

Convergence Without Predictability: Personal Jurisdiction Dilemma for Online Foreign Trademark Infringement in the EU and the US

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Abstract

Online trademark infringement is ubiquitous anywhere in the world nowadays. The courts have been trying to find the best answer when deciding on personal jurisdiction questions against foreign defendants. Comparing both the U.S. and the E.U., this paper investigates whether current tools are effective in reaching consistent

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results without creating legal ambiguity. This paper shows that both the U.S. and the E.U. move toward the same analysis and terminology to resolve the personal jurisdiction problem for online foreign trademark infringement. The study argues that current solutions in both jurisdictions fail uniformly to satisfy the fairness and predictability of the laws and cause inconsistent interpretations. Therefore, this paper suggests alternative solutions unique to online trademark infringement is necessary

I. Introduction

The internet is both the backbone of the modern world's development and the source for most cross-border legal problems. According to the latest numbers released by the United Nations Conference on Trade and Development, global electronic commerce (e-commerce) sales totaled about \$26.7 trillion in 2019.² Intellectual property (IP) rights are especially important because IP infringement can easily upset the intricate balance of e-commerce. If someone infringes upon any IP rights, the intricate balance of e-commerce can easily be destroyed. The jurisdictional challenges for IP rights caused by the internet are only one, among many, of the legal challenges affected by the enormous growth of global e-commerce.³

The 2019 Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters (Hague Convention) does not resolve the jurisdictional problems in the international arena for IP rights. The different legal systems of multiple countries and the sui generis problems of IP rights are reasons for the exclusion of jurisdictional rules specific to IP. Moreover, the expanding idiosyncrasies of internet technology make it even more perplexing to answer the different jurisdictional concerns of diverse legal worlds. While the goal of international rules is to ensure for principles such as predictability and fairness, maintaining a specific roadmap is especially challenging due to the broad-ranging nature of these principles. The Hague Convention left these issues behind to be settled in the near future. As an effort to search for a common set of solutions toward jurisdictional problems, this paper aims to examine personal jurisdictional issues related to online trademark infringement. To avoid being quixotic in this effort, this paper is limited to the comparison between common law and civil law jurisdictions and specifically between the U.S. and the E.U. approach. The U.S. is the world's leading market in e-commerce with almost \$10 trillion in global sales,⁴ and the rest of the leading countries are

² *Estimates of Global E-Commerce 2019 and Preliminary Assessment of Covid-19 Impact on Online Retail 2020*, UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT, https://unctad.org/system/files/official-document/tn_unctad_ict4d18_en.pdf (last visited Oct. 7, 2022).

³ See Graeme B. Dinwoodie, *Private International Aspects of the Protection of Trademarks*, WORLD INTELLECTUAL PROPERTY ORGANIZATION (Jan. 19, 2001), https://www.wipo.int/edocs/mdocs/mdocs/en/wipo_pil_01/wipo_pil_01_4.pdf (for other problems, especially with regard to private international law).

⁴ *Global E-Commerce Jumps to \$26.7 Trillion, COVID-19 Boosts Online Sales*, UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (May 3, 2021), <https://unctad.org/news/global-e-commerce-jumps-267-trillion-covid-19-boosts-online-sales>.

mostly from the E.U.⁵ Therefore, this comparison is an important one that should be considered in examining these related jurisdictional problems.

The following scenario can help illustrate the jurisdictional problems inherent in online trademark infringement. For instance, imagine the perspective of a rising social media star living in Europe. She has a fantastic ability to copy famous fashion brands' trademarks for her Covid-19 face masks, which she accomplishes with a little sewing machine. She is selling them through her website, her Facebook account, and her Instagram account. She becomes so popular that she makes a significant amount of money by advertising on her website. Suddenly, she receives a cease and desist letter from a U.S. company stating that she will be sued if she does not stop using its trademark. A looming question remains: can she be sued even though she has never visited the U.S.?

Although this is a hypothetical situation, it is plausible. With the pandemic, global e-commerce is growing every day. Accordingly, the risk of being a victim or an infringer before a foreign court is not far away for anyone. The answer to the influencer's question rests on a personal jurisdiction analysis. Unfortunately, it would be quite difficult for a lawyer to give her a clear answer. Neither the U.S. nor the E.U. have clear rules surrounding personal jurisdiction for IP. It would remain difficult even if the influencer's location was switched to the E.U., and trademark-related personal jurisdictional problems are no exception to this murkiness.

Both legal systems struggle to define the exact type and number of activities on the internet on which to assert jurisdiction. In fact, the seemingly intransigent systems utilize similar criteria when asserting personal jurisdiction for online trademark infringement. Two common overarching themes guiding the courts are predictability and fairness. However, because these principles are applied broadly, it is tough to estimate the chances of being sued in another jurisdiction.

Comparing decisions by U.S. courts and the Court of Justice of the European Union (CJEU) shows similarities that can help uncover tailored common grounds for both worlds. For instance, the U.S. and E.U. both borrow principles from related areas, such as defamation and intentional torts, in dealing with personal jurisdiction. As a result, both legal systems focus mostly on the defendant's activities and the harm resulting from those activities. The unique nature of online infringement has forced both legal systems to adopt similar terminology, such as targeting, in defining infringing activities. However, as a detailed examination of the U.S. experience will show, the mere adopting of terminology is not enough to maintain uniformity even within one circuit, let alone between different legal systems. Therefore, this paper argues that the next step toward a solution should be investigating ways of providing easier

⁵ *Estimates of Global E-Commerce 2019 and Preliminary Assessment of Covid-19 Impact on Online Retail 2020*, UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT, https://unctad.org/system/files/official-document/tn_unctad_ict4d18_en.pdf (last visited Oct. 7, 2022).

guidance when defining activities that establish jurisdiction. By taking a lesson from the U.S. experience, this paper suggests that factors such as monetary thresholds or concrete facts should be considered for a future solution. Since laws, regulations, and precedents aim for uniformity, fairness, and predictability, such a concrete approach could be much more suitable in dealing with online trademark infringement.

This paper proceeds as follows. Section II lays out the general principles guiding online trademark disputes in the U.S. and E.U. Section III looks at the reasons for the legal ambiguity in both jurisdictions as the courts have borrowed principles from other areas of law. Section IV continues to explore ambiguities related specifically to a trademark-based analysis. Section V looks at current situations before the courts to show how different jurisdictions converge toward each other with similar terminology. Section VI serves as a summary and returns to the aforementioned influencer trademark hypothetical in light of the analysis. Section VII provides a brief conclusion that also suggests some ways to clarify existing fogginess.

II. General Principles Guiding Online Trademark Disputes in the U.S. and the E.U.

A. Personal Jurisdiction in the U.S.

Most foreign individuals or corporations do not want to be subject to lawsuits, especially before U.S. courts.⁶ The availability of punitive damages, extensive discovery rules, and class actions, which are mostly unique to the U.S. legal system, are among various reasons for this.⁷ However, the global accessibility that a website provides complicates the personal jurisdiction analysis for foreigners. The internet makes jurisdictional issues international, especially in cases where a defendant is a foreign individual or corporation.⁸ Since the U.S. is not a party to any international agreement on jurisdiction, the analysis is made under the domestic law.⁹ Therefore, to understand

⁶ Gerlinde Berger-Walliser, *Reconciling Transnational Jurisdiction: A Comparative Approach to Personal Jurisdiction over Foreign Corporate Defendants in US Courts*, 51 VAND. J. TRANSNAT'L L. 1243, 1246 (2018); see also Michael Geist, *The Shift Toward "Targeting" for Internet Jurisdiction*, in WHO RULES THE NET?: INTERNET GOVERNANCE AND JURISDICTION 91, 91–92 (Adam D. Thierer & Clyde Wayne Crews eds., 2003).

⁷ Berger-Walliser, *supra* note 6, at 1246.

⁸ See, e.g., *Id.* at 1254–57 (underscoring the importance of international law in determining personal jurisdiction in cases involving an international element); Alan M. Trammell & Derek E. Bambauer, *Personal Jurisdiction and the "Interwebs"*, 100 CORNELL L. REV. 1129, 1158 (2015) ("For personal jurisdiction, physical location is a fundamental matter; for Internet communication, it is peripheral or even irrelevant."); Dinwoodie, *supra* note 3, at 13 (emphasizing the role of international law for jurisdictional issues).

⁹ See, e.g., Berger-Walliser, *supra* note 6, at 1260; William S. Dodge & Scott Dodson, *Personal Jurisdiction and Aliens*, 116 MICH. L. REV. 1205, 1207 (2018); Robin J. Effron, *Solving The Nonresident Alien Due Process Paradox In Personal Jurisdiction*, 116 MICH. L. REV. ONLINE 123, 129 (2018); Anne McCafferty, *Internet Contracting and E-Commerce Disputes: International and United States Personal Jurisdiction*, 2 GLOBAL BUS. L. REV. 95, 106 (2011); Austen L. Parrish, *Sovereignty, Not Due Process: Personal Jurisdiction Over Nonresident Alien Defendants*, 41 WAKE FOREST L. REV. 1, 26 (2006).

the ambiguities in online trademark infringement, one needs to first lay out how the personal jurisdiction framework is set up in the U.S.

State/Federal Jurisdictional Requirements	Due Process General Jurisdiction	Due Process Specific Jurisdiction
<ul style="list-style-type: none"> • State's Long Arm Statutes • Fed. R. Civ. P. 4(k)(2)(A) establishes personal jurisdiction against a non-resident 	<ul style="list-style-type: none"> • Defendant's Domiciliary • Express Consent • In-State Service • Voluntary Appearance 	<ul style="list-style-type: none"> • Minimum Contacts • Purposeful Availment • Reasonableness

Table-1: Personal Jurisdiction Framework in the U.S.

If a court has subject matter jurisdiction over an issue, the analysis turns to whether the court has personal jurisdiction over the defendant.¹⁰ To answer this question, both state and federal U.S. courts must check whether a given state's long-arm jurisdictional statute authorizes jurisdiction over the particular defendant and, if so, whether such an authorization complies with the Due Process Clause of the U.S. Constitution.¹¹ The requirement of due process compliance makes the personal jurisdiction analysis unique and complicated in the U.S.¹²

Each state's long-arm statute requires certain types of activities to exercise authority over an out-of-state defendant that is not physically present within a forum state.¹³ The "[t]ransaction of business in [the] state," the "committing of a tortious act in the state," and the "committing [of] a tortious act outside the state that causes injury within the state" are common types of activities that are required by most states' long-

¹⁰ Howard B. Abrams, *United States*, INTELLECTUAL PROPERTY AND PRIVATE INTERNATIONAL LAW: COMPARATIVE PERSPECTIVES 1103, 1114 (Toshiyuki Kono ed., 2012) [hereinafter INTELLECTUAL PROPERTY AND PRIVATE INTERNATIONAL LAW].

¹¹ Berger-Walliser, *supra* note 6, at 1260 (contending that the U.S. Supreme Court's role in jurisdiction is only to determine the limits of personal jurisdiction with respect to the U.S. Constitution).

¹² Patrick J. Borchers, *The Problem with General Jurisdiction*, 2001 U. CHI. LEGAL F. 119, 121 (2001) (arguing that constitutionalization of personal jurisdiction is an unfortunate mistake because it hinders the willingness of being a party to international agreements); *see also* Berger-Walliser, *supra* note 6, at 1260–61.

¹³ *See, e.g.*, Symeon Symeonides, *United States*, INTERNATIONAL ENCYCLOPAEDIA OF LAWS: PRIVATE INTERNATIONAL LAW ¶¶ 41–42 (International Encyclopaedia of Laws, Kluwer Law International, 2015) (discussing how long-arm statutes are categorized based on their limits with respect to the U.S. Constitution); CAL. CIV. PROC. CODE § 410.10 (West 1970) ("A court of this state may exercise jurisdiction on any basis not inconsistent with the Constitution of this state or of the United States."); OR. R. CIV. P. 4(L) ("[I]n any action where prosecution of the action against a defendant in this state is not inconsistent with the Constitution of this state or the Constitution of the United States."); N.Y. C.P.L.R. 302(a) (McKinney 2008) (declaring that a court may exercise personal jurisdiction over a non-domiciliary who conducts business or commits a tortious act within the state, "commits a tortious act without the state causing injury to person or property within the state," or "owns, uses or possesses any real property situated within the state.").

arm statutes.¹⁴

For this paper, the relevant question is whether a foreign defendant's trademark infringement over the internet falls within reach of a particular state's long-arm statute. In trademark infringement cases, traditionally, the tortious act occurs in the state where a consumer is deceived or confused with respect to the plaintiff's products or services because of the defendant's activities.¹⁵ Other locational considerations could involve the place of sale, the production of goods or services bearing the alleged infringing trademark, or the place of injury.¹⁶ Usually, trademark infringement falls within reach of the long-arm statutes when a foreign defendant's sales or advertising activities take place within the forum state.¹⁷

In trademark claims under the Lanham Act, federal courts have concurrent jurisdiction with state courts.¹⁸ Therefore, a potential plaintiff may bring a trademark infringement claim in either forum. Since the Lanham Act does not provide

¹⁴ See, e.g., Or. R. Civ. P. 4. Although the Oregon long-arm statute's scope of jurisdiction is the same as the U.S. Constitution due to a catch-all provision in Or. R. Civ. P. 4(L), a similar classification of contacts can also be seen in the Oregon long-arm statute as well. See also Mo. Ann. Stat. § 506.500 (West 1993); Mass. Gen. Laws Ann. ch. 223A, § 3 (West 1993).

¹⁵ Vincent N. Palladino, *Jurisdiction*, in TRADEMARK LAW & THE INTERNET: ISSUES, CASE LAW, AND PRACTICE TIPS 221, 221 (Lisa E. Cristal & Neal S. Greenfield eds., 2d ed. 2001).

¹⁶ 6 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 32:38.40 (5th ed. 2017).

¹⁷ See, e.g., Vincent N. Palladino, *Jurisdiction*, in TRADEMARK LAW & THE INTERNET: ISSUES, CASE LAW, AND PRACTICE TIPS. 221, 221 (Lisa E. Cristal & Neal S. Greenfield eds., 2d ed. 2001); 6 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 32:39 (5th ed. 2017); Volt, LLC v. Volt Lighting Grp. LLC, 369 F. Supp. 3d 1241, 1246 (M.D. Fla. 2019) (finding that the defendant's infringing online activity did not satisfy the "tortious act" requirement of Florida's long-arm statute because there was no inference or evidence that a customer in Florida viewed the Oregonian defendant's allegedly infringing website); Hard Candy, LLC v. Hard Candy Fitness, LLC, 106 F. Supp. 3d 1231, 1246-50 (S.D. Fla. 2015) (finding no personal jurisdiction over the defendants because their contacts with Florida were not sufficient to subject them to personal jurisdiction under "the carrying on business" and "committing a tortious act" provisions of Florida's long-arm statute); ISI Brands, Inc. v. KCC Int'l, Inc., 458 F. Supp. 2d 81, 89 (E.D.N.Y. 2006) (finding no personal jurisdiction under either the "transacts business within the state" prong or the "commits a tortious act within the state" prong of the New York long-arm statute over a Florida defendant whose allegedly infringing products were sold through a website that was accessible to New York customers because the alleged two sales were, in fact, made to New York residents, and plaintiffs arranged those sales in furtherance of the litigation); Rovio Entm't, Ltd. v. Allstar Vending, Inc., 97 F. Supp. 3d 536, 543 (S.D.N.Y. 2015) (finding long-arm jurisdiction over a California company that sold and advertised infringing products via highly interactive websites that were accessible in New York).

¹⁸ 28 U.S.C.S. § 1338 (LexisNexis 1999); see also, e.g., Alpharma, Inc. v. Pennfield Oil Co., 411 F.3d 934, 938 (8th Cir. 2005) (stating that the plaintiff "is incorrect in its assertion that district court jurisdiction over Lanham Act claims is exclusive"); Aquatherm Indus., Inc. v. Fla. Power & Light Co., 84 F.3d 1388, 1394 (11th Cir. 1996) (stating that the federal courts do not have exclusive jurisdiction over an action brought under the Lanham Act); Burriss Carpet Plus, Inc. v. Burriss, 785 N.W.2d 164, 177 (N.D. 2010) (stating that state courts have concurrent jurisdiction); Get Fit Fast Supplements, LLC v. Richpianauncensored.com, LLC, 393 F. Supp. 3d 1136, 1140 (S.D. Fla. 2019) (stating that Congress expressly delegated concurrent jurisdiction over trademark claims to state and federal courts).

nationwide service of process in trademark litigation for personal jurisdiction purposes,¹⁹ Rules 4(e), 4(f), and 4(k) of the Federal Rules of Civil Procedure essentially would be the guiding rules of the appropriate methods for serving the complaint to a defendant.²⁰ In line with these rules, federal courts apply the personal jurisdiction rules of the forum state as provided by the state's long-arm statute.²¹

Rule 4(k)(2)(a)²² is especially important for federal claims against non-U.S. defendants because it establishes personal jurisdiction in federal courts if the defendant does not reside in the U.S. and does not have sufficient contacts to justify personal jurisdiction in any state's courts of general jurisdiction. In this case, when a plaintiff's action arises under federal law, a defendant may be subject to a federal court's personal jurisdiction if, as a whole, the defendant has sufficient contacts with the U.S. to satisfy the Due Process Clause of the Fifth Amendment.²³

In general, courts support their analysis under the "minimum contacts"²⁴ framework which was created for the analysis of the Due Process Clause of the Fourteenth Amendment.²⁵ The Supreme Court has declined to answer whether the Fourteenth Amendment Due Process analysis is applicable in federal question cases.²⁶ The

¹⁹ James H. Aiken, *The Jurisdiction of Trademark and Copyright Infringement on the Internet*, 48 MERCER L. REV. 1331, 1339 (1997); 6 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 32:38 (5th ed. 2017) ("Although Congress has the power to authorize nationwide service and power for federal courts, it has not chosen to do so in cases of trademark infringement or unfair competition.").

²⁰ See Fed. R. Civ. P. 4(e), 4(f), 4(k).

²¹ See, e.g., *Ariel Invs., LLC v. Ariel Cap. Advisors LLC*, 881 F.3d 520, 521 (7th Cir. 2018); *Sunward Elecs., Inc. v. McDonald*, 362 F.3d 17, 22 (2d Cir. 2004); see also PETER HAY ET AL., CONFLICT OF LAWS 350 (6th ed., 2018).

²² Fed. R. Civ. P. 4(k)(2)(a).

²³ See 6 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 32:45 (5th ed. 2017); see also, e.g., *Plixer Int'l v. Scrutinizer GmbH*, 905 F.3d 1, 13 (1st Cir. 2018) (holding that exercise of personal jurisdiction over a German defendant did not violate Fifth Amendment Due Process because the defendant had adequate contacts with the U.S. via its interactive website in English which was accessible throughout the U.S. since defendant sold its services to 156 U.S. customers in 30 states); *Pebble Beach Co. v. Caddy*, 453 F.3d 1151, 1154–56 (9th Cir. 2006) (finding no personal jurisdiction over an English defendant who used the name "Pebble Beach" on its website for bed and breakfast services in England because the website was not expressly aiming at the customers of the plaintiff's identically-named golf resort in California, or in the U.S. as a whole); *Graduate Mgmt. Admission Council v. Raju*, 241 F. Supp. 2d 589, 600 (E.D. Va. 2003) (finding personal jurisdiction over an Indian defendant under Rule 4(k)(2) because the defendant operated a website selling the plaintiff's test preparation materials bearing the infringing trademark to U.S. residents with the option to buy in U.S. dollars, and the website also provided specific ordering information for U.S. customers).

²⁴ *Int'l Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945) (establishing the minimum contacts framework).

²⁵ E.g., *Plixer*, 905 F.3d at 6–7; *Pebble Beach*, 453 F.3d at 1155; *Graduate*, 241 F. Supp. 2d at 599–600; *Solid 21, Inc. v. Chopard USA Ltd.*, No. 19 Civ. 3089 (LAP), 2020 WL 529213, at *2 (S.D.N.Y. Feb. 3, 2020) (applying the minimum contacts analysis under the Fourteenth Amendment to Rule 4(k)(2)).

²⁶ *Bristol-Myers Squibb Co. v. Super. Ct. of Cal.*, 137 S.Ct. 1773, 1784 (2017) ("[W]e leave open the

application of the Fourteenth Amendment Due Process analysis has been criticized because Rule 4(k)(2) allows broader territorial reach compared to its state counterparts.²⁷

Under the Fourteenth Amendment Due Process analysis, the famous *International Shoe* case requires the defendant to have “minimum contacts” with the forum state, so that the exercise of personal jurisdiction does not offend “traditional notions of fair play and substantial justice.”²⁸ The focus on the defendant’s “related contacts” with the forum state²⁹ created the distinction between general and specific jurisdiction.³⁰ While general jurisdiction does not depend on the nature of the dispute between the parties,³¹ specific jurisdiction requires a look at the defendant’s minimum *related contacts*.³² Since the most disputed issues are about whether the defendant’s related contacts amount to jurisdiction, the analysis for online trademark disputes would continue over specific jurisdictional problems.

The purposeful availment requirement is the next step in the constitutional analysis of specific jurisdiction after a court finds that the defendant’s contacts are sufficiently related to the dispute.³³ This requirement ensures that the defendant has purposefully availed itself of the privilege of acting in the forum state, and therefore, the

question whether the Fifth Amendment imposes the same restrictions on the exercise of personal jurisdiction by a federal court.”).

²⁷ See generally PETER HAY ET AL., CONFLICT OF LAWS 446–50 (6th ed. 2018) (discussing that the application of Rule 4(k)(2), which allows broader territorial reach compared to state counterparts, leads to an uncertainty for its constitutionality); see also Patrick J. Borchers, *Extending Federal Rule of Civil Procedure 4(k)(2): A Way to (Partially) Clean Up the Personal Jurisdiction Mess*, 67 AM. U. L. REV. 413, 417–18 (2017) (arguing for extension of the Rule 4(k)(2) for diversity and alienage cases to address the problem of the U.S. plaintiffs when they are left without a U.S. forum against the foreign defendants); Wendy Perdue, *Aliens, The Internet, And “Purposeful Availment”: A Reassessment Of Fifth Amendment Limits On Personal Jurisdiction*, 98 NW. U. L. REV. 455, 456 (2004) (arguing that the limits of the Fifth Amendment are not comparable to the Fourteenth Amendment). But cf. Jonathan Remy Nash, *National Personal Jurisdiction*, 68 EMORY L. J. 509, 515, 523 (2019) (arguing that Fourteenth Amendment restrictions on personal jurisdiction such as consideration of minimum contacts and concerns of fairness are also applicable to the Fifth Amendment, which does not impose serious obstacles to national personal jurisdiction because venue and choice of law restrictions address the fairness concerns for defendants).

²⁸ *Int’l Shoe Co.*, 326 U.S. at 316.

²⁹ *Walden v. Fiore*, 571 U.S. 277, 286 (2014) (“[A] defendant’s relationship with a plaintiff or third party, standing alone, is an insufficient basis for jurisdiction.”).

³⁰ HAY ET AL., *supra* note 27, at 332 n.180 (discussing that the widely accepted “general” and “specific” terms are specific to the U.S.).

³¹ See *id.* at 367–72 (stating that domicile, residence, nationality, express consent, and voluntary appearance are examples of general jurisdiction); see also *Goodyear Dunlop Tires Operations, S.A. v. Brown*, 564 U.S. 915, 919 (2011) (“A court may assert general jurisdiction over foreign (sister-state or foreign-country) corporations to hear any and all claims against them when their affiliations with the State are so ‘continuous and systematic’ as to render them essentially at home in the forum State.”).

³² E.g., *Int’l Shoe Co.*, 326 U.S. at 321; *Helicopteros Nacionales De Colombia v. Hall*, 466 U.S. 408, 414 n.9 (1984); *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 472 (1985).

³³ E.g., *Int’l Shoe Co.*, 326 U.S. at 316–17; *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 294 (1980).

defendant has had and will continue to have clear notice of possible lawsuits in that forum.³⁴ However, it is not always easy to decide what kind of activity and how much of that activity is enough to satisfy the purposeful availment requirement.³⁵ For instance, it is not clear if a single sale initiated by a plaintiff to create evidence for a trademark dispute is enough to satisfy personal jurisdiction requirements.³⁶ Similarly, cease and desist letters sent by a plaintiff may not satisfy the minimum contacts requirement in trademark disputes.³⁷ When trademark infringement occurs via the internet, the related minimum contacts are even harder to pinpoint, but it is clear that the plaintiff's trademark claim cannot be based on the defendant's unrelated internet activity.³⁸ Moreover, most courts today seem to agree that there is no personal

³⁴ *Hanson v. Denckla*, 357 U.S. 235, 253 (1958).

³⁵ *E.g.*, *Calder v. Jones*, 465 U.S. 783, 791 (1984) (holding in a libel action that personal jurisdiction over the defendants was proper because the effects of their intentional, tortious actions in Florida were calculated to cause injury in California); *Burger King Corp.*, 471 U.S. at 479–82 (holding that the defendant purposefully availed itself to the forum's jurisdiction although the defendant did not physically enter the forum state by emphasizing the contract clause that designated the forum law as the governing law); *Asahi Metal Indus. Co. v. Super. Ct. of Cal.*, 480 U.S. 102, 112 (1987) (holding that a resale in California was not enough to satisfy personal jurisdiction despite disagreement on whether the defendant must have specific intent to serve the forum or whether the defendant's awareness that its products would reach the forum through the stream of commerce is enough for purposeful availment); *J. McIntyre Mach., Ltd. v. Nicastro*, 564 U.S. 873, 882, 887 (2011) (plurality opinion) (deciding that there is not sufficient defendant activity to satisfy the purposeful availment analysis because the defendant did not manifest an intention to submit to the power of sovereign); *Walden v. Fiore*, 571 U.S. 277, 277 (2014) (holding in an intentional tort dispute that if the relationship did not arise out of contacts that the defendant himself created with the forum state then exercising jurisdiction would not be proper).

³⁶ *E.g.*, *PetEdge, Inc. v. Fortress Secure Sols., LLC*, 144 F. Supp. 3d 249, 257 (D. Mass. 2015) (finding personal jurisdiction even though the plaintiff's employees purchased the infringing product because this fact makes little difference where the plaintiff need only make a prima facie showing of facts in support of jurisdiction); *Buccellati Holding Italia SPA v. Laura Buccellati, LLC*, 935 F. Supp. 2d 615, 623 (S.D.N.Y. 2013) (finding no personal jurisdiction when it was "obvious that plaintiffs made this purchase . . . in order to bolster their argument that this Court has personal jurisdiction over [d]efendants.").

³⁷ *E.g.*, *Yahoo! Inc. v. La Ligue Contre Le Racisme Et L'Antisemitisme*, 433 F.3d 1199, 1208 (9th Cir. 2006) (en banc), *cert. denied*, 547 U.S. 1163 (2006) ("A cease and desist letter is not in and of itself sufficient to establish personal jurisdiction over the sender of the letter. . . . There are strong policy reasons to encourage cease and desist letters. They are normally used to warn an alleged rights infringer that its conduct, if continued, will be challenged in a legal proceeding, and to facilitate resolution of a dispute without resort to litigation. If the price of sending a cease and desist letter is that the sender thereby subjects itself to jurisdiction in the forum of the alleged rights infringer, the rights holder will be strongly encouraged to file suit in its home forum without attempting first to resolve the dispute informally by means of a letter."); *Great Divide Brewing Co. v. Gold Key/PHR Food Servs., LLC*, 127 F. Supp. 3d 1137, 1146 (D. Colo. 2015) ("While Defendant continued its infringement after the cease and desist letters, that also was not sufficient to create specific jurisdiction."); *Douglas Furniture Co. of Cal. v. Wood Dimensions, Inc.*, 963 F. Supp. 899, 903 (C.D. Cal. 1997) ("[O]nly contacts with this jurisdiction are the two cease-and-desist letters. Such letters, without more, are insufficient to establish specific personal jurisdiction over a nonresident defendant.").

³⁸ *E.g.*, *Cnty. Tr. Bancorp, Inc. v. Cmty. Tr. Fin. Corp.*, 692 F.3d 469, 472 (6th Cir. 2012) ("[T]here is no substantial connection between three or four Kentucky residents accessing their online banking

jurisdiction without satisfying the rest of the constitutional due process requirements only when the defendant's website can be accessible in any state.³⁹

The last step of the constitutional analysis of personal jurisdiction is whether the defendant's contacts also satisfy the notion of reasonableness.⁴⁰ The reasonableness standard is an extension of the requirement of compliance with the "traditional notions of fair play and substantial justice" in *International Shoe*.⁴¹ The finding of purposeful availment does not necessarily mean that the reasonableness requirement is satisfied.⁴² Although the boundaries of the reasonableness requirement are not particularly clear,⁴³ several factors that are considered in its analysis include the burden on the defendant, the forum state's interest in adjudicating the dispute, the plaintiff's interest in obtaining convenient and effective relief, the interstate judicial system's interest in obtaining the most efficient resolution of the controversies, and the shared interest of the several states in furthering fundamental substantive policies.⁴⁴ The defendant can successfully rely on these factors to show that exercising personal jurisdiction would be unfair.⁴⁵

Since this broader territorial reach under Fourteenth Amendment Due Process analysis also encompasses foreign defendants in online trademark infringement, it is

and the underlying trademark infringement claim."); Lisa E. Cristal & Neal S. Greenfield, *U.S. Disputes Over Domain Names*, in *TRADEMARK LAW & THE INTERNET: ISSUES, CASE LAW, AND PRACTICE TIPS* 177, 178 (Lisa E. Cristal & Neal S. Greenfield eds., 2001).

³⁹ See, e.g., *Toys "R" Us, Inc. v. Step Two, S.A.*, 318 F.3d 446, 454 (3d Cir. 2003) ("[T]he mere operation of a commercially interactive web site should not subject the operator to jurisdiction anywhere in the world."); *Carefirst of Md., Inc. v. Carefirst Pregnancy Ctrs., Inc.*, 334 F.3d 390, 402 (4th Cir. 2003) (finding no personal jurisdiction because the defendant's semi-interactive website was insufficient to establish the required minimum contacts); *Venture Tape Corp. v. McGills Glass Warehouse*, 292 F. Supp. 2d 230, 233 (D. Mass. 2003) (holding that mere existence of an interactive website might not be enough to establish personal jurisdiction over the defendant); *Hy Cite Corp. v. Badbusinessbureau.com, L.L.C.*, 297 F. Supp. 2d 1154, 1166 (W.D. Wis. 2004) ("I agree with the majority of courts that simply placing the name of trademark on a website is not enough to show that a defendant has intentionally targeted the forum state."). But see *Inset Sys., Inc. v. Instruction Set, Inc.*, 937 F. Supp. 161, 162 (D. Conn. 1996) ("The Internet as well as toll-free numbers are designed to communicate with people and their businesses in every state. Advertisement on the Internet can reach as many as 10,000 Internet users within Connecticut alone. Further, once posted on the Internet, unlike television and radio advertising, the advertisement is available continuously to any Internet user."). See also Note, *A "Category-Specific" Legislative Approach to The Internet Personal Jurisdiction Problem in U.S. Law*, 117 *HARV. L. REV.* 1617-37 (2004) (criticizing the general jurisdiction approach adopted by some courts based on the accessibility of the defendants' websites).

⁴⁰ HAY ET AL., *supra* note 27, at 341.

⁴¹ *World-Wide Volkswagen*, 444 U.S. at 292.

⁴² *Burger King*, 471 U.S. at 477-78; see also Mona A. Lee, *Burger King's Bifurcated Test for Personal Jurisdiction: The Reasonableness Inquiry Impedes Judicial Economy and Threatens a Defendant's Due Process Rights*, 66 *TEMPLE L. REV.* 945, 954-955 (1993) (discussing that lower courts does not allow reasonableness to compensate for absence of minimum contacts).

⁴³ HAY ET AL., *supra* note 27, at 341-42.

⁴⁴ *World-Wide Volkswagen*, 444 U.S. at 292.

⁴⁵ *Asahi Metal Indus. Co. v. Super. Ct. of Cal.*, 480 U.S. 102, 116 (1987) (finding that "[c]onsidering the international context, the heavy burden on the alien defendant, and the slight interest of the plaintiff and the forum State, the exercise of personal jurisdiction . . . would be unreasonable and unfair").

not hard to see why the personal jurisdiction question raises so many ambiguities and different outcomes in our hypothetical influencer problem. Therefore, the general tort-based U.S. personal jurisdiction Due Process analysis does not sufficiently address how online trademark infringement should be examined. Next, this paper will discuss how trademark-based analysis exists in the U.S. without any specific U.S. Supreme Court decisions or rules and whether such practices have worked out as expected over time.

B. Personal Jurisdiction in the E.U.

Jurisdictional rules in civil law countries are mostly codified, unlike the jurisdictional rules in the U.S. In the U.S., the jurisdictional analysis is heavily dependent on the U.S. Constitution. On the other hand, civil law countries mostly regulate their jurisdictional rules through special legislation.

Jurisdiction in the European Union is regulated by the 2012 Brussels Regulation⁴⁶ and by the 2007 Lugano Convention.⁴⁷ The former provides common rules of jurisdiction and legislates the recognition and enforcement of judgments to be applied by the courts of E.U. Member States in civil or commercial matters, including intellectual property matters. These rules are applicable in every Member State.⁴⁸ The latter is a parallel convention that is applicable between E.U. Member States and European Free Trade Association (EFTA) states, which are Switzerland, Norway, Iceland, and Liechtenstein.⁴⁹ These two regulatory documents are also known together as the Brussels Regime.⁵⁰

Under the Brussels Regime, the jurisdictional rules apply only to international disputes because the goal is to unify the jurisdictional rules within the E.U.⁵¹ According to the Brussels Regulation, the general jurisdiction is based on the defendant's domicile if the defendant is domiciled in the E.U.⁵² The plaintiff's nationality or domicile are not important in the determination of general jurisdiction.⁵³ If the defendant is domiciled in EFTA states, the Lugano Convention would be applicable.⁵⁴ However, if the defendant is domiciled outside the E.U., the Member States' international

⁴⁶ Council Regulation 1215/2012, ch. 2, 2012 O.J. (L 351) 1 (EU) [hereinafter Brussels Regulation].

⁴⁷ 2007 O.J. (L 339) 3 (EC) [hereinafter Lugano Convention].

⁴⁸ HAY ET AL., *supra* note 27, at 1432 n.338; Berger-Walliser, *supra* note 6, at 1279–80.

⁴⁹ For general information on EFTA member states, see <https://www.efta.int/about-efta/the-efta-states>.

⁵⁰ Berger-Walliser, *supra* note 6, at 1279–80; ANNABELLE BENNETT & SAM GRANATA, WHEN PRIVATE INTERNATIONAL LAW MEETS INTELLECTUAL PROPERTY LAW: A GUIDE FOR JUDGES 21 (2019), <https://tind.wipo.int/record/40354?ln=en>.

⁵¹ Brussels Regulation, *supra* note 46, pmb. recital 4.

⁵² Brussels Regulation, *supra* note 46, art. 4.

⁵³ Case C-412/98, Grp. Josi Reinsurance Co. SA v. Universal Gen. Ins. Co., 2000 E.C.R. I-5925, ¶ 53 (“[I]t must be concluded that the system of rules on conferment of jurisdiction established by the Convention is not usually based on the criterion of the plaintiff’s domicile or seat.”), <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:61998CJ0412&from=EN>.

⁵⁴ Lugano Convention, *supra* note 47, art. 2.

jurisdiction rules would apply.⁵⁵

Defendant Domiciled in E.U.	Defendant Domiciled in EFTA	Defendant Domiciled outside of EU/EFTA
<ul style="list-style-type: none"> •Defendant's domicile •Defendant's establishment •The place the harmful event occurred or may occur 	<ul style="list-style-type: none"> •Defendant's domicile •Defendant's establishment •The place the harmful event occurred or may occur 	<ul style="list-style-type: none"> •Member States' own international jurisdictional rules

Table-2: Personal Jurisdiction in the E.U. for National Trademarks

According to this domicile-based general jurisdiction, the domicile of that defendant, if the defendant is a natural person, would be determined by looking at the Member State's jurisdictional laws of the forum.⁵⁶ However, when the dispute at issue arises out of internet activities, like online trademark infringement, the place of domicile could be hard to locate.⁵⁷ The Brussels Regime generally adopts the defendant's domicile as the main rule based on the need for predictability, but it also adopts some exceptions.⁵⁸ For instance, similar to the U.S. due process analysis, the Brussels Regulation states that "there should be alternative grounds of jurisdiction based on a close connection between the court and the action . . . in order to facilitate the sound administration of justice."⁵⁹

According to the legislators of the Brussels Regime, this would ensure legal certainty and foreseeability for a defendant to be sued in a Member State.⁶⁰ The text of the Brussels Regulation shows us that these concerns are based on non-contractual obligations arising out of violations of privacy rights and personality rights, including defamation.⁶¹ The "close connection between the court and action" and "the sound administration of justice" are conceptually similar to the due process concerns in U.S. courts.⁶² Similar to the precedents of the Brussels Regime, the most relevant U.S. Supreme Court jurisdictional precedents that lower courts use in trademark disputes, such as *Keeton v. Hustler Magazine, Inc.*⁶³ and *Calder v. Jones*,⁶⁴ are based on the

⁵⁵ Brussels Regulation, *supra* note 46, art. 6.

⁵⁶ *Id.* at ch. 5, art. 62; *see also id.* at pmbl. recital 14.

⁵⁷ FAYE FANGFEI WANG, INTERNET JURISDICTION AND CHOICE OF LAW: LEGAL PRACTICES IN THE EU, US AND CHINA 46 (2010) (ebook) (arguing that a "person's habitual residence on the Internet should be treated the same as the traditional offline rule that general jurisdiction should be connected" with the defendant and not with the plaintiff).

⁵⁸ Brussels Regulation, *supra* note 466, pmbl. recitals 14–16.

⁵⁹ *Id.* pmbl. recital 16.

⁶⁰ *Id.*

⁶¹ *Id.*

⁶² *See generally* TORSTEN BJORN LARSEN, INTELLECTUAL PROPERTY JURISDICTION STRATEGIES 174 (2017) (discussing the principles of private international law such as predictability, proximity, avoiding forum shopping, and avoiding pollution in line with the Brussel Regime).

⁶³ 465 U.S. 770 (1984).

⁶⁴ 465 U.S. 783 (1984).

tort of libel or defamation. Where U.S. courts would look for minimum contacts, purposeful availment, and reasonableness under a due process analysis, E.U. courts would look for connecting factors that address the concerns stated in the Brussels Regulation in trademark disputes.⁶⁵ The connecting factor in National Trademark disputes can be found in Article 7(2) of the Brussels Regulation.⁶⁶ According to the Brussels Regulation, the factor that connects the defendant to the Member State's court for torts is the place "*where the harmful event occurred or may occur.*"⁶⁷

Unlike the U.S., the E.U. has two different types of trademarks: national trademarks and European Union trademarks (EUTM). Their jurisdictional analysis differs based on their specific regulations. National trademarks of each Member State are subject to the rules under the Brussels Regulation mentioned above. EUTMs, formerly known as community trademarks, are subject to a different regulation: the European Union Trademark Regulation (EUTM Regulation).⁶⁸ EUTMs are a unique type of trademark that protects the trademark owner within the entire European Union.⁶⁹

Since both the E.U. and the U.S. have unique characteristics in their jurisdictional analyses, in comparing them to each other, this paper makes a distinction between tort and trademark analysis for online trademark infringement. Within this frame, it is easier to notice how two different legal systems move toward each other in resolving similar problems. In general, both systems aim for fairness, predictability, and some meaningful connection between the defendant and the court to justify asserting jurisdiction. Although there is specific regulation for personal jurisdiction in the E.U., the existing rules do not clearly answer online-based trademark infringement's jurisdictional problems, and the U.S. is no better. First, this paper examines how the E.U. system struggles with similar problems in its tort-based analysis based on the Brussels Regulation. Like in the U.S., the focus will be on how courts interpret the ambiguity created by the internet for specific jurisdictional issues. Then, the discussion will examine how the E.U. differs from the U.S. in its trademark-based analysis.

III. How Did Borrowing Principles from Torts Lead to Legal Ambiguity?

In trademark disputes, the plaintiff is usually a trademark owner who seeks damages, an injunction, or both against a defendant because of the infringing activity.

⁶⁵ BENNETT & GRANATA, *supra* note 50, at 35.

⁶⁶ See Brussels Regulation, *supra* note 46, ch. 2, § 1, art. 7(2) ("[A] defendant domiciled in a Member State may be sued in another Member State . . . in matters relating to tort, delict or quasi-delict, in the courts for the place *where the harmful event occurred or may occur.*") (emphasis added).

⁶⁷ *Id.*

⁶⁸ Council Regulation No. 2017/1001, 2017 O.J. (L 154) 1–99 (EU), <https://eur-lex.europa.eu/legal-content/EN/TXT>

/HTML/?uri=OJ:L:2017:154:FULL&from=EN [hereinafter EUTM Regulation].

⁶⁹ *Id.* pmb1. recitals 2, 4, 6, 8.

Selling, shipping, or advertising infringing products in the forum and soliciting sales from forum residents are examples of infringing activities for trademark disputes.⁷⁰

When trademark infringement occurs via the internet, the related activities are even harder to pinpoint, but it is clear that the plaintiff's trademark claim cannot be based on the defendant's unrelated internet activity. Moreover, at least in the U.S., most courts seem to agree that there is no personal jurisdiction, when the remainder of the constitutional due process requirements are not satisfied, just because the defendant's website can be accessed in any state.⁷¹

Due to the lack of specific regulations unique to online IP disputes in both jurisdictions, courts have to turn to what is readily available to solve the problem at hand. Mostly, the closest solution comes from tort rules since plaintiffs suffer some harm from the infringement and seek damages. Both jurisdictions, the U.S. and the E.U., try to answer IP-related personal jurisdiction problems based on similar grounds, such as defamation, libel, intentional torts, and personality rights. However, as discussed in detail below, these rules do not always align with the esoteric world of IP rights in the online era because newly adopted technologies in advertisements and sales make it harder to determine intentionality for trademark infringement, which is required in other torts.

A. Tort-Based Analysis in the U.S.

In most trademark disputes, lower courts base their due process analysis on related Supreme Court precedent, especially for purposeful availment and reasonableness. In *Keeton v. Hustler Magazine, Inc.*,⁷² the dispute involved a libel claim against a non-resident defendant. In *Keeton*, the Supreme Court held that the defendant's regular sale of its magazine in the forum state was sufficient to satisfy the minimum contacts requirement because the libel occurred in the forum and arose from material in the magazine.⁷³ *Calder v. Jones*⁷⁴ was a defamation case in which the Supreme Court held that personal jurisdiction over a non-resident defendant is proper when the defendant's intentional actions were expressly aimed at the forum state and caused harm that was suffered in the forum state.⁷⁵ This analysis became known in the U.S.

⁷⁰ See 15 U.S.C.A. § 1114 (West) (imposing liability for trademark infringement in connection with, *inter alia*, the sale, distribution, or advertising of goods or services).

⁷¹ Denis T. Rice & Julia Gladstone, *An Assessment of the Effects Test in Determining Personal Jurisdiction in Cyberspace*, 58 BUS. LAW. 601, 620 n. 143 (2003).

⁷² 465 U.S. 770 (1984).

⁷³ *Id.* at 774.

⁷⁴ 465 U.S. 783 (1984).

⁷⁵ *Id.* at 789–90.

as the *Calder* effects test.⁷⁶

Libel	Defamation	Intentional Tort
<ul style="list-style-type: none"> • Keeton v. Hustler Magazine: Focus on regular activities caused harm in the forum 	<ul style="list-style-type: none"> • Calder v. Jones: Focus on activity expressly aiming at forum and causing a harm 	<ul style="list-style-type: none"> • Walden v. Fiore: Focus on the defendant's intentional conduct

Table-3: Tort-based Analysis in the U.S. for Online Trademark Infringement

Lower courts applied these cases to trademark disputes based on the theory that the defendant purposefully availed himself of the forum state's benefits and protections due to the distribution activity in the forum.⁷⁷ However, when the trademark infringement occurs through the internet, applying the *Calder* effects test becomes more challenging. For instance, the *Calder* effects test involved an intentional tort, and not all trademark disputes are caused by an intentional act.⁷⁸ Moreover, the application of the test to online trademark infringement is questionable when the website is in dispute only because it is accessible in the forum state. Under the *Calder* effects test, it is hard to prove that the defendant expressly aimed its infringing activity at the forum state based on mere accessibility. So, in that case, the question becomes whether the defendant's connection via the internet would be enough to satisfy the purposeful availment and reasonableness inquiries in due process analysis. Despite these difficulties, the *Calder* test remains a popular approach in hopes that it will sustain predictability for the defendant in online trademark infringement cases.⁷⁹

On the other hand, applying the *Calder* effects test to trademark disputes sometimes leads to conflicting decisions even within a single circuit. For instance, in *Cybersell, Inc. v. Cybersell, Inc.*,⁸⁰ the Ninth Circuit, in 1997, rejected the application of *Calder's* effects test and found no personal jurisdiction over the defendant because the defendant did not meet the requirement of purposeful availment.⁸¹ The court noted that the *Calder* effects test does not have "the same force" when a corporation, rather than a natural person, is injured by an international tort case because a corporation "does not suffer harm in a particular geographic location in the same sense that an

⁷⁶ See generally Rice & Gladstone, *supra* note 71; Adam R. Kleven, *Minimum Virtual Contacts: A Framework for Specific Jurisdiction in Cyberspace*, 116 MICH. L. REV. 785 (2018).

⁷⁷ HAY ET AL., *supra* note 27, at 432.

⁷⁸ 6 J. THOMAS MCCARTHY, McCarthy on Trademarks and Unfair Competition § 32:38 (5th ed. 2017) (criticizing the lower courts' finding that the trademark infringement is similar to libel because "while defamation is an intentional act with a target, trademark infringement need not be intentional."); see also Matthew L. Perdoni, *Revising the Analysis of Personal Jurisdiction to Accommodate Internet-Based Personal Contacts*, 14 U. D.C. L. REV. 159, 178 (2011).

⁷⁹ See INTELLECTUAL PROPERTY LAW IN CYBERSPACE (David A. Einhorn & American Intellectual Property Law Association eds., 2017); Am. Bar Ass'n., *Achieving Legal and Business Order in Cyberspace: A Report on Global Jurisdiction Issues Created by the Internet*, 55 BUS. LAW. 1801, 1842 (2000).

⁸⁰ 130 F.3d 414 (9th Cir. 1997).

⁸¹ *Id.* at 419–420.

individual does.”⁸² According to the court, the defendant’s passive website was not enough to infer that the defendant deliberately directed its activities toward forum state residents in Arizona.⁸³ To support this finding, the court emphasized that the defendant was a Florida corporation using the mark “Cybersell” for its website services without making any sales to the forum, earning any income from that forum, or doing anything to encourage people in Arizona to access its website.⁸⁴ However, in later cases, the same circuit applied the same *Calder* effects test to resolve trademark disputes over the internet.⁸⁵ The Ninth Circuit, in general, has found personal jurisdiction against a non-resident defendant when there is “something more” than “mere untargeted negligence” to satisfy the “express aiming at the forum state” in the *Calder* effects test.⁸⁶

However, the Supreme Court made clear in 2014 by *Walden v. Fiore*,⁸⁷ a non-trademark case, that the plaintiff cannot be the only connection between the defendant and the forum state.⁸⁸ In *Walden*, the defendant committed a tort in Georgia against the plaintiff, known by the defendant to be from Nevada, the forum state.⁸⁹ The Court

⁸² *Id.* at 420.

⁸³ *Id.* at 419.

⁸⁴ *Id.* at 419–420.

⁸⁵ See, e.g., *Ayla, LLC v. Alya Skin Pty. Ltd.*, 11 F.4th 972, 980 (9th Cir. 2021) (finding personal jurisdiction over the defendant because there is sufficient evidence of “something more” to satisfy the effects test set forth in *Calder*); *Love v. Associated Newspapers, Ltd.*, 611 F.3d 601, 609 (9th Cir. 2010) (finding no personal jurisdiction over the British record producer because the defendant did not purposefully direct any of the relevant intentional acts such as promotion campaign of the Beach Boys trademark at California but directed entirely at markets in the United Kingdom and Ireland); *Pebble Beach Co. v. Caddy*, 453 F.3d 1151, 1158–59 (9th Cir. 2006) (finding no personal jurisdiction when the defendant’s passive website and domain name alone for bed and breakfast services did not satisfy the *Calder*’s effects test because the defendant was not expressly aiming at the plaintiff which was operating the golf resort services in California with the same trademark “Pebble Beach”); *Schwarzenegger v. Fred Martin Motor Co.*, 374 F.3d 797, 806–07 (9th Cir. 2004) (finding no personal jurisdiction in California court because *Schwarzenegger* did not satisfy all three parts of *Calder*’s effect test when the defendant, an Ohio auto dealer, used his name in advertising in Ohio newspapers because the defendant’s intentional act was aimed at Ohio, not in California); *Mattel, Inc. v. MCA Records*, 296 F.3d 894, 899 (9th Cir. 2002) (finding personal jurisdiction over European record producer defendant because it purposefully directed its activities toward California when the defendant entered into cross-licensing agreements and developed a coordinated plan to distribute the Barbie Girl song and sent promotional copies of the Barbie Girl single to California); *Bancroft & Masters, Inc. v. Augusta Nat’l Inc.*, 223 F.3d 1082, 1088 (9th Cir. 2000) (finding personal jurisdiction based on *Calder*’s effects test for a declaratory judgment because the defendant, a Georgia corporation, as the trademark owner purposefully froze the domain name of the plaintiff, a California company, by sending a letter to the registrar of domain names which was a proof of an intentional act that was expressly aimed at California and proof of the effects of the letter on the plaintiff); *Panavision Int’l, Ltd. P’ship v. Toeppen*, 141 F.3d 1316, 1327 (9th Cir. 1998) (finding personal jurisdiction against the defendant because the defendant purposefully registered plaintiff’s trademarks as his domain names on the Internet to force plaintiff to pay him money).

⁸⁶ See, e.g., *Ayla, LLC*, 11 F.4th at 980; *Pebble Beach*, 453 F.3d at 1156; *Schwarzenegger*, 374 F.3d at 805; *Mattel*, 296 F.3d at 805; *Bancroft & Masters*, 223 F.3d at 1087.

⁸⁷ 571 U.S. 277 (2014).

⁸⁸ *Walden v. Fiore*, 571 U.S. 277, 285 (2014).

⁸⁹ *Id.*

discussed *Calder*'s effects test⁹⁰ and emphasized that the defendant's mere knowledge that the injury would be felt in the plaintiff's home state is not a sufficient connection to that state.⁹¹ According to the Court, "[t]he proper question is not where the plaintiff experienced a particular injury or effect but whether the defendant's conduct connects him to the forum in a meaningful way."⁹² Although the Court expressed explicitly that it would not address the question of intentional torts that are committed via the internet, the effects of the decision can be seen in trademark disputes over the internet.⁹³

For instance, the Seventh Circuit's decision from 2018 in *Ariel Investments, LLC v. Ariel Capital Advisors LLC*⁹⁴ was based on *Walden v. Fiore*. The dispute was between an Illinois company, Ariel Investments, and a Florida company, Ariel Capital, involving trademark infringement due to the use of similar marks.⁹⁵ Although the case did not involve trademark infringement over the internet, the court, by relying on *Walden v. Fiore*, concluded that personal jurisdiction could not be based on only the plaintiff's harm when the defendant did not aim at any particular person or state when it closed its eyes to the effects of its decisions on third parties.⁹⁶ Furthermore, in 2020, the Seventh Circuit found personal jurisdiction in an online trademark infringement case, *Curry v. Revolution Laboratories, LLC*,⁹⁷ over the defendant based on the *Walden* and *Calder* tests when the defendant sells its products online through its website.⁹⁸ The court relied on the facts that the defendant sold and shipped its products to the forum state and communicated with residents of the forum state via email.⁹⁹

The tort-based analysis in personal jurisdiction falls short for online trademark infringement due to the peculiar nature of the infringement. Among the tests from the Supreme Court cases, the *Calder* effects test is the most influential one. Yet as the critics rightly point out, expressly aiming at the forum state does not occur by the mere existence of a world-wide accessible website or activity. If the defendant is selling its counterfeit goods and services in the forum, it is more sensible to blame the defendant because that defendant expressly aimed at the forum. However, it is still not clear how many sales and what kind of advertising activities would be enough to

⁹⁰ *Id.* at 291.

⁹¹ *Id.*

⁹² *Id.* at 290.

⁹³ *Id.* at 291 n.9; *See Plixer Int'l v. Scrutinizer GmbH*, 905 F.3d 1 (1st Cir. 2018) (limiting its ruling on a virtual contacts issue to the specific facts of this trademark infringement case to avoid creating precedent where the Supreme Court refused to do so in *Walden*); *Ariel Invs., LLC v. Ariel Cap. Advisors LLC*, 881 F.3d 520, 522 (7th Cir. 2018) (citing *Walden* in reiterating the importance of a defendant's contacts, not the plaintiff's connection, with the forum in determining personal jurisdiction in a trademark infringement suit).

⁹⁴ 881 F.3d 520 (7th Cir. 2018).

⁹⁵ *Id.* at 521.

⁹⁶ *Id.* at 522.

⁹⁷ 949 F.3d 385 (7th Cir. 2020).

⁹⁸ *Curry v. Revolution Lab'ys, LLC*, 949 F.3d 385, 399 (7th Cir. 2020).

⁹⁹ *Id.*

trigger the jurisdictional responsibility.

Moreover, nowadays, advertising technologies such as geotargeting make these tests more problematic. If it is alleged that a defendant is expressly aiming at the forum, defendants can argue that the artificial intelligence technologies are deciding where and to whom to display such infringing activities based on customers' geographic locations.¹⁰⁰ As the Court specifically makes clear in *Walden*, plaintiffs' injuries in the forum cannot be a sufficient reason for personal jurisdiction. Therefore, defining a range of activities that amount to jurisdiction with the existing tort-based analysis does not provide the desired predictability or fairness that due process might require.

B. Tort-Based Analysis in European National Trademarks

For trademark disputes in the E.U., courts look for the defendant's relevant conduct to justify jurisdiction, like the U.S. does in the specific jurisdiction analysis. The E.U. uses *connecting factor* terminology, which parallels the *relevant conduct* terminology in the U.S. The connecting factor in national trademark disputes can be found in Article 7(2) of the Brussels Regulation.¹⁰¹ According to the Brussels Regulation, the factor that connects a defendant to the Member State's court for torts is "the place where the harmful event occurred or may occur."¹⁰² Trademark infringement is also considered a tort, as it is in the U.S.¹⁰³ For trademark infringement, the Article 7(2) rule would be applicable for a national trademark of a Member State in which the defendant is domiciled in either the E.U. or EFTA states.¹⁰⁴ This is an alternative approach from using the defendant's domicile for jurisdiction.¹⁰⁵ A plaintiff may choose to sue the defendant based on two different grounds without being subject to *forum non conveniens*, which is a common law doctrine that is not allowed in the Brussels Regime.¹⁰⁶ If the defendant is domiciled outside the E.U. and the EFTA, the Member States' own international jurisdictional rules would be applicable.¹⁰⁷

The E.U., similarly to the U.S., bases its jurisdictional analysis for trademark infringement on tort-related cases. This paper focuses on how the CJEU decides in these cases because its decisions have a significant influence on Member States'

¹⁰⁰ See Marketa Trimble, *Targeting Factors and Conflict of Laws on the Internet*, 40 REV. LITIG. 1, 30–34 (2020) (discussing technological advancement and increased accessibility in geolocation tools).

¹⁰¹ Brussels Regulation, *supra* note 46, ch. 2, § 1, art. 7(2) ("[A] defendant domiciled in a Member State may be sued in another Member State . . . in matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred or may occur.") (emphasis added).

¹⁰² *Id.*

¹⁰³ Peter Mankowski, *Article 5*, in BRUSSELS I REGULATION 88, 236–237 (Ulrich Magnus & Peter Mankowski eds., 2012).

¹⁰⁴ LARSEN, *supra* note 62, at 61–62, 174–175.

¹⁰⁵ Toshiyuki Kono and Paulius Jurčys, *General Report*, in INTELLECTUAL PROPERTY AND PRIVATE INTERNATIONAL LAW 1, 212–13 (Toshiyuki Kono ed., 2012); LARSEN, *supra* note 62, at 61, 174.

¹⁰⁶ LARSEN, *supra* note 62, at 175; Mankowski, *supra* note 103, at 112–13.

¹⁰⁷ Brussels Regulation, *supra* note 46, art. 6.

practices.¹⁰⁸ It is important to understand why ambiguity persists for online trademark infringement even if there is an existing structure for jurisdictional analysis governing trademark infringement. For this reason, the discussion in this section focuses on three main CJEU cases relevant to online trademark disputes.

Defamation	Infringement of Personality Rights	Online Trademark
<ul style="list-style-type: none"> • Shevill: The place of the event giving rise to the damage • The place where the publisher of the newspaper in question is established • Limited only for the injury caused in that State to the victim's reputation 	<ul style="list-style-type: none"> • eDate: The center of interests of the plaintiff • The plaintiff's habitual residence • The place where the plaintiff pursues a professional activity 	<ul style="list-style-type: none"> • Wintersteiger: The center of interest analysis rejected • The place of the damage occurred • The place of the event giving rise

Table-4: Tort-based Analysis in European National Trademarks

First of all, the CJEU uses an analogy from a defamation case known as Shevill for trademark infringement through the internet, like the U.S. approach.¹⁰⁹ In this case, the issue was the determination of the place of the harmful event for a U.K. plaintiff filing a lawsuit against a French company for the publication of a defamatory newspaper article. In *Fiona Shevill, et al. v. Presse Alliance SA*, the court decided that the meaning of the place of the harmful event can also mean “the place of the event giving rise to the damage.”¹¹⁰ The court stated that “[i]n the case of a libel by a newspaper article distributed in several Contracting States, the place of the event giving rise to the damage . . . can only be the place where the publisher of the newspaper in question is established, since that is the place where the harmful event originated and from which the libel was issued and put into circulation.”¹¹¹ According to the court, this type of jurisdiction, which is similar to general jurisdiction in the U.S. approach, would grant the court the ability “to hear the action for damages for all the harm caused by the unlawful act.”¹¹² But the court also stated, in the case of an international libel through the press, that when the plaintiff has suffered an injury to its reputation, the court would only have jurisdiction against the defendant for the injury caused to

¹⁰⁸ Alejandro Mejías, *The Multifactor Test for Trademark Infringement From a European Perspective: A Path To Reform*, 54 IDEA 285, 297–301 (2014) (discussing the role of the precedent under European trademark law).

¹⁰⁹ Case C-68/93, *Fiona Shevill, et al. v. Presse Alliance SA*, 1995 ECR I-415, <http://curia.europa.eu/juris/showPdf.jsf?text=&docid=98911&pageIn- dex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=1239283>.

¹¹⁰ *Id.* ¶ 24 (emphasis added). “[T]he place of the event giving rise to the damage” criterion originally comes from another case that involved environmental damage caused by negligence, Case 21/76 *Handelskwekerij G. J. Bier BV v. Mines de potasse d’Alsace SA*, 1976 ECLI 1735, 1747–1748, ¶¶ 24–25.

¹¹¹ Case C-68/93, *Fiona Shevill, et al. v. Presse Alliance SA*, 1995 ECR I-415, ¶ 24.

¹¹² *Id.* ¶ 25; Dinwoodie, *supra* note 3, at 11 n.52.

the victim's reputation in that state.¹¹³ This means that the plaintiff cannot sue in a forum to collect the damages sustained worldwide when a court only has specific jurisdiction in regard to the tort in dispute.¹¹⁴ With this ruling, the *Shevill* court made an important impact by limiting the claim for the plaintiff's reputational injury to the place where the damage occurred. It has been argued that this approach is broader than the U.S. practice because it may give broader protections to plaintiffs when the U.S. due process analysis, in some instances, disallows the exercise of personal jurisdiction against defendants.¹¹⁵

However, the application of the *Shevill* case to online trademark disputes is not without criticism.¹¹⁶ As mentioned in the *Keeton* and *Calder* cases in the U.S., the facts unique to defamation do not always comport with the sui generis nature of trademark disputes, which leads to ambiguity and unfairness in practice for trademark infringement.¹¹⁷ For instance, a defendant's establishment may not be in the same place as where the infringing content is published.¹¹⁸ Moreover, it may also be impossible to distinguish where the event gave rise to the damage and the place where the damages occurred, especially for online trademark infringement.¹¹⁹ The *Shevill* analogy is important in E.U. trademark cases because, if courts decide to apply *Shevill* to trademark infringement, courts can hear cases for all the damages, depending on the justification for asserting jurisdiction against the defendant.¹²⁰ However, limiting the jurisdiction only to the place where the damage occurred can also be similar to the rejection of exercising personal jurisdiction based on the mere accessibility of a website in U.S. courts.¹²¹ Therefore, as in the U.S., the application of a libel-based analysis for trademark disputes was not clear enough to justify the jurisdiction asserted against a foreign defendant. Moreover, it did not answer the concerns regarding

¹¹³ Case C-68/93, *Fiona Shevill, et al. v. Presse Alliance SA*, 1995 ECR I-415, ¶¶ 29–30.

¹¹⁴ *Id.* ¶ 33.

¹¹⁵ *See, e.g., Berger-Walliser, supra* note 6, at 1298 (arguing that this approach could offer a remedy for the plaintiffs as in *McIntyre* cases); Mankowski, *supra* note 103, at 242 (describing the situation as mosaic principle and arguing that this solution is not unfair to the victim because the victim has an option to sue at the defendant's domicile or at the place where the relevant activity can be located); Ronald A. Brand, *Due Process, Jurisdiction and a Hague Judgments Convention*, 60 U. PITT. L. REV. 661, 695 (1999) (“[T]ort jurisdiction under Brussels . . . (as currently interpreted) appears to be broader than U.S. due process analysis would allow.”).

¹¹⁶ *See Kono & Jurčys, supra* note 105, at 54–56.

¹¹⁷ *Id.*

¹¹⁸ Torsten Bjorn Larsen, *The Extent of Jurisdiction Under the Forum Delicti Rule in European Trademark Litigation*, 14 J. PRIV. INT'L L. 549, 551 (2018).

¹¹⁹ Kono & Jurčys, *supra* note 105, at 55–56.

¹²⁰ LARSEN, *supra* note 62, at 552.

¹²¹ Mankowski, *supra* note 103, at 243 (arguing that without mosaic principle the courts would have unrestricted universal jurisdiction); *Joined Cases C-585/08 & C-144/09, Peter Pammer v. Reederei Karl Schlüter GmbH & Co KG and Hotel Alpenhof GesmbH v. Oliver Heller*, 2010 E.C.R. I-12527, ¶¶ 69–74, <http://curia.europa.eu/juris/document/document.jsf?text=&docid=83437&pageIndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=2035454> (discussing that the mere accessibility to a website is not sufficient to establish jurisdiction in a consumer contract dispute). For a comparison with the U.S. approach, see *supra* note 98 and accompanying text.

internet-based trademark infringement.

In 2011, the CJEU tried to answer the internet-related concerns in another non-trademark related CJEU case, *eDate Advertising GmbH and Others v. X*, which concerned the infringement of the plaintiff's personality rights.¹²² The dispute was about two different individual cases. In one of them, the issue that was brought before the German court was about the publication of an article on an Austrian website that caused the infringement of a German plaintiff's personality rights.¹²³ The other one, before the French court, was about the infringement of the French plaintiff's private life because of an article published on an English website.¹²⁴

The *eDate* case is frequently discussed in trademark disputes because the personality right in question is about applying Article 7(2) of the Brussels Regulation to internet disputes. The *eDate* decision created "the center of interests of an injured party" as a criterion for jurisdictional questions.¹²⁵

According to the CJEU, the plaintiff has an option to sue for the infringement of personality rights by means of content placed online on a website either before the courts of the Member State in which the publisher of that content is established or before the courts of the Member State in which the plaintiff's center of interest is based.¹²⁶ The center of interests is generally accepted as the plaintiff's habitual residence.¹²⁷ But the Court also stated that the place where the plaintiff pursues a professional activity can be another alternative for the center of interests of a plaintiff.¹²⁸ This plaintiff-based approach is not similar to the U.S. structure in *International Shoe*, which focuses on the defendant's contacts with the forum. The justification within the CJEU for the center of interests analysis is "the sound administration of justice"¹²⁹ and "predictability of the rules governing jurisdiction also with regard to the defendant."¹³⁰ Although the point of view is different from the U.S. perspective, the CJEU court also makes similar fairness and reasonableness analyses in asserting jurisdiction over the defendant for online disputes. Because this plaintiff-based center of interests analysis could lure many foreign defendants into these courts and lead to ambiguity in defining the most appropriate place to justify jurisdiction according to the fairness standard, the E.U. was skeptical about its application in trademark disputes.

In 2012, the *eDate* case came into scrutiny before the CJEU because of the

¹²² Joined Cases C-509/09 & C-161/10, *eDate Advertising GmbH and Others v. X*, 2011 E.C.R. I-10269, ¶ 6, <http://curia.europa.eu/juris/document/document.jsf?text=&docid=111742&pageIndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=1275536>.

¹²³ *Id.* ¶¶ 16, 24.

¹²⁴ *Id.* ¶ 25.

¹²⁵ *Id.* ¶ 48.

¹²⁶ *Id.* ¶ 69.

¹²⁷ *Id.* ¶ 49.

¹²⁸ *Id.*

¹²⁹ *Id.* ¶ 48.

¹³⁰ *Id.* ¶ 50.

ambiguity in its application for online trademark infringement in *Wintersteiger AG v. Products 4U Sondermaschinenbau GmbH*.¹³¹ The CJEU rejected the center of interests analysis concerning an instance of online trademark infringement.¹³² The trademark in dispute was about a registered national trademark in Austria.¹³³ The *Wintersteiger* trademark was used by both Austrian and German companies for ski and snowboard servicing tools being sold worldwide.¹³⁴ The Austrian company sued the German company for trademark infringement under Article 7(2) of the Brussels Regulation due to the use of a keyword of the *Wintersteiger* trademark on the search engine of Google Germany (google.de) by the German company for their advertisements.¹³⁵ Although the German Company did not advertise its products with the same trademark on Google Austria (google.at), the German language is common in both countries, and the advertisements of the German company were accessible in Austria.¹³⁶ The German company argued that the Austrian courts lacked jurisdiction because the advertisements were exclusively directed at German users and intended only for German customers.¹³⁷

Like U.S. courts, the CJEU attempted to resolve the ambiguity in *Wintersteiger* by trying to define the right place that can assert jurisdiction over foreign defendants. To this end, the CJEU analyzed the applicability of Article 7(2) to online trademark cases. The court held that, by citing to *eDate*, the jurisdiction assessment made in the context of personality rights infringement is not applicable to intellectual property rights.¹³⁸ According to the Court, the place of the damage and the place of the event giving rise to it are both covered as connecting factors for specific jurisdiction under Article 7(2).¹³⁹ For the place of the damage, the CJEU held that the courts of the Member State in which the trademark is registered might have jurisdiction for the advertisement of an infringing trademark as a keyword on a search engine website.¹⁴⁰ By relying on the territoriality of trademarks, the court justified this connecting factor based on foreseeability and the sound administration of justice.¹⁴¹ The court emphasized that “the protection afforded by the registration of a national mark is, in principle, limited to the territory of the Member State in which it is registered, so that, in general, its proprietor cannot rely on that protection outside the territory.”¹⁴² The

¹³¹ Case C-523/10, *Wintersteiger AG v. Products 4U Sondermaschinenbau GmbH*, ECLI:EU:C:2012:220, ¶ 6 (Apr. 19, 2012), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=121744&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=2512103>.

¹³² *Id.* ¶¶ 23–25.

¹³³ *Id.* ¶ 10.

¹³⁴ *Id.* ¶¶ 10–11.

¹³⁵ *Id.* ¶ 12.

¹³⁶ *Id.* ¶¶ 12–13.

¹³⁷ *Id.* ¶ 13.

¹³⁸ *Id.* ¶¶ 23–24.

¹³⁹ *Id.* ¶ 18.

¹⁴⁰ *Id.* ¶ 29.

¹⁴¹ *Id.* ¶ 27.

¹⁴² *Id.* ¶ 25.

CJEU also concluded that “the place of establishment of the advertiser” should be considered the place of the event giving rise to the damage for jurisdiction analysis.¹⁴³ It is the place where the advertiser uses the referencing service for its commercial communications and activates the display process.¹⁴⁴ The justification for this alternative connecting factor was based on foreseeability, the sound administration of justice, and the efficacious conduct of proceedings.¹⁴⁵

Commentators have also criticized this case because it does not answer every possibility that a future online trademark dispute may come across.¹⁴⁶ For instance, in *Wintersteiger*, the CJEU did not rule on the unregistered marks. However, it has been argued that unregistered trademarks should not be subject to different jurisdictional rules because, like other commercial intellectual property rights, they are also characterized by the principle of territoriality.¹⁴⁷ Therefore, following the same logic in *Wintersteiger*, if a Member State recognized the protection of an unregistered trademark, it should be subject to the same territoriality restriction as the registered trademarks.¹⁴⁸ U.S. courts do not have similar questions about the jurisdiction assessment because the status of the registry of the trademark is not a related element in assessing personal jurisdiction over the defendant. However, the *Wintersteiger* court also gave an alternative option under the advertiser’s place of establishment for exercising jurisdiction based on the defendant’s relevant conduct to the trademark dispute. Although the differences exist for asserting jurisdiction over the non-resident defendant in both systems, the defendant’s relevant online conduct concerning the personal jurisdiction is a relevant factor in the jurisdictional analysis.

However, the ambiguity persists even after the *Wintersteiger* court’s decision. As the critics underlined in the *Shevill* case, the advertiser’s placement may not be the same place as the place of the harmful event as required in Article 7(2) of the Brussels Regulation. In online trademark infringement cases, these places could be somewhere not in the E.U., for example, when the defendant uses artificial intelligence technologies to display infringing advertisements. Once again, online trademark infringement cases fall out of the box of the tort-based personal jurisdiction analysis. Therefore, the existing structure in the E.U., even with specific regulations,

¹⁴³ *Id.*

¹⁴⁴ *Id.* ¶ 37.

¹⁴⁵ *Id.* ¶ 31.

¹⁴⁶ LARSEN, *supra* note 62, at 551–52 (discussing the applicability of the *Shevill* doctrine to both connecting factors); LARSEN, *supra* note 62, at 200–07 (discussing the impact of the *Wintersteiger* case in detail); P. Sean Morris, *To What Extent Do Intellectual Property Drive the Nature of Private International Law in the Era of Globalism?*, 28 *TRANSNAT’L L. & CONTEMP. PROBS.* 455, 539 (2019) (discussing whether *Wintersteiger* can mean for one state to intervene in another state by using its laws it attempt to cancel the intellectual property right granter in another state); Lydia Lundstedt, *Putting Right Holders in the Centre: Bolgasupplysningen and Ilsjan (C-194): What Does It Mean for International Jurisdiction over Transborder Intellectual Property Infringement Disputes?*, 49 *IIC* 1022–47 (2018).

¹⁴⁷ Lundstedt, *supra* note 146, at 1031.

¹⁴⁸ *Id.* at 1032–33; LARSEN, *supra* note 62, at 202.

falls short of satisfying the law's predictability and fairness concerns.

IV. Why Does Trademark-Specific Analysis Not Resolve Ambiguity?

Although a trademark-specific analysis exists in the U.S. and the E.U., both legal systems remain inadequate to solve the problems created by internet-based infringement. Since the main criticism in the tort-based analysis is how general tort rules do not answer for IP infringement, the same criticism can also be repeated for a trademark-based analysis because such an analysis does not answer for online trademark infringement today. One might speculate about the many reasons for why that is the case. However, the easiest way to determine the answer would be by looking at the existing analysis both in the U.S. and the E.U.

A. Sliding Scale (Zippo) Based Analysis for U.S. Trademarks

The framework known as the “*Zippo* sliding scale,” created by a Pennsylvania federal district court in 1997, is another method that is adopted by many lower courts in resolving online-based trademark disputes.¹⁴⁹ It created the passive, interactive, and active website categories to measure the defendant's relevant website activities on the internet and to bring them in line with personal jurisdiction principles.¹⁵⁰ According to this analysis, passive websites that only make information available to those interested in it are not appropriate grounds for finding personal jurisdiction.¹⁵¹ Active websites through which the defendant does business over the internet in the forum state are proper for exercising personal jurisdiction.¹⁵² Interactive websites are the websites “where a user can exchange information with the host computer.”¹⁵³ However, the jurisdictional determination for the murky category of interactive websites is not so clear because finding personal jurisdiction depends on the level of interactivity and the commercial nature of the exchange of information, and courts have been given little guidance on how to weigh the interactivity.¹⁵⁴ In the *Zippo* case, the dispute at issue was an instance of trademark infringement arising out of an internet domain name.¹⁵⁵ As the manufacturer of Zippo tobacco lighters, the plaintiff sued the defendant Zippo Dot Com, a California company, which advertised its services in Pennsylvania via its website bearing the name “Zippo” and which had commercial contracts with 3000 Pennsylvania residents and seven internet service providers.¹⁵⁶ The court found personal jurisdiction for Zippo Dot Com because it consciously chose to do business in the forum, and its overall contacts were sufficient in nature and quality to satisfy the minimum contacts requirement.¹⁵⁷

¹⁴⁹ *Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, 952 F. Supp. 1119, 1124 (W.D. Pa. 1997).

¹⁵⁰ *Id.*

¹⁵¹ *Id.*

¹⁵² *Id.*

¹⁵³ *Id.*

¹⁵⁴ *Id.*

¹⁵⁵ *Id.* at 1120.

¹⁵⁶ *Id.*

¹⁵⁷ *Id.* at 1126–27.

Active Websites	Interactive Websites	Offline Websites
<ul style="list-style-type: none"> Defendant does business over the website 	<ul style="list-style-type: none"> Users can exchange information with the computer 	<ul style="list-style-type: none"> Websites only make information available to those interested in it

Table-5: Sliding Scale (Zippo) Based Analysis for U.S. Trademarks

The Zippo sliding scale has been hugely influential in online disputes in general, though it was only a district court case.¹⁵⁸ Many courts adopted it,¹⁵⁹ and many scholars criticized it.¹⁶⁰ Yet, it is still being heavily discussed today because of the lack of uniformity and predictability in its application.¹⁶¹ The critics belabored that the *Zippo*

¹⁵⁸ See, e.g., *Revell v. Lidov*, 317 F.3d 467, 471 (5th Cir. 2002) (applying the *Zippo* test to specific jurisdiction analysis for a libel dispute but stating that the test is not proper for general jurisdiction); *Best Van Lines, Inc. v. Walker*, 490 F.3d 239, 252 (2d Cir. 2007) (applying the *Zippo* test to defamation); *Soma Med. Int'l v. Standard Chtd. Bank*, 196 F.3d 1292, 1297 (10th Cir. 1999) (applying the *Zippo* test to breach of contract, negligence, breach of implied covenant and civil conspiracy claims arising out of defendant's wrongful disbursement of funds to individual defendant).

¹⁵⁹ See, e.g., *Toys "R" Us, Inc. v. Step Two, S.A.*, 318 F.3d 446 (3d Cir. 2003) (emphasizing the *Zippo* test's seminal authority on personal jurisdiction for website operation and applying it to the dispute before the court); *ALS Scan, Inc. v. Digital Serv. Consultants, Inc.*, 293 F.3d 707, 714 (4th Cir. 2002) ("adopting and adapting" the *Zippo* test); *Revell*, 317 F.3d at 471 (applying the *Zippo* test to specific jurisdiction analysis but stating that the test is not proper for general jurisdiction); *Neogen Corp. v. Neo Gen Screening, Inc.*, 282 F.3d 883, 890 (6th Cir. 2002) (applying the *Zippo* test); *Johnson v. Arden*, 614 F.3d 785, 796 (8th Cir. 2010) ("When considering the sufficiency of internet contacts under a specific jurisdiction analysis, we have found the *Zippo* test instructive."); *Cybersell, Inc. v. Cybersell, Inc.*, 130 F.3d 414, 418 (9th Cir. 1997) (applying the *Zippo* test).

¹⁶⁰ See, e.g., FAYE FANGFEI WANG, *INTERNET JURISDICTION AND CHOICE OF LAW LEGAL PRACTICES IN THE EU, US AND CHINA* 70 (2010) (ebook) (criticizing the Pennsylvania court for not providing a rough definition of interactivity and emphasizing that the *Zippo* test lost its relevancy today because all commercial sites now are at least highly interactive); Alan M. Trammell & Derek E. Bambauer, *Personal Jurisdiction and the Interwebs*, 100 CORNELL L. REV. 1129, 1132 (2015) (criticizing the *Zippo* analysis for being predicated on a superficial analogy between physical and virtual worlds and for being indeterminate); Catherine Ross Dunham, *Zippo-ing the Wrong Way: How the Internet Has Misdirected the Federal Courts in Their Personal Jurisdiction Analysis*, 43 U.S.F. L. REV. 559, 583–84 (2009) (criticizing the *Zippo* test in cases where the internet activity involves purposeful behavior and argues the abandonment of the *Zippo* sliding scale approach by the courts); Zoe Niesel, *Personal Jurisdiction: A New Age of Internet Contacts*, 94 IND. L.J. 103, 126 (2019) (arguing that the *Zippo* test is outdated because it is a product of internet that no longer exists); Jayci Noble, *Personal Jurisdiction and the Internet: A Shift in the International Shoe Analysis for Users of E-Commerce and Peer-To-Peer Websites*, 42 S. ILL. U. L. J. 521, 535 (arguing for that the *Zippo* test is not appropriate for users of an e-commerce, peer to peer website (such as Etsy, Ebay, or Amazon) that is sued when a single, defective product reaches another individual who resides in a separate state thousands of miles away); David Swetnam-Burland & Stacy O. Stitham, *Back to the Future: Revisiting Zippo in Light of "Modern Concerns"*, 29 J. MARSHALL J. COMPUTER & INFO. L. 231, 232 (2011) (arguing that the *Zippo* model should be abandoned because it has become an impediment rather than an aid to jurisdictional analysis).

¹⁶¹ See generally Vincent N. Palladino, *Jurisdiction*, in *TRADEMARