient possess decoder rings with the same code pattern. On the other hand, calling the DNS a “decoder” ring is something of a misnomer, for if the message were not “encoded” using the same code pattern, there would be nothing coherent to *decode*; therefore, the DNS both encodes and decodes messages sent between Internet users. That is, the DNS serves as the central repository for encoding and decoding data transmitted between computers. Computers and servers worldwide communicate with one another through Internet Protocol (“IP”) addresses, which consist of four sequences of thirty-two-bit numbers that are unique to individual computers and servers.²⁷ As a result, a computer’s IP address is as close as a computer gets to having a physical address; it is a unique

26. Lawrence Lessig, *The Law of the Horse: What Cyberlaw Might Teach*, 113 HARV. L. REV. 501, 509–10 (1999) (referring to the code or structure of the Internet as its “architecture”).

27. This summary is an oversimplification of a rather complex process. For an in-depth description of the process, see generally PATRICIA L. BELLIA ET AL., *CYBERLAW: PROBLEMS OF POLICY AND JURISPRUDENCE IN THE INFORMATION AGE* 167–71 (3rd ed. 2007).

identifier of a particular computer or server. However, because humans are considerably less able to remember strings of numbers than words, the DNS converts words into the numerical format of IP addresses. For example, instead of typing “71.21.203.1,”²⁸ one can type “www.amazon.com” and reach the same webpage. Given the choice, most people would find it much easier to type the *name* of the website rather than the website’s IP address, simply because it is much easier to remember the name of an organization²⁹ than a string of numbers that correspond to the website. To put it another way, imagine that one could mail a letter to a friend who worked for Home Depot simply by addressing the letter: “John Doe, Home Depot, Inc.” This would be a much easier way to send mail, compared to the process of searching for street addresses and zip codes. The DNS is premised on the same idea, espousing the viewpoint that it is much easier for Internet users to type in words that automatically direct users to the website with the corresponding IP address, rather than forcing users to remember long strings of numbers. Domain name servers convert the domain names into IP addresses so that users do not have to. The domain servers perform a variety of blazing-fast calculations and functions to match the domain name that a user enters in an Internet browser with the corresponding IP address. All of this happens with remarkable speed and efficiency, and as a general rule, the DNS enables users to locate websites with ease.

The ease with which a user can locate a website, however, depends upon several assumptions that cybersquatters exploit. Chief among them is the assumption that typing <www.OrganizationName.com> into one’s web browser will lead to the webpage of Organization Name. Although this assumption is correct in the case of many organizations,³⁰ it is not always accurate. The Sixth Circuit explained the process of guessing an organization’s domain name as follows:

An Internet user will often begin by guessing the domain name, especially if there is an obvious domain name to try. Web users often correctly assume that the domain name of a particular company’s website will be the company name followed by “.com.” Guessing domain names, however, is not always successful. The web surfer who assumes that “X.com” will always correspond to the website of company X will sometimes be misled.³¹

28. It is important to note that Amazon.com periodically changes its IP address. Although it is accurate as of the publication of this Note, it may change in the future.

29. For exemplary purposes, I refer to websites of organizations and businesses such as Home Depot and Amazon because most people are familiar with them. However, all of these examples and structural restrictions apply equally to personal websites.

30. For instance, Amazon’s website is <www.amazon.com>, and Home Depot’s is <www.homedepot.com>.

31. Interactive Prods. Corp. v. a2z Mobile Office Solutions, Inc., 326 F.3d 687, 691 (6th Cir. 2003).

This is largely a product of the Internet's "architecture,"³² which is structured such that every domain name is unique. That is, in the entire Internet, there can exist only one "<homedepot.com>" or one "<amazon.com>." Once such a domain name has been registered, the holder of the registration "owns" that domain name to the exclusion of everyone else on the Internet. In other words, the minute that Amazon registered the domain name <amazon.com>, it had exclusive rights to establish a website at that domain name. Just as two organizations cannot occupy the exact same *physical* space, they also cannot occupy the same *domain name* space.

At this point, it is appropriate to explain what it means to "register" a domain name. Registration begins with the specific top-level domain ("TLD"). Examples of familiar TLDs include <.com>, <.net>, <.org>, <.edu>, and the TLDs that serve as "country codes," such as <.uk> for the United Kingdom and <.fr> for France. Domain name registration is accomplished through two separate, but confusingly similar, entities: the registry and the registrar.³³ For every domain name to be unique, there must be some entity controlling the system to prevent duplicates. Accordingly, a registry manages all the domain names within each TLD to prevent duplication. For example, for every website ending in <.com>, the registry is VeriSign, a private company located in Virginia. This single registry, however, is not to be confused with registrars, of which there are many under the control of each registry, and which are authorized to register domain names for users.³⁴ Therefore, if an organization or individual wishes to register and use a <.com> domain name, it contacts one of the many registrars, which then sends the relevant information to the registry in Virginia.³⁵

Given the fact that every domain name must be unique, it is easy to see how cybersquatting occurs. A person or entity attempts to register a domain name that is the same as, or confusingly similar to,

32. Lessig, *supra* note 26, at 509–10.

33. There are several "registrars" within each TLD, and they generally are located around the world. By contrast, there is but one "registry" for each TLD. BELLIA ET AL., *supra* note 27, at 167–68. To complicate things even more, each registry is also a registrar (but not vice-versa). That is, people who want to register domain names usually accomplish this through registrars, and registries oversee all of the registrars within their TLDs. An analogy may be helpful to illustrate this relationship. Assume domain name registrants are law students, registrars are law professors, and the registry is the dean of the law school. In general, students take classes from their professors, and the dean oversees the activities of the professors. In the alternative, the dean may teach classes in addition to the oversight role. Law professors other than the dean, however, do not double as law school administrators.

34. BELLIA ET AL., *supra* note 27, at 168.

35. *Id.*

a registered trademark, a well-known brand, or a company name, and it then attempts to extort money out of the trademark holder in return for relinquishing the domain name. Cybersquatting that occurs entirely within the United States (i.e. both the cybersquatter and the trademark holder are located within the United States) is relatively easy to regulate; combating such domestic cybersquatting presents fewer problems than extraterritorial cybersquatting. Because of the ease with which it can be stopped, however, domestic cybersquatting is less common than extraterritorial cybersquatting. Therefore, geography and the physical locations of registries and registrars factor prominently into the ACPA and ACPA jurisprudence. In particular, the fact that the registries for the two most common TLDs, <.com> and <.net>, are located in Virginia gives the ACPA considerably more teeth than it otherwise would have. Yet it also arguably subjects foreign cybersquatters and all foreign entities wishing to register <.com> and <.net> TLDs to U.S. trademark law. For this and other reasons, the in rem provision of the ACPA is unconstitutional, primarily because it violates decades-old notions of personal jurisdiction. Therefore, it is helpful at this point as a matter of contrast to explore briefly the evolution of personal jurisdiction jurisprudence in the United States as a prelude to further discussion of the ACPA, namely because the existing personal jurisdiction framework provides the foundation upon which the ACPA has been so awkwardly (and unconstitutionally) positioned.

B. "Minimum Contacts": A Brief Overview of United States Personal Jurisdiction Jurisprudence

Personal jurisdiction refers to the procedural manifestation of constitutional due process. Specifically, personal jurisdiction determines whether the assertion of jurisdiction over a defendant by a court *in a particular state* is consistent with due process under the Constitution. Unlike subject matter jurisdiction, personal jurisdiction affects both state and federal courts equally because personal jurisdiction follows state lines and state sovereignty. Thus, for example, if one is subject to personal jurisdiction in the State of Ohio, then, consistent with due process, one can be haled into any state or federal court in that state, provided that the particular venue is convenient.

Traditionally, personal jurisdiction has been determined by one of two primary factors: the defendant's presence in the forum state or his consent to being sued there. Loosely, a defendant's "presence" in the forum state has to do with the nature and frequency of his contact

with the state. A defendant can be present in a state if he lives there, owns property there, works there, votes there, or is served with process there.³⁶ “Consent” essentially refers to the willingness of a defendant to appear in court to answer the complaint, or to a defendant’s “purposefully avail[ing]” himself of the forum state by use of its laws or resources.³⁷ The foregoing is not an exhaustive list, but it illustrates the difficulty and potential breadth of the presence and consent requirements and emphasizes the fact that state law boundaries form the basis for personal jurisdiction. Indeed, the most likely reason for making state boundaries the essential, delineating feature of personal jurisdiction is that during personal jurisdiction’s infancy, travel beyond one’s state borders required much more of a commitment than it does now. Therefore, the relevant query is entirely geographic: “Is it consistent with due process to permit this defendant to be sued in *this* state?”

Three types of personal jurisdiction exist: in personam, in rem, and quasi in rem. These will be explored fully below,³⁸ but at bottom, in personam suits are those—such as contract suits, negligence suits, etc.—where a wrong committed by one person against another forms the basis for jurisdiction. By contrast, in rem and quasi in rem suits involve property and disputed property rights as bases for jurisdiction. Although this Note primarily addresses in rem and quasi in rem jurisdiction, the concepts underlying these and in personam jurisdiction basically are the same.

The linchpin of personal jurisdiction jurisprudence is *International Shoe v. Washington*.³⁹ Although there have been significant developments in personal jurisdiction jurisprudence both prior and subsequent to the *International Shoe* decision,⁴⁰ it remains the focal point of personal jurisdiction doctrine in the United States. In *International Shoe*, the defendant was a Delaware corporation with no offices or operations in the State of Washington, save for the fact that a small number of its salesmen lived and worked there.⁴¹ The

36. See, e.g., *Burnham v. Superior Court of Cal.*, 495 U.S. 604, 619 (1990) (holding that service of process in the forum state is sufficient to establish personal jurisdiction over the defendant).

37. *Hanson v. Denckla*, 357 U.S. 235, 253 (1958).

38. See *infra* Sections II.D, III (describing the varied approaches courts have taken in evaluating the ACPA).

39. 326 U.S. 310 (1945).

40. Some of the other important personal jurisdiction opinions will be discussed further as they become relevant in subsequent sections of this Note. See *infra* Sections II.D, III (analyzing the decisions in *GlobalSantaFe*, *Shaffer v. Heitner*, and *Cable News Network L.P. v. Cnnews.com*).

41. 326 U.S. at 313–14.

defendant claimed that because the corporation itself was not physically located in Washington, its activities in that state were insufficient to manifest its presence there, and thus, it was inconsistent with due process for it to be sued there.⁴² The Supreme Court disagreed, finding that if a person or entity is not otherwise “present” in the forum state, “due process requires only that . . . he have certain minimum contacts with it such that the maintenance of the suit does not offend ‘traditional notions of fair play and substantial justice.’ ”⁴³ The Court reasoned that the corporation’s “presence” in Washington could be manifested by the activities of its agents, insofar as those activities could make it reasonable to subject the corporation to suit in that state.⁴⁴ Because the corporation “exercise[d] the privilege of conducting activities” in Washington, it enjoyed the benefits and protections of Washington’s laws, and therefore was subject to the corresponding burdens of those laws.⁴⁵

The Court in *International Shoe* also articulated the difference between general jurisdiction and specific jurisdiction. General jurisdiction refers to “systematic and continuous” contacts in a state that make it reasonable that a defendant be “amenable to suits *unrelated* to that activity.”⁴⁶ By contrast, specific jurisdiction comes into play when an entity’s contacts with a state are so casual or isolated that the entity is subject to suit only for claims directly arising from those activities.⁴⁷

For example, consider Jane, a hypothetical woman who is “domiciled” in the Commonwealth of Kentucky. She resides, works, pays taxes, votes, and maintains bank accounts only in the Commonwealth of Kentucky. Because of her continuous and systematic contacts with Kentucky (that is, she is constantly “present” in Kentucky, even when *physically* absent from Kentucky for brief periods of time), Jane can be sued in Kentucky courts—state or federal—by anyone for any claim, regardless of where the activities that caused the harm occurred. In other words, if Jane negligently injures Bob while she is vacationing in Texas, he may sue her in Kentucky because Kentucky has general jurisdiction over her for any claim that may be brought against her.

42. *Id.* at 315.

43. *Id.* at 316 (citing *Milliken v. Meyer*, 311 U.S. 457, 463 (1940)).

44. *Id.* at 316–17.

45. *Id.* at 319.

46. *Id.* at 318 (emphasis added).

47. *Id.* at 317–18.

Conversely, Bob also may choose to sue Jane in Texas for his injury because Texas has specific jurisdiction over Jane for claims arising out of her contact with Texas. However, Texas *only* has jurisdiction over Jane for claims arising out of her negligence that injured Bob in Texas; this specific jurisdiction does not subject Jane to suits in Texas arising from activities elsewhere. For instance, Texas would not have jurisdiction over Jane for a claim against her by another Kentucky resident who has never left Kentucky, or for a claim by an Indiana merchant that Jane is delinquent in paying her bills. Texas's personal jurisdiction over Jane is *specific* to her activities within its state lines and extends no further, whereas Kentucky has *general* jurisdiction over Jane for any claim, even if such a claim also could be brought in another state.

After *International Shoe*, there have been several other important personal jurisdiction decisions that warrant brief discussion, particularly *Zippo Manufacturing v. Zippo Dot Com*, which dealt with personal jurisdiction over a website.⁴⁸ It is important to note, however, that the *International Shoe* requirement that a defendant have "minimum contacts with the forum state, such that maintenance of the suit does not offend traditional notions of fair play and substantial justice"⁴⁹ (the "minimum contacts test"), remains the dominant inquiry for personal jurisdiction analyses, even though some of the subsequent jurisprudence at times appears to supplant it. That is to say, the case law that this Note sets forth should be read only as an augmentation or elaboration of the minimum contacts test, not as a new analytical framework for determining personal jurisdiction. The minimum contacts test is the bedrock of personal jurisdiction doctrine, and the subsequent cases—though they may appear to be new or different—should not be read as inconsistent with the minimum contacts test.

In 1980, the Supreme Court decided *World-Wide Volkswagen v. Woodson*, a products liability action in which the Court found personal jurisdiction to be improper.⁵⁰ In this case, two people filed suit in Oklahoma against World-Wide Volkswagen (hereinafter "World-Wide")—a New York corporation doing business only in New York, Connecticut, and New Jersey—after they were injured by a fire that resulted when their car was struck from behind.⁵¹ Using the minimum contacts test, the Court found that subjecting World-Wide to personal

48. 952 F. Supp. 1119, 1119–20 (W.D. Pa. 1997).

49. 326 U.S. at 316.

50. 444 U.S. 286, 288–91 (1980).

51. *Id.* at 288.

jurisdiction in Oklahoma would offend the “fairness” part of the test; the Court found that World-Wide had insufficient contacts with the State of Oklahoma and did not avail itself of the privileges of Oklahoma law.⁵² The Court also rejected the argument that jurisdiction would be fair just because it was “foreseeable” that the car might be driven from New York to Oklahoma.⁵³ Although foreseeability is a factor in the minimum contacts test, the more important inquiry was whether or not World-Wide had intentionally “deliver[ed] its products into the stream of commerce” in Oklahoma, and the Court found that it had not.⁵⁴ *World-Wide Volkswagen* and *Asahi Metal Industry Co. v. Superior Court of California*⁵⁵ are best known for establishing the “stream-of-commerce” basis for jurisdiction, which holds that placing an item in the stream of commerce with the expectation that it will end up in the forum state can be sufficient to establish minimum contacts.

Last, and perhaps most relevant to this Note, is the case of *Zippo Manufacturing v. Zippo Dot Com*, in which the U.S. District Court for the Western District of Pennsylvania articulated a sliding scale for determining where the proprietor of a website is subject to personal jurisdiction.⁵⁶ Specifically, the court provided a test analyzing the nature and function of a website to determine the degree of interactivity between the site and its users that is necessary to constitute purposeful availment of the forum state.⁵⁷ At one end of the spectrum are “active” websites, or those that “clearly [do] business over the [I]nternet.”⁵⁸ At the other end are “passive” websites, or sites on which the defendant posts information that is merely accessible in the forum state.⁵⁹ The middle ground is comprised of “interactive” websites, which allow users to exchange information with the host computer.⁶⁰ Ultimately, jurisdiction hinges upon the level of interactivity and the commercial nature of the website.⁶¹

These tests leave many questions as to the legitimacy of personal jurisdiction over a website or a domain name. For example, how does one know where a domain name is “present”? Is the use of a

52. *Id.* at 295.

53. *Id.* at 296–97.

54. *Id.* at 297–98.

55. 480 U.S. 102, 117 (1987) (Brennan, J., concurring).

56. 952 F. Supp. 1119, 1124 (W.D. Pa. 1997).

57. *Id.* at 1125–26.

58. *Id.* at 1124.

59. *Id.*

60. *Id.*

61. *Id.*

domain name the same as placing an article into the stream of commerce? Under the *Zippo* sliding-scale test, how does one know when a website is interactive *enough* such that personal jurisdiction does not offend due process? By passing the ACPA, Congress attempted to clarify some of these jurisdictional questions. To illustrate the influence the ACPA has over extraterritorial matters, it is necessary to undertake a more detailed analysis of both the ACPA and some of the more famous litigation emanating from it.

C. Congress Attempts to Provide a Solution: The ACPA

Perhaps recognizing the vastness of the threat posed by cybersquatting and “cyberpiracy,”⁶² Congress passed the ACPA in an attempt to provide some measure of protection to domestic trademark holders against foreign cybersquatters. The ACPA provides for civil liability when someone other than the mark holder acts with a “bad faith intent to profit from that mark”⁶³ or uses a domain name that is confusingly similar to or dilutive of a famous, or otherwise registered, mark.⁶⁴ This test necessarily requires a threshold examination under trademark law to determine whether the domain name in question is confusingly similar to or dilutive of a famous mark.⁶⁵

As a remedy, the ACPA provides for “forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.”⁶⁶ This may be a draconian solution, but a remedy that is less than cancellation or forfeiture may be, in many instances, a toothless one: “[Merely] disabling the domain name will have minimal practical effect—the trademark holder still will not be able to use the domain name, and the cybersquatter can continue squatting on the domain name as long as he keeps the registration active.”⁶⁷

62. 15 U.S.C. § 1125(d) (2000).

63. *Id.* § 1125(d)(1)(A)(i). In determining what constitutes bad faith, courts have broad discretion to evaluate a number of factors, including, but not limited to: (1) the mark holder’s use of the domain name; (2) the alleged infringer’s prior use of the domain name; (3) the intent of the alleged infringer to divert goods and services away from the mark holder; (4) the alleged infringer’s false or misleading conduct; (5) the alleged infringer’s offer to sell the domain name to the mark holder; (6) and the alleged infringer’s registration of several domain names, all of which are confusingly similar to famous or registered marks. *Id.* §§ 1125(d)(1)(B)(i)(I)–(IX). Bad faith intent cannot be found where a court determines that the alleged infringer reasonably believed his or her use of the domain name “was a fair use or otherwise lawful.” *Id.* § 1125(d)(1)(B)(ii).

64. *Id.* §§ 1125(d)(1)(A)(ii)(I)–(II).

65. *See id.* §§ 1125(a)–(c) (setting forth the tests for dilution and “confusingly similar” marks).

66. *Id.* § 1125(d)(1)(C).

67. *GlobalSantaFe Corp. v. Globalsantafe.com*, 250 F. Supp. 2d 610, 622 (E.D. Va. 2003).

The ACPA “effectively globalizes its scope,”⁶⁸ however, through its provision for in rem jurisdiction over an alleged foreign cybersquatter. The Act provides that “the owner of a mark” may file an in rem action in the judicial district in which either the registry or the registrar for that domain name resides.⁶⁹ Although registrars are located all over the world, the registries for both the <.com> and <.net> TLDs are in Virginia.⁷⁰ The practical effect of this provision, therefore, is to allow almost any aggrieved mark holder—at least those who seek cancellation of an infringing <.com> or <.net> domain name—to file an in rem action in Virginia, regardless of the location of the alleged infringer or the location of the registrar that initially registered the domain name. However, in rem jurisdiction is only available if the mark owner “is not able to obtain in personam jurisdiction”⁷¹ over the alleged infringer or is unable to locate the alleged infringer “through due diligence.”⁷² In other words, the ACPA’s provision for in rem jurisdiction would be inapplicable if a U.S. mark holder sued the U.S. registrant of an allegedly infringing domain name; the in rem provision kicks in only if there is no U.S. judicial district that has in personam jurisdiction over the alleged cybersquatter.⁷³

Once a U.S. district court receives a complaint, the registrar or registry is ordered to transfer ownership of the domain name to the court pending the outcome of the litigation, and in any event, the registrar or registry may not “transfer, suspend, or otherwise modify the domain name during the pendency of the action.”⁷⁴ Finally, the ACPA insulates the registrar or registry against liability for monetary or injunctive damages unless “bad faith or reckless” disregard for the rights of others can be shown.⁷⁵

Essentially, the ACPA provides that the disputed property in the in rem action (the domain name) is “located” wherever it has been registered—either through the registrar or registry. That locational provision is sufficient to provide jurisdiction even where there is no in personam jurisdiction over the alleged infringer. The difficulties inherent in reconciling this controversial provision with both the Due Process Clause and the minimum contacts test from *International*

68. BELLIA ET AL., *supra* note 27, at 170.

69. 15 U.S.C. § 1125(d)(2)(A).

70. BELLIA ET AL., *supra* note 27, at 168.

71. 15 U.S.C. § 1125(d)(2)(A)(ii)(I).

72. *Id.* § 1125(d)(2)(A)(ii)(II).

73. *Id.* § 1125(d)(2)(A)(ii)(I).

74. *Id.* § 1125(d)(2)(D)(i)(II).

75. *Id.* § 1125(d)(2)(D)(ii).

Shoe are highlighted by the opinions in *GlobalSantaFe*, *Shaffer v. Heitner*, and *Cnnews*.

D. Different Strokes: The Varied Approaches Courts Have Taken in Evaluating the ACPA

The case law surrounding the ACPA is problematic at best. What follows here is a brief cross-section of what some courts have said about the ACPA and its provision for in rem jurisdiction. In particular, this Section includes some of the more common rationales courts have concocted for upholding the offending provision of the ACPA, and it lays the foundation for showcasing the inadequacies of these rationales.⁷⁶ The first case, *GlobalSantaFe*,⁷⁷ is a good introduction to ACPA jurisprudence because it illustrates both a recurring ACPA factual scenario and a common set of justifications courts advance for upholding the ACPA. The second case discussed is *Shaffer v. Heitner*.⁷⁸ Although it predates and thus does not speak directly to the legitimacy of the ACPA, *Shaffer* is nonetheless vitally important in the context of the ACPA because it represents the Supreme Court's attempt to broaden the reach of the minimum contacts test.⁷⁹ Discussions of *Shaffer* in the *Cable News Network L.P. v. Cnnews.com*⁸⁰ and *Harrods v. Sixty Internet Domain Names*⁸¹ opinions reinforce its importance to ACPA jurisprudence. Finally, this Note's discussion of *Cnnews* and *Harrods* illustrates the lengths to which some courts have gone in attempting to distance the ACPA's in rem provision from the jurisdictional test that the Supreme Court prescribed in *International Shoe*.⁸²

76. Obviously, the ACPA cases that this Note discusses represent only a fraction of the extant ACPA jurisprudence, and were chosen because of their relatively comprehensive discussions of the ACPA's in rem provision. However, for more examples of courts' applications of the ACPA and its elements generally, see, e.g., *Shields v. Zuccarini*, 254 F.3d 476 (3d Cir. 2001) (affirming the lower court's judgment that defendant Zuccarini had violated the ACPA and its award of statutory damages and attorneys' fees); *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359 (4th Cir. 2001) (holding, inter alia, that the ACPA was meant to apply retroactively, and that proving partial bad faith is sufficient to make out a prima facie case under the ACPA).

77. 250 F. Supp. 2d 610 (E.D. Va. 2003).

78. 433 U.S. 186 (1977).

79. See *id.* at 212 (establishing minimum contacts as the test for all assertions of personal jurisdiction).

80. 162 F. Supp. 2d 484, 489–92 (E.D. Va. 2001).

81. 302 F.3d 214, 224–25 (4th Cir. 2004).

82. See *infra* Section II.D.3.

1. *GlobalSantaFe Corp. v. Globalsantafe.com* (“*GlobalSantaFe*”)⁸³

GlobalSantaFe represents the “typical” form that ACPA in rem actions can take and some of the complications that can arise in the course of such litigation. “*GlobalSantaFe*” was to be the name of a new company that was formed by the consolidation of two companies, Global Marine and Santa Fe.⁸⁴ Less than one day after the companies announced their merger and that the merged company would be named “*GlobalSantaFe*,” Jongsun Park registered “*globalsantafe.com*” with a Korean registrar—Hangang—and Park subsequently transferred the domain name to another Korean entity.⁸⁵ *GlobalSantaFe* then filed an ACPA suit in Virginia. Because Park failed to appear, the court was prepared to enter a default judgment and transfer the domain name to *GlobalSantaFe*.⁸⁶ Hangang had previously deposited the registrar certificate for the domain name with the court in accordance with ACPA’s mandates,⁸⁷ but Park subsequently filed for an injunction in Korea to stop the transfer of the domain name.⁸⁸ Relying on the Korean court’s holding that the U.S. court “likely lacked jurisdiction over the matter,” Hangang refused to transfer the domain name.⁸⁹

The U.S. court first undertook an analysis of whether the ACPA’s in rem provision applied—that is, whether it was possible for *GlobalSantaFe* to get in personam jurisdiction over Park.⁹⁰ This initial inquiry was necessary since the in rem provision does not apply unless the plaintiff is unable to get in personam jurisdiction over the alleged infringer.⁹¹ The court concluded that in personam jurisdiction over Park did not exist; in fact, the court found that, “while it is true that the infringing domain name is included in the VeriSign [Virginia] registry, this is not enough to establish minimum contacts” under *International Shoe*.⁹² The court then determined that, based on a number of factors, Park’s registration of the domain name was “in response to . . . *GlobalSantaFe*’s use of the . . . mark in its merger announcement,” and thus, “the registration of <*globalsantafe.com*>

83. 250 F. Supp. 2d 610 (E.D. Va. 2003).

84. *Id.* at 612–13.

85. *Id.* at 613.

86. *Id.*

87. *Id.* at 614; 15 U.S.C. § 1125(d)(2)(D)(i)(I) (2000).

88. *GlobalSantaFe*, 250 F. Supp. 2d at 614.

89. *Id.*

90. *Id.* at 615.

91. 15 U.S.C. § 1125(d)(2)(A)(ii)(I).

92. *GlobalSantaFe*, 250 F. Supp. 2d at 615.

was in clear violation of the ACPA, and GlobalSantaFe is accordingly entitled to transfer or cancellation of the domain name.”⁹³

The court then examined the different remedies available to GlobalSantaFe, concluding that although it could order VeriSign simply to disable the domain name or render it inactive, doing so would provide GlobalSantaFe with little relief: “[I]f the domain name <globalsantafe.com> were disabled in this manner, individual users . . . would receive an error message indicating that the domain name could not be found, yet GlobalSantaFe could not register the domain name for its own use because it would still be registered by Park. . . .”⁹⁴ Over VeriSign’s vehement opposition, the court ultimately ordered VeriSign to cancel the domain name unilaterally without cooperation from the registrar—an unorthodox procedure to say the least.⁹⁵ Although the court recognized the contractual relationships between VeriSign and the various registries, as well as the methods that registrars prefer to use in solving disputes, it ultimately concluded that GlobalSantaFe’s trademark rights trumped VeriSign’s contracts with its registrars.⁹⁶ Even though less extreme remedies—such as disabling by the registry or direct disabling or cancellation by the registrar—are preferable in these situations, the court found that the ACPA authorizes this direct, court-ordered cancellation at the registry level.⁹⁷

The court’s opinion took on a cautionary tone, however, acknowledging that the broad reach of the ACPA for U.S. plaintiffs is attributable to the <.com> and <.net> registries being located in the United States.⁹⁸ The court predicted that if U.S. jurisdiction were asserted aggressively in these types of domain name disputes, a backlash could come in the form of “competing systems” founded outside of the United States that would serve as rivals to United States-based registrars.⁹⁹ Ultimately, the court admitted that overly aggressive pursuit of ACPA in rem jurisdiction could “pose a serious

93. *Id.* at 616.

94. *Id.* at 621.

95. *Id.* at 622.

96. *Id.* at 622–23.

97. *Id.* at 623. Specifically, the language in the ACPA that supports this conclusion reads: “The remedies in an in rem action under this paragraph shall be limited to a court order for the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.” 15 U.S.C. § 1125(d)(2)(D)(i) (2000).

98. *GlobalSantaFe*, 250 F. Supp. 2d at 623.

99. *Id.* at 624.

challenge to the enforcement of United States trademark rights on the Internet.”¹⁰⁰

Finally, the court dispensed with the issue of potential comity problems rather easily, citing “longstanding precedent and practice” in which “the first court seized of jurisdiction over property . . . may exercise that jurisdiction to the exclusion of any other court.”¹⁰¹ Finding that it had exercised jurisdiction over this domain name before Park sought an injunction in Korea, the court held that it was “not obligated . . . to cede jurisdiction over the domain name in light of the subsequent order issued by the Korean court.”¹⁰² This case illustrates the fact that a court that precisely follows the ACPA nevertheless faces a difficult task in justifying its decision.

2. *Shaffer v. Heitner* (“*Shaffer*”)¹⁰³

In *Shaffer*, the Supreme Court articulated the expansive nature of the *International Shoe* minimum contacts test long before the enactment of the ACPA.¹⁰⁴ Although it predates the ACPA, *Shaffer* is an important link between the Court’s *International Shoe* decision and its current personal jurisdiction jurisprudence because the ACPA appears to be at odds with *Shaffer*’s holding.

Shaffer involved a shareholder derivative action in Delaware that alleged that the board of directors had breached its fiduciary duty.¹⁰⁵ The plaintiff simultaneously filed a motion for sequestration of the Delaware property (i.e. the stock certificates) of the individual defendants,¹⁰⁶ none of whom were Delaware residents.¹⁰⁷ In response, the defendants argued, *inter alia*, that they did not have sufficient minimum contacts with Delaware under *International Shoe* to sustain that state’s personal jurisdiction over them or their property.¹⁰⁸

Noting that the suit was brought as a quasi in rem proceeding, the Delaware state court held that because the property in question was situated in Delaware, minimum contacts with the state were otherwise unimportant.¹⁰⁹ The Supreme Court disagreed. Citing

100. *Id.* at 624.

101. *Id.* (citing *SEC v. Banner Fund Int’l*, 211 F.3d 602, 611 (D.C. Cir. 2000)).

102. *Id.* at 625.

103. 433 U.S. 186 (1977).

104. *Id.* at 207–16.

105. *Id.* at 189–90.

106. The property included stocks, options, warrants, etc. *Id.* at 191.

107. *Id.* at 190–91.

108. *Id.* at 193.

109. *Id.* at 195.

*Pennoyer v. Neff*¹¹⁰ and *International Shoe*, the Court concluded that “all assertions of state-court jurisdiction must be evaluated according to the standards set forth in *International Shoe* and its progeny.”¹¹¹ After a lengthy analysis of the consequences of such a holding, including its impact upon relevant precedent, the Court concluded that “jurisdiction over many types of actions which now are or might be brought in rem would not be affected by a holding that any assertion of state-court jurisdiction must satisfy the *International Shoe* standard.”¹¹² However, the Court also was mindful of the fact that “the presence of property in a State may bear on the existence of jurisdiction by providing contacts among the forum State, the defendant, and the litigation.”¹¹³ Although the Court held in this case that minimum contacts are required even in in rem suits, it also recognized the strong possibility that in many in rem actions, the presence of the property in the forum state might suffice as a minimum contact.¹¹⁴ In this particular instance, however, the Court found that Delaware’s assertion of jurisdiction over the appellants based solely on the presence of property in that state was inconsistent with *International Shoe*’s limitations on state jurisdictional power.¹¹⁵ Because the Supreme Court has not revisited the issue, both those who believe in the constitutionality of the in rem provision of the ACPA and those who do not cite *Shaffer* for support.¹¹⁶

Shaffer is analyzed in much more detail in Part III. For now, it is sufficient to note that, at the very least, the decision provides a little more support to those who argue that the ACPA’s blanket provision for in rem jurisdiction is inconsistent with due process.

110. *Pennoyer*, which prescribed the test for personal jurisdiction before *International Shoe*, held that personal jurisdiction over a defendant required that the defendant be a resident of the forum state, be served with process there, or consent to be sued there. 95 U.S. 714, 733 (1877). Because none of those applied to the defendant, the Court dismissed the claim for lack of personal jurisdiction. *Id.* at 736.

111. *Shaffer*, 433 U.S. at 212 (emphasis added).

112. *Id.* at 208.

113. *Id.* at 207.

114. *Id.* at 207–08.

115. *Id.* at 216–17.

116. See Michael P. Allen, *In Rem Jurisdiction from Pennoyer to Shaffer to the Anticybersquatting Consumer Protection Act*, 11 GEO. MASON L. REV. 243, 258–65 (explaining how both the “narrowest conception” and the “broader view” of the reach of the minimum contacts test find support within the *Shaffer* opinion).

3. *Cable News Network L.P. v. Cnnews.com* (“Cnnews”)¹¹⁷

The *Cnnews* decision is most notable for providing a distinction between the ACPA’s provision for in rem jurisdiction and the *Shaffer* holding that all questions of jurisdiction must involve the “minimum contacts” analysis from *International Shoe*. *Cnnews* involved a dispute between the Cable News Network (“CNN”) in the United States and the Maya Online Broadband Network Company in China (“Maya”).¹¹⁸ CNN is, of course, a familiar news network, and its prominent, eponymous website is <www.cnn.com>.¹¹⁹ CNN has used its trademark “CNN” “[s]ince at least 1980.”¹²⁰ Maya’s website was designed to “provide news and information to Chinese-speaking individuals worldwide,” and it registered the domain name “<cnnews.com>” in 1999 with Network Solutions Inc., which was an organization in Virginia that was both a registrar and registry.¹²¹ After learning of Maya’s use of the “cnnews” domain name, CNN contacted Maya and demanded that it stop using the domain name and transfer it to CNN.¹²² Maya refused, and CNN initiated an ACPA in rem action in the United States District Court for the Eastern District of Virginia against the domain name.¹²³ The court found that “cn” is a prefix denoting the fact that this is a Chinese website, and that the “<cnnews.com>” domain name was linked to Maya’s main website, which was “<cnmaya.com>.”¹²⁴

After deciding that in rem jurisdiction under the ACPA was proper, the court then turned to the difficult task of reconciling such jurisdiction with *Shaffer*, analyzing whether the ACPA’s in rem provision is consistent with due process.¹²⁵ The court outlined three types of in rem jurisdiction. The first is what the court called “true in rem.” This is the type of action in which a court determines the true

117. 162 F. Supp. 2d 484 (E.D. Va. 2001) [hereinafter *Cnnews.com I*], *aff’d in relevant part*, 56 F. App’x 599 (4th Cir. 2003) [hereinafter *Cnnews.com II*].

118. 162 F. Supp. 2d at 486.

119. *Id.*

120. *Id.*

121. *Id.* at 486–87. Network Solutions, Inc. (“NSI”) was the precursor to the agency that is now VeriSign. *Id.* at 486 n.5. Maya subsequently transferred the registration of the domain name to Eastcom, a Chinese registrar, meaning that Maya’s only contact with NSI was due to NSI being the <.com> registry. *Cnnews.com II*, 56 F. App’x at 601. This proved to be of little consequence, however, because Eastcom willingly complied with ACPA’s requirement that the registrar transfer the domain name in question to the court until the in rem litigation concluded. *Id.* at 602.

122. *Cnnews.com II*, 56 F. App’x at 601.

123. *Id.* at 601–02.

124. *Cnnews.com I*, 162 F. Supp. 2d at 487.

125. *Id.* at 489.

owner of a piece of property against everyone else in the world, regardless of whether the true owner is involved in the suit.¹²⁶ The court said that “ACPA in rem actions, including the case at bar, are of the ‘true in rem’ genre because they involve the rights of a disputed mark for every potential rights holder.”¹²⁷ The second type of in rem action is what the court labeled “quasi in rem I.”¹²⁸ This type of in rem action determines the true owner of a disputed piece of property, but only among the people involved in the suit.¹²⁹

The third type of in rem action is a “quasi in rem II” action, which differs from the other two because the underlying claim is unrelated to the property that gives rise to in rem jurisdiction.¹³⁰ For example, the court mentioned *Shaffer*, in which the underlying shareholders’ derivative action was unrelated to the property that served as the basis for personal jurisdiction (the stock certificates owned by the managers of the corporation).¹³¹ The *Cnnews* court held that “the language of *Shaffer* requires minimum contacts only for quasi in rem II-type cases,”¹³² while acknowledging that other courts have interpreted *Shaffer* as requiring minimum contacts in *all* types of in rem actions.¹³³ The *Cnnews* court, therefore, decided the action in a manner that it deemed “consistent” with other district courts that found nothing unconstitutional about establishing in rem jurisdiction in the district in which the registry is located.¹³⁴

Finally, the Fourth Circuit found the ACPA’s in rem provision constitutional in *Harrods v. Sixty Internet Domain Names* (“*Harrods*”).¹³⁵ In particular, the *Harrods* court said that in disputes involving property, “the presence of the property in the jurisdiction does not *always* justify the exercise of in rem jurisdiction, but ‘when claims to the property itself are the source of the underlying

126. *Id.* at 490.

127. *Id.*

128. *Id.*

129. *Id.*

130. *Id.*

131. *Id.* (citing *Shaffer v. Heitner*, 433 U.S. 186, 193 (1977)).

132. *Id.* at 491.

133. *Id.*; see *Fleetboston Fin. Corp. v. Fleetbostonfinancial.com*, 138 F. Supp. 2d 121, 133–34 (D. Mass. 2001) (stating that *Shaffer* and the Fourteenth Amendment should be read “to prohibit all in rem jurisdiction except when the person whose property rights are being extinguished has had ‘minimum contacts’ with the forum state” (quoting *Int’l Shoe v. Washington*, 326 U.S. 310, 316 (1945))).

134. 162 F. Supp. 2d at 491.

135. 302 F.3d 214, 225 (4th Cir. 2002). The Fourth Circuit also found that the ACPA’s in rem provision was constitutional in another opinion. *Porsche Cars N. Am. v. Porsche.net*, 302 F.3d 248, 259–60 (4th Cir. 2002). *Contra Network Solutions, Inc. v. Umbro Int’l*, 529 S.E.2d 80 (Va. 2000) (holding that domain names themselves are not property).

controversy . . . it would be unusual for the State where the property is located not to have jurisdiction.’ ”¹³⁶ The court went on to find that a defendant that registers its domain name in the forum state has “ ‘purposefully availed itself of the privilege of conducting activities within the forum State, thus invoking the benefits and protections of its laws.’ ”¹³⁷ Moreover, the court alluded to the interest of the forum state—in this case, Virginia—in protecting property within its borders.¹³⁸ Finding that the registration of domain names in Virginia “exposed those Names to the jurisdiction of the courts in Virginia (state or federal),” and that claims to the underlying property were central to the controversy, the court held that it was proper for it to exercise in rem jurisdiction over the domain names.¹³⁹

III. THE IRRECONCILABILITY OF THE ACPA AND DUE PROCESS

The foregoing is merely a microcosm of a much larger debate surrounding some of the more controversial aspects of the ACPA. Perhaps the most hotly debated topic is the availability of in rem jurisdiction over extraterritorial infringers. First, there is an obvious difficulty in reconciling the attempts by the *Harrods* and *Cnnews* courts to distinguish their holdings and factual situations from those articulated in *Shaffer*. That is, the *Cnnews* and *Harrods* courts seemed willing to draw a rather tenuous distinction among various types of in rem jurisdiction, which could be characterized as an avoidance of the plain language of *Shaffer*'s holding that both in rem and in personam jurisdiction must be based on minimum contacts with the forum state.¹⁴⁰ As a result, it is necessary to ask whether domain name registration in a judicial district, without more, is sufficient to constitute “purposeful availment” within that jurisdiction such that the minimum contacts standard is satisfied.¹⁴¹ This Note argues that it is not and that, consequently, assertion of in rem jurisdiction without minimum contacts is inconsistent with due process.

Second, there is the very real possibility that in rem jurisdiction as it currently exists is simply too problematic to serve as a valid basis for jurisdiction. Perhaps it ought to be abolished, particularly because, “[i]n cases where the assertion of in personam

136. *Harrods*, 302 F.3d at 224 (quoting *Shaffer*, 433 U.S. at 207).

137. *Id.* (quoting *Hanson v. Denckla*, 357 U.S. 235, 253 (1958)).

138. *Id.* at 225.

139. *Id.*

140. *Shaffer*, 433 U.S. at 208.

141. *Hanson*, 357 U.S. at 253.

jurisdiction would violate due process, the assertion of in rem jurisdiction would likewise be unconstitutional.”¹⁴² Also, if U.S. courts were to cease recognizing in rem jurisdiction, the offending provision of the ACPA would lose its effectiveness.

Finally, perhaps the most serious consequence of allowing for in rem jurisdiction under the ACPA is the perceived globalization of U.S. trademark law. The aggressive assertion of in rem jurisdiction over extraterritorial defendants effectively makes U.S. trademark law the law of Internet domain names, which raises questions of comity and conflict of laws. For example, if U.S. trademark law in the form of the ACPA is used to assert jurisdiction over a defendant from Spain—and thereby to find such defendant guilty of cybersquatting—there likely would be widespread outrage at the United States’s perceived overreaching. More importantly, as the *GlobalSantaFe* court recognized,¹⁴³ continued pursuit of foreign defendants in U.S. courts could well lead to an international backlash; organizations in other countries may develop competing systems that would negate the many advantages that the United States derives from having the <.com> and <.net> registries located within its borders.

A. Threshold Questions: How Can We Classify The Internet?

Before these issues are evaluated fully, it is necessary to explore two threshold matters: First, are domain names “property,” and if so, where are they “located”? Second, which is the better ideology when it comes to regulation of the Internet: exceptionalism or unexceptionalism?

Inherent in the reasoning behind the ACPA is the assumption that domain names themselves are property subject to jurisdiction and regulation. The very fact that the ACPA provides for in rem jurisdiction over domain names indicates that Congress meant for domain names to be treated as property interests.¹⁴⁴ However, such an assumption raises several questions. If domain names are property, how should courts classify such property? What characteristics of domain names, which are intangible property, make them comparable to real property or chattels, which are tangible things that can be “owned”?

142. Catherine T. Struve & R. Polk Wagner, *Realspace Sovereigns in Cyberspace: Problems with the Anticybersquatting Consumer Protection Act*, 17 BERKELEY TECH. L.J. 989, 1006 (2002).

143. 250 F. Supp. 2d 610, 624 (E.D. Va. 2003).

144. 15 U.S.C. § 1125(d)(2)(A) (2000).

Certainly, the idea of intangible property is nothing new. Many companies' most valuable assets are their brand loyalties, copyrights, service marks, patents, trade secrets, and trademarks; these things often are lumped together under the umbrella of "intellectual property."¹⁴⁵ Because domain names (particularly in the case of cybersquattening and cybersquatting) are linked to trademarks and service marks—which logically are considered property—then domain name manifestations of these trademarks should be considered property. If property rights and incidents of ownership inhere in trademark or any other intellectual property ownership, then it is fair to extend the parameters of "property" to include domain names, which often are similar or identical to actual trademarks (e.g. Home DepotTM = <www.homedepot.com>).

More complicated still is determining where this domain name property is located. The entire concept of personal jurisdiction is based upon territory and geography, which makes Internet regulation inherently difficult.¹⁴⁶ Therefore, it is important to realize first that "the geographic location of the domain name system is essentially arbitrary."¹⁴⁷ The ACPA's in rem provision assumes that "a domain name is located in the United States whenever [its TLD registry] is U.S.-based,"¹⁴⁸ which presupposes that all domain names are "located" wherever the registry for their TLDs is located.¹⁴⁹ This is but one of many possibilities for the "location" of a domain name, however. Congress just as easily could have picked any of several other locations, including the servers of the entity that operates the particular website; the location of the "root servers," through which domain names are matched with corresponding IP addresses;¹⁵⁰ or perhaps most convincingly, the focal point of the harm per the effects test from *Calder v. Jones*, which is explored in much more detail below.¹⁵¹ For now, the point is that because a domain name exists simultaneously everywhere and nowhere, its "location" is at best indeterminate and arbitrary. Thus, Congress's declaration in the form of the ACPA that domain names are "located" wherever their TLD

145. ROBERT P. MERGES ET AL., *INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGY AGE* 24 (4th ed. 2007).

146. Struve & Wagner, *supra* note 142, at 1022–24.

147. *Id.* at 1023.

148. *Id.* at 992.

149. *Id.*

150. *Id.* at 1027.

151. 465 U.S. 783, 788–89 (1984). The "Calder effects test," as it is more commonly known, was developed to address whether the minimum contacts standard had been satisfied in a particular instance. Allen, *supra* note 116, at 294–95.

registry is located should be entitled to less deference because Congress fails to provide a clear justification for this choice.

However, even if one is comfortable with both the fact that domain names are property and with the location Congress has picked, it is still difficult to determine how best to regulate them. If one accepts the proposition that domain names are akin to trademarks, insofar as intellectual property rights inhere in each, does it naturally follow that domain names should be subject to the same regulatory scheme as trademarks? Trademarks have been around for quite some time, but the Internet and the regulation thereof are still in their infancy, comparatively speaking. The essential question is whether traditional rules of contract law, property law, trademark law, copyright law, etc. apply “as is” to the Internet or whether the Internet is sufficiently different that it requires unique rules and a unique regulatory framework.

The foregoing question typifies the debate between exceptionalists and unexceptionalists.¹⁵² The unexceptionalist believes that traditional law should govern whenever new legal challenges arise and that there is no need to complicate the law further by increasing specialization.¹⁵³ The propensity towards distilling individual legal specialties into entirely new and discrete areas of law “is doomed to be shallow and to miss unifying principles.”¹⁵⁴ On the other hand, the exceptionalist argues that there is something fundamentally different about the Internet that evades regulation through traditional means.¹⁵⁵ The exceptionalist believes that the so-called “Law of the Horse” is appropriate in the context of the Internet because the Internet defies all of our previous regulatory schemes that depend on law, markets, social norms, and territory to regulate effectively.¹⁵⁶

Scholars who have explored the constitutionality of the ACPA’s in rem provisions through exceptionalist points of view disagree vehemently with their unexceptionalist counterparts.¹⁵⁷ The optimal

152. Johnson & Post, *supra* note 23, at 1376.

153. See Frank H. Easterbrook, *Cyberspace and the Law of the Horse*, 1996 U. CHI. LEGAL F. 207, 208 (arguing that there is no need to establish a separate body of law for the Internet).

154. *Id.* at 207. “The Law of the Horse” refers to what Easterbrook believes to be unnecessary complexity and specialization within the law, using “horses” to represent all of the potential areas of law that could be developed. Easterbrook argues that because it would be ridiculous to establish a distinct body of horse-related law, we should use preexisting areas of law instead (property law, contract law, etc.) to deal with all horse issues. *Id.* at 207–08.

155. See Post, *supra* note 24 (describing the “exceptionalist” view).

156. Lessig, *supra* note 26, at 507–08.

157. Compare Jason W. Callen, Comment, *Asserting In Personam Jurisdiction Over Foreign Cybersquatters*, 69 U. CHI. L. REV. 1837, 1840 (2002) (espousing the rather unexceptionalist

solution, however, may be a compromise: combine traditional concepts of regulation with “The Law of the Horse.”¹⁵⁸ This Note elaborates upon this possible solution in Part IV, but first, it is necessary to analyze the existing ACPA jurisprudence to illustrate why the ACPA’s provision for in rem jurisdiction is unconstitutional. Specifically, there are two overarching problems with the ACPA’s in rem provision: (1) it is, by definition, impossible to have a situation in which in rem jurisdiction under the ACPA is both available and consistent with due process, and courts that have found the in rem provision constitutional have ignored the plain language and the reasoning behind *Shaffer*; and (2) the ACPA’s in rem provision effectively transforms U.S. trademark law into the trademark law “of the global Internet.”¹⁵⁹ Further discussion of each of these problems follows.

B. The Constitutionality (or Lack Thereof) of the ACPA’s In Rem Provision: The “Legal Fiction”

Much of the earliest personal jurisdiction jurisprudence in the United States was based on the idea that jurisdiction follows geography. *Pennoyer v. Neff* (“*Pennoyer*”) established the three types of personal jurisdiction that courts still use: in personam, in rem, and quasi in rem.¹⁶⁰ Nevertheless, *Pennoyer* is most notable for establishing that “[t]he power of a state to issue a binding judgment [is] confined to persons or property found within its borders.”¹⁶¹

However, personal jurisdiction changed markedly with *International Shoe’s* recognition that irrespective of a defendant’s state of residence, he or she nevertheless may have sufficient minimum contacts with the forum state such that maintenance of the suit does not offend traditional notions of fair play and substantial justice.¹⁶² This holding and subsequent Supreme Court jurisprudence

viewpoint that traditional methods of personal jurisdiction are more adept than ACPA), with Note, A “Category-Specific” Legislative Approach to the Internet Personal Jurisdiction Problem in U.S. Law, 117 HARV. L. REV. 1617, 1617 (2004) (positing that a category-specific approach to personal jurisdiction can be specially formatted to address the jurisdiction problems with the Internet).

158. Easterbrook, *supra* note 153, at 207.

159. Steven J. Coran, Note, *The Anticybersquatting Consumer Protection Act’s In Rem Provision: Making American Trademark Law the Law of the Internet?*, 30 HOFSTRA L. REV. 169, 188 (2001).

160. 95 U.S. 714, 727, 731 (1877). For a complete explanation of the different types of in rem jurisdiction, see the discussion of *Cnnews.com*, *supra* Section II.D.3.

161. Allen, *supra* note 116, at 256.

162. 326 U.S. 310, 316 (1945); see *supra* Section II.B (providing an overview of U.S. personal jurisdiction jurisprudence).

indicate that the most important factor in establishing personal jurisdiction was whether or not the defendant had engaged in some sort of unilateral action so as to “purposefully avail” himself of the forum state.¹⁶³ “[T]he more voluntary a defendant’s connections to the forum, the more likely it was that jurisdiction was proper under the Constitution.”¹⁶⁴

In the years since *International Shoe*, the Supreme Court essentially has remained true to the minimum contacts test as its touchstone for finding personal jurisdiction. *Shaffer* neither augmented nor diminished *International Shoe*. Instead, *Shaffer* merely made explicit what ought to have been implicit in the *International Shoe* decision: the minimum contacts test from *International Shoe* applies to “all assertions of state court jurisdiction.”¹⁶⁵ Although *Shaffer*’s language specifically mentions state courts,¹⁶⁶ personal jurisdiction, unlike subject matter jurisdiction, does not change when one switches from state to federal court. In both judicial systems, personal jurisdiction depends on the geography of the person or property at issue. There is nothing unique about the federal court system that leads to the conclusion that the *Shaffer* holding was intended to apply only to state courts to the exclusion of federal courts. The reference to “state courts” most likely is a product of the fact that the underlying action in *Shaffer* originated in Delaware state court.¹⁶⁷ Therefore, the most logical reading of this language is that *International Shoe*’s minimum contacts test applies to all assertions of personal jurisdiction. Indeed, any other construction of this part of the opinion is myopic and distorts the plain meaning of the Supreme Court’s language.

However, several courts have read *Shaffer*’s minimum contacts analysis more narrowly. Because *Shaffer* dealt with the quasi in rem II variety of personal jurisdiction,¹⁶⁸ some courts—most notably the courts in *Harrods* and *Cnnews*—have interpreted *Shaffer*’s directive about “all assertions of state court jurisdiction” as applying only to quasi in rem II actions.¹⁶⁹ Other courts have attempted to relegate the

163. *Hanson v. Denckla*, 357 U.S. 235, 253 (1958).

164. *Allen*, *supra* note 116, at 257–58.

165. *Shaffer v. Heitner*, 433 U.S. 186, 212 (1977).

166. *Id.*

167. *Id.* at 186.

168. *Id.* For a discussion of in rem jurisdiction, see *supra* Section II.D.3.

169. *Shaffer*, 433 U.S. at 212; see, e.g., *Harrods Ltd. v. Sixty Internet Domain Names*, 302 F.3d 214 (4th Cir. 2002) (opining that, despite *Shaffer*’s directive that the minimum contacts test should apply to all in rem actions, the Court intended for the minimum contacts analysis to

Shaffer language about personal jurisdiction to the realm of “non-binding dicta” insofar as it applied to “‘true’ in rem actions not then before the court.”¹⁷⁰

Such a constrained reading of *Shaffer*, however, runs entirely contrary to the rationale behind the Court’s holding. The opinion’s strong language indicates that the Supreme Court favors substance over form:

The *fiction* that an assertion of jurisdiction over property is anything but an assertion of jurisdiction over the owner of the property supports an ancient form without substantial modern justification. Its continued acceptance would serve only to allow state-court jurisdiction that is fundamentally unfair to the defendant. We therefore conclude that *all assertions of state-court jurisdiction* must be evaluated according to the standards set forth in *International Shoe* and its progeny.¹⁷¹

The Supreme Court implicitly reiterated this preference for substance over form in another seminal personal jurisdiction case, *Burnham v. Superior Court*.¹⁷² Justice Antonin Scalia wrote that the distinction between resident and nonresident defendants is a very important one, because the Court’s “tradition has treated the two classes of defendants quite differently, and it is unreasonable to read *Shaffer* as casually obliterating that distinction.”¹⁷³ Justice Scalia maintained that the focus should not be upon “whether a separate Latin label is attached to one particular basis of contact,” because personal jurisdiction “based upon a ‘property ownership’ contact and by definition unaccompanied by personal, in-state service, must satisfy the litigation-relatedness requirement of *International Shoe*.”¹⁷⁴ Justice William Brennan’s concurrence in *Burnham* is equally enlightening because although he admitted that *Shaffer*’s “technical holding” was limited to quasi in rem jurisdiction, the analytical framework was not.¹⁷⁵

Taken together, these opinions indicate that the Court wished to infuse some degree of flexibility into the due process analysis of personal jurisdiction. That is, the Constitution “requires notice that is ‘reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action,’ ” and as far as the notice requirement, “the Court has made it absolutely clear that the

apply only to quasi in rem II actions); *Cable News Network L.P. v. Cnews.com*, 162 F. Supp. 2d 484 (E.D. Va. 2001) (same).

170. Callen, *supra* note 157, at 1852 (citing *Cnews.com I*, 162 F. Supp. 2d at 491).

171. *Shaffer*, 433 U.S. at 212 (emphasis added).

172. 495 U.S. 604 (1990).

173. *Id.* at 621.

174. *Id.*

175. *Id.* at 630 (Brennan, J., concurring).

traditional Latin label of an action does not matter.”¹⁷⁶ Finding otherwise would essentially mean that calling an action in rem has nothing to do with notice requirements but everything to do with personal jurisdiction,¹⁷⁷ a proposition akin to saying that the rules of football apply to the scoring of the game but not to the outcome. A much better reading of *International Shoe, Shaffer*, and subsequent decisions is that the Supreme Court gradually has abrogated the formalistic distinctions between personal jurisdiction classifications in favor of a more flexible approach that considers the defendant’s contacts with the forum and the burden upon him or her of litigating in that forum. Interpreting the case law differently places too much emphasis upon centuries-old classifications that simply are not capable of dealing with modern forms of property.

The argument that the minimum contacts test should look “not to the contacts of the absent *registrant* to the forum, but rather to the contacts of the *property* to the forum,” is even more enigmatic.¹⁷⁸ This approach, taken from *Harrods*, is particularly puzzling because “if the analysis actually focused on property instead of a person . . . much modern jurisdictional doctrine would be nonsense.”¹⁷⁹ It is quite comical to attempt to determine whether a piece of property has “purposefully availed” itself of the forum¹⁸⁰ such that it may “reasonably anticipate being haled into court there.”¹⁸¹ Much of the Supreme Court’s personal jurisdiction jurisprudence involves an element of intent (e.g., purposeful availment), and it is impossible to ascribe intent to a piece of property without anthropomorphizing it.

These issues, while extreme and somewhat illogical, illustrate the problem with examining the contacts of the *property* with the forum state, rather than examining the contacts of the *property owner* with the forum state. The entire purpose of an ACPA action is to determine whether the registrant’s registration of a domain name is lawful, but enforcement of an ACPA in rem action requires a court either to pretend that the registrant’s personal rights are not at stake, or to focus solely upon the contacts of the property itself with the forum, thus “leading to the same unrealistic result.”¹⁸² This approach,

176. Allen, *supra* note 116, at 263 (quoting *Mullane v. Cent. Hanover Bank & Trust Co.*, 339 U.S. 306, 312–14 (1950)).

177. *Id.*

178. *Id.* at 264 (citing *Harrods Ltd. v. Sixty Internet Domain Names*, 302 F.3d 214, 224 (4th Cir. 2002)) (emphasis added).

179. *Id.*

180. *Id.* (quoting *Hanson v. Denckla*, 357 U.S. 235, 253 (1958)).

181. *Id.* (quoting *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 297 (1980)).

182. *Id.* at 271–72.

like the adherence to Latin labels, is outmoded and misses the point of *Shaffer*. If the *Harrods* court's approach were correct, it would render the *Shaffer* decision entirely superfluous. If the question were framed in terms of whether the property itself had minimum contacts with the forum in which it is, by definition, located, there would be nothing further to the inquiry: it would be impossible for property *ever* to lack minimum contacts with the forum.¹⁸³ The property will always have minimum contacts with the forum in which it is located, so there is no need for additional inquiry if the only concern is the property's contacts. The property has nothing at stake in the litigation, however, so the focus should be upon the *property owner's* contacts with the forum state. That the property has minimum contacts with the forum in which it is located is a foregone conclusion, and it does violence to *Shaffer* to impart such meaning to its holding.

The logical conclusion, then—that the ACPA's in rem provision is unconstitutional—flows easily from a juxtaposition of *International Shoe* and *Shaffer*. *International Shoe* requires minimum contacts with the forum state “such that maintenance of the suit does not offend traditional notions of fair play and substantial justice.”¹⁸⁴ It has long been accepted that the minimum contacts test applies to in personam jurisdiction, and if minimum contacts cannot be found, in personam jurisdiction is unconstitutional.¹⁸⁵ Closer analysis of *Shaffer's* holding makes explicit what already was implicit: all assertions of jurisdiction—not just in personam jurisdiction—must comply with *International Shoe's* minimum contacts test.¹⁸⁶ However, the ACPA allows for in rem jurisdiction *only* when the plaintiff “is not able to obtain in personam jurisdiction over a person who would have been a defendant,”¹⁸⁷ or is unable to find or serve such a defendant.¹⁸⁸ In rem jurisdiction under the ACPA is only available when in personam jurisdiction would violate due process. However, *Shaffer* makes clear that both in rem and in personam jurisdiction are to be evaluated by the *International Shoe* minimum contacts standard. The inescapable conclusion is that the in rem provision is an attempt by Congress to circumvent *International Shoe*, and thereby, due process. The ACPA confers jurisdiction where due process forbids it. For that reason, it is unconstitutional.

183. *Id.* at 264–65.

184. 326 U.S. 310, 316 (1945).

185. *Id.*

186. 433 U.S. 186, 212 (1977).

187. 15 U.S.C. § 1125(d)(2)(A)(ii)(I) (2000).

188. *Id.* § 1125(d)(2)(A)(ii)(II).

It is important to note (as did the *Shaffer* Court) that in many cases, the distinctions between property and property owner, and between in rem and in personam, will be irrelevant because, depending on the property at issue and its uses, its mere presence in a state often will be sufficient for minimum contacts.¹⁸⁹ However, this fact does not render the ACPA's in rem provision completely innocuous, especially where domain names are concerned. "Most courts hold that mere registration with a forum domain authority . . . does not establish minimum contacts."¹⁹⁰ In the case of domain name registration, the "owners" of the domain names usually do not purposefully seek to avail themselves of the forum state; they may not even be aware that their property has passed into the forum state. For example, a defendant who registers with a registrar in California will have no notice that the ACPA considers his domain name to be "located" in Virginia.¹⁹¹ Moreover, the mere presence of a contract and periodic payments between the registrant and the registry does not create minimum contacts.¹⁹² Therefore, although the distinction between the minimum contacts of the property owner and the contacts of the property itself may not matter in many cases, the in rem provision potentially could have (and indeed, already has had, as *GlobalSantaFe* and *Cnnews* demonstrate) a harmful effect upon the regulation of domain names.

Finally, it is worth noting that not only has the presence of this in rem provision led to "bad law"¹⁹³ in the form of questionable rationalizations from courts, but it also has retarded significantly the development of personal jurisdiction law.¹⁹⁴ Because several courts have been seduced by the availability of in rem jurisdiction under the ACPA, they have resisted (to the detriment of the development of the law) efforts to modify and expand personal jurisdiction in ways that might simultaneously be more compatible with due process and more adaptable to the Internet and the unique challenges it presents.

189. 433 U.S. at 207–08.

190. Callen, *supra* note 157, at 1855.

191. *Id.* at 1857–58.

192. *Id.* at 1858–59.

193. Allen, *supra* note 116, at 246.

194. *Id.* at 297.

*C. Making U.S. Trademark Law the Law of the "Global Internet"*¹⁹⁵

Although the inherent unconstitutionality of the in rem provision is reason enough to eliminate it, there is one additional concern associated with its continued existence: aggressive enforcement of this provision effectively imposes U.S. trademark law upon the world. In addition to the comity problems presented by this imposition, the United States's own commerce interests could be damaged severely if the rest of the world decided that the United States attempted to monopolize trademark law when it enacted the ACPA. As mentioned in Part II, the *GlobalSantaFe* court expressly recognized that overly aggressive application of the ACPA's in rem provision to extraterritorial defendants could lead to a backlash, resulting in the fragmentation of the DNS or possibly the development of competing systems.¹⁹⁶ Recognizing that the United States arguably "stands to lose the most from the segmentation of the domain name system," scholars have cautioned that the United States "should pursue international coordination of domain names [sic] regulation, rather than the extensive assertion of jurisdiction found in the ACPA."¹⁹⁷ Otherwise, the ACPA runs the risk of globalizing U.S. trademark law.

This would be quite problematic because the United States's central philosophy behind trademark protection differs from that of most nations. In particular, the United States places a premium not only upon registration of the mark, but also upon *use of the mark in commerce*.¹⁹⁸ Conversely, because most other nations consider registration of a mark to be sufficient,¹⁹⁹ application of U.S. trademark law to a citizen of a registration-based system would be an unwieldy juxtaposition at best. Therefore, the differences between the trademark laws in the United States and those of most other countries create additional comity problems. One need not look far to find the potential conflicts between these two systems. For instance, if domain names are akin to trademarks, does registration of the domain name itself constitute "use"? If so, "what is the geographic scope of use when a mark is used as a domain name . . . ?"²⁰⁰ Or, to look at the issue differently, if a citizen of a registration-based country has a registered

195. Coran, *supra* note 159, at 188 (arguing that "making U.S. mark law the mark law of the global Internet . . . should not be allowed to stand").

196. 250 F. Supp. 2d 610, 623-24 (E.D. Va. 2003).

197. Struve & Wagner, *supra* note 142, at 993.

198. Coran, *supra* note 159, at 192.

199. *Id.*

200. *Id.*

mark in that country, and a U.S. citizen subsequently uses that mark as part of his domain name, is the U.S. user violating the foreign registrant's trademark rights?²⁰¹ Indeed, the only possible way to protect a mark in every country is to register and use it in every country,²⁰² which would be prohibitively expensive and time-consuming.

Ultimately, the unacceptable consequence of the ACPA's in rem provision is that "any person who registers a domain name with a domain registry that is located in the United States could potentially lose that website," which undoubtedly poses some comity problems.²⁰³ Rather than risk alienating other countries by subjecting their citizens to U.S. trademark law, the United States should remove the in rem provision from the ACPA. This approach also would protect U.S. commercial interests by lowering the risk of fragmentation of the DNS. When added to the demonstrated unconstitutionality of the in rem provision, the broad sweep of the trademark enforcement dooms the ACPA's legitimacy unless the in rem provision is removed.²⁰⁴

Determining that this provision is unconstitutional and unwise does not end the inquiry, however, for it does not adequately address the problem of foreign cybersquatters ostensibly beyond the reach of U.S. courts. However, this Note argues that the best solution to this problem can be achieved by combining existing remedies and modes of establishing personal jurisdiction. In particular, a combination of *International Shoe's* minimum contacts test, the *Calder* effects test, and the ACPA without the in rem provision would have virtually the same level of effectiveness against foreign cybersquatters as the ACPA's in rem provision does, but this combination would avoid constitutional and comity problems associated with the provision.

IV. OUT WITH THE NEW AND IN WITH THE OLD

In a nutshell, Congress attempted to fix that which was not broken when it enacted the ACPA and included the in rem provision. The ACPA itself—without the offending provision—is an important piece of legislation that represents Congress's prescient attempt to keep pace with the rapidly changing world of Internet regulation. Congress was wise to enact the ACPA, recognizing that neither the

201. *Id.*

202. *Id.* at 193.

203. *Id.* at 191.

204. *See, e.g., Callen, supra* note 157, at 1855 ("[T]he *in rem* provision is severable. The remaining provisions of the ACPA authorizing *in personam* actions would continue to operate as a fully functioning law.")

United States nor, indeed, the rest of the world can rely solely on self-regulation to guide the growth of the Internet.²⁰⁵ However, Congress overreached when it added the provision for in rem jurisdiction, not only because it is unwise and unconstitutional, but also because it is unnecessary. Although it may seem deceptively simple, combining the *International Shoe* minimum contacts standard with the *Calder* effects test (where necessary) provides the only basis needed for personal jurisdiction in actions against foreign cybersquatters. Such a jurisdictional test, albeit far from revolutionary or radical, has the advantage of already widespread approval, simplicity, and predictability, the importance of which cannot be underestimated in personal jurisdiction jurisprudence.²⁰⁶ When the law is clear and the consequences predictable, “the defendant’s liberty is preserved because he is allowed to make behavioral decisions with the most complete view of the possible consequences of those decisions.”²⁰⁷

In addition to achieving these goals of simplicity and predictability, the optimal solution would effectuate the strong preference of U.S. courts for adjudicating matters on the merits instead of on procedural grounds, and it would preserve adversarial dispute resolution—another hallmark of U.S. jurisprudence.²⁰⁸ The solution to problems of personal jurisdiction over cybersquatters should be as unobtrusive as possible. With these goals in mind, this Note proposes that *International Shoe* should be the controlling analysis, augmented by the *Calder* effects test when necessary.²⁰⁹ Whenever *International Shoe*’s minimum contacts test is sufficient to make a well-reasoned judgment as to personal jurisdiction, it should be used to make that determination. However, when more clarity is needed, courts should utilize the *Calder* framework, explained below.

205. It should be noted that some scholars bristle when confronted with the proposition that the Internet needs anything more than self-regulation. For more on this contrasting view, see Johnson & Post, *supra* note 23, at 1367.

206. Indeed, simplicity and predictability ought to be omnipresent when fashioning a solution to any sort of personal jurisdiction problem, particularly as they relate to the burden upon a litigant in defending against an action in the forum. Allen, *supra* note 116, at 281–85.

207. *Id.* at 277.

208. *See id.* at 275 (“In such an adversary system, it is more likely that disputes will be resolved on the merits if a defendant appears and, once there, has the real ability to mount an effective defense.”).

209. Many scholars have argued that *Calder* is sufficient as a stand-alone mode of analysis for personal jurisdiction. *See, e.g.,* Allen, *supra* note 116, at 294–95 (asserting that the test articulated in *Calder* “seems almost to be designed to deal with a classic case of cybersquatting”); Struve & Wagner, *supra* note 142, at 1002–03 (arguing that when a registrant intends to cause an effect within the United States, that registrant has created contacts sufficient for purposes of personal jurisdiction); *cf.* Callen, *supra* note 157, at 1839 (arguing that *Calder* plus FED. R. CIV. P. 4(k)(2) will always be sufficient to establish *in personam* jurisdiction).

It bears repeating that, in many cases involving tangible property located within the forum, there is jurisdiction over both the property and the property owner, regardless of the standard applied. Therefore, this solution is directed primarily at intangible property, or property whose location is otherwise indeterminate, absent an arbitrary legislative declaration as to its location (to wit, domain names). Many foreign cybersquatters lack minimum contacts and probably would not be subject to minimum contacts-based jurisdiction alone.²¹⁰ Moreover, mere domain name registration does not create the requisite minimum contacts, as explained in Part III. Therefore, *Calder* is ideal for analyzing an action involving intangible property like a domain name, which requires a more searching inquiry to determine personal jurisdiction.

The *Calder* effects test stands for the proposition that a defendant who never entered the forum can nevertheless be subject to jurisdiction if: (1) the defendant committed an intentional act (2) expressly aimed at the forum, (3) which the defendant knew would cause harm and did, in fact, cause harm, the brunt of which was felt in the forum.²¹¹ In *Calder*, the Supreme Court held that a Florida defendant over whom California lacked minimum contacts-based jurisdiction nevertheless had sufficient contacts with California because of “intentional conduct in Florida calculated to cause injury to respondent in California.”²¹² Because of its emphasis on the focal point of the harm, the *Calder* effects test “seems almost to be designed” to deal with jurisdiction over cybersquatters.²¹³

Proving cybersquatting and cyberpiracy, as they are defined in the ACPA, requires a showing of bad-faith intent to profit, which satisfies the first prong of the *Calder* test.²¹⁴ Because they have acted intentionally, cybersquatters invariably are aware that the domain names they have registered are connected with famous U.S. trademarks, thereby satisfying the second prong of the test. Although it is possible for one inadvertently to register a domain name identical to a famous trademark, a cybersquatter’s intentional act of registering a domain name connected with a famous U.S. trademark is, by

210. Callen, *supra* note 157, at 1850. It should be pointed out that Callen argues that foreign cybersquatters lack minimum contacts because they lack minimum contacts with “any one state.” *Id.* In other words, Callen believes that the downfall of the minimum contacts test in this area is due to the fact that a cybersquatter has minimum contacts simultaneously with every state and no state—a proposition that this Note does not advocate.

211. *Calder v. Jones*, 465 U.S. 783, 789–90 (1984).

212. *Id.* at 791.

213. Allen, *supra* note 116, at 295.

214. 15 U.S.C. § 1125(d)(1)(A)(i) (2000).

definition, aimed at the trademark holder in an attempt to extort money. If someone has a legitimate, good faith reason for registering a domain name, his usage of that domain name is not cybersquatting.²¹⁵ Most of the time, however, prior registration of a domain name connected with a famous mark is anything but coincidental. Neither is a cybersquatter absolved by not knowing the exact location of the plaintiff in the United States. Knowing that his domain name registration infringes upon a famous U.S. mark is sufficient to “aim” a cybersquatter’s action at the forum. Finally, the third prong is satisfied easily because the one and only goal of a cybersquatter is to cause harm to the trademark holder in the form of initial interest confusion, loss of brand name recognition, and revenue loss that results when people are unable to locate the holder’s website. The cybersquatter knows and intends for this harm to occur to the plaintiff and ultimately hopes that the plaintiff will attempt to buy back the domain name.

Thus, the *Calder* effects test almost always will provide an aegis under which a court can find minimum contacts over a foreign cybersquatter, even when the cybersquatter has not yet attempted to extort money out of the trademark holder. Indeed, when the cybersquatter *has* attempted such extortion, the *Calder* analysis probably is no longer necessary, considering that the cybersquatter would then have a much more direct contact with the forum. Additionally, the use of the *Calder* effects test alleviates another potential harm that could arise from widespread assertion of in rem jurisdiction based on the location of the TLD registry: the risk that the proliferation of such actions will overburden the courts in the Eastern District of Virginia, the district in which VeriSign is located.²¹⁶ Although it is debatable whether there ever would be such a tremendous influx of actions against cybersquatters that would overburden the court system, such a concern need not ever be tested under the *Calder* effects test; the courts that have jurisdiction are those in districts in which the plaintiffs are located, allocating the “burden” much more evenly.

215. However, even when the prior registrant has a legitimate reason for registering the domain name, he nevertheless may be called upon to defend his claim to the domain name when confronted by the more famous holder of the mark. See Complaint at 2–4, 7–8, *Keith Lionel Urban v. Keith Urban*, No. 07CV0018 (M.D. Tenn. filed Feb. 2, 2007), 2007 WL 521877. In this highly publicized case, the country singer, Keith Lionel Urban, is suing Keith Urban, a New Jersey resident and painter who maintains the website <www.keithurban.com>. Because the New Jersey Urban has a legitimate claim to the domain name (i.e., his name is Keith Urban), he cannot be said to be a cybersquatter; the country singer Urban’s complaint, however, is based on alleged misrepresentations on the New Jersey Urban’s website. *Id.* at 4.

216. Note, *supra* note 157, at 1631.

Because this Note's solution is a *mélange* of different remedies, it is debatable whether this is an exceptionalist or an unexceptionalist stance on solving the problem of cybersquatting. Ultimately, its position is a synthesis of both, insofar as it draws upon the time-tested formula from *International Shoe*, embraces the substance of the ACPA, and eschews the rigid formalistic approach that has been a hallmark of personal jurisdiction jurisprudence for many years. Indeed, it seems that an approach combining elements of exceptionalist and unexceptionalist doctrine often works well in the context of Internet legal challenges; the Internet itself can be viewed as a juxtaposition of the old and the new.²¹⁷ Further, Internet regulation is much more successful when it avoids rigid, formalistic classifications such as in *rem* versus in *personam*, or exceptionalist versus unexceptionalist. As a threshold matter, therefore, it is of little consequence whether this solution is more aligned with exceptionalist or unexceptionalist viewpoints. What matters most is formulating a solution that addresses the legal and policy goals of Internet regulation while providing the requisite flexibility that will make the solution useful for many years. The combination of the *International Shoe* minimum contacts test and the *Calder* effects test results in just such a solution.

This solution could be criticized as unduly complicated. Opponents might argue that a test for personal jurisdiction that combines two different approaches runs the risk of becoming unwieldy and unnecessarily complex. However, Internet law is an area in which flexibility must be paramount. Because the Internet is growing and changing constantly, the methods for evaluating and regulating the Internet need to be likewise adaptable to the dynamic nature of the medium. The juxtaposition of the *International Shoe* minimum contacts test with the *Calder* effects test provides a much-needed measure of flexibility because it allows courts to adapt their personal jurisdiction jurisprudence to the particular facts at issue in a given lawsuit. When the minimum contacts test is sufficient to analyze personal jurisdiction, it alone can be used. When, however, the facts demand a different type of analysis, courts can perform the *Calder* effects test to determine whether a party has sufficient minimum contacts with the forum so as to make personal jurisdiction appropriate.

217. Although the Internet and the technology upon which it is based continually evolve, the basic principles of the Internet and its architecture remain the same. It is easy to imagine that the original creators of the Internet scarcely could have fathomed the uses to which it is put today; examples include online banking and business as well as peer-to-peer file-sharing software.

Moreover, if courts were to heed this Note's suggestions and adopt the proffered juxtaposition of the minimum contacts test and the *Calder* effects test, the complexities likely could be alleviated by a clever court's articulation of the tests in a precedential opinion that unifies the two approaches. In other words, if a court were to issue an opinion in which it combines the two tests into one, practitioners and scholars alike would be able to rely upon a unitary set of guidelines codified within such a ruling. Part-and-parcel of this plan, however, is the need for excising the in rem provision from the ACPA. Until the offending provision is removed or declared unconstitutional, it is the law by which courts will continue to be bound.

V. CONCLUSION

The changes advocated by this Note have the potential to positively influence and strengthen personal jurisdiction jurisprudence, especially as it concerns personal jurisdiction over foreign cybersquatters. What remains to be seen is whether Congress and the federal courts will pay attention to the steadily growing clamor of those seeking an end to the ACPA's provision for in rem jurisdiction. The premise upon which this Note is based—that the in rem provision of the ACPA is unconstitutional—is not unique to this Note. Almost immediately after the ACPA's enactment in 1999, scholars and theorists began expressing dissatisfaction with its liberal approach to personal jurisdiction. The specific solution this Note proposes, however, has significant potential to advance personal jurisdiction jurisprudence because of the solution's pragmatism and staying power.

The solution proffered, although it is flexible, could be criticized as unduly complicated. While a juxtaposition of two different (but related) approaches is less than ideal, it is worth remembering that the *Calder* effects test, at its core, is merely an elaboration upon the principles of *International Shoe*. *Calder* is especially apposite in the context of domain name jurisdiction because the effects test is a particular iteration of *International Shoe* that will prove most apt in the area of Internet jurisdiction. Moreover, because the *International Shoe* minimum contacts test is more than sixty years old, all persons subject to U.S. personal jurisdiction already are on constructive notice of its terms. Thus, this solution possesses the necessary degree of flexibility to accommodate future jurisdictional issues while preserving the stability and predictability of the present jurisdictional framework.

The ACPA cannot be reconciled with due process because of its slavish adherence to form over substance, which is entirely contrary to the Supreme Court's jurisprudence in this area. In particular, the in rem provision of the ACPA specifically allows for personal jurisdiction over the domain name itself in situations where the alleged cybersquatter lacks minimum contacts with the forum state. Such an approach not only confuses the interests of the property *itself* with the interests of the property owner, but it also disavows important Supreme Court precedent. *International Shoe* established, and *Shaffer* reaffirmed, that the minimum contacts test applies to all analyses of personal jurisdiction. As a result, the ACPA's provision allowing for in rem jurisdiction in the absence of minimum contacts is contrary to the entire weight of the Court's personal jurisdiction jurisprudence. The in rem provision, then, violates due process and should be overturned as unconstitutional. Moreover, aggressive use of this provision could result in serious consequences for the United States, including a potential fragmentation of the domain name system that could result from a backlash against an attempt by the United States to impose its trademark law on the world.

The fact that the ACPA's in rem provision is both unwise and unconstitutional is not its only shortcoming; the provision also is unnecessary. In place of the in rem provision, the courts should adopt a scheme that adequately addresses the problem of personal jurisdiction over foreign cybersquatters. This Note proffers a solution that combines two tests for personal jurisdiction that have withstood the test of time: the *International Shoe* minimum contacts test and the *Calder* effects test. By using the latter to supplement the former when necessary (and it will be necessary in most actions involving foreign cybersquatters), this solution is as simple and predictable as it is flexible, all of which are paramount goals in any personal jurisdiction analysis.

The essence of this solution is that society and the law must be willing to adapt to the various regulatory challenges that the Internet presents. By now, it is clear that the Internet is here to stay, and it likely is impossible for one nation to rule the Internet (or any aspect thereof) with an iron fist. There is ample evidence that attempts to constrain the Internet will be utterly futile as long as there is at least one determined Internet user opposed to such attempts. As a case in point, consider the Recording Industry Association of America's battle against file sharing. For every file-sharing system that is shut down, ten more arise, poised to operate in the same milieu as their departed counterparts. The keys to successful Internet regulation, therefore, are flexibility and international cooperation.

Although it may be impossible to impose any comprehensive regulatory scheme upon the Internet or activities conducted therein, the approaches with the best chance of success are those that recognize not only that the Internet presents unprecedented legal challenges, but also that successful Internet regulation will require an equal—if not greater—amount of legal creativity. In this case, that creativity should manifest itself as a return to the basics of personal jurisdiction in the familiar form of the *International Shoe* test.

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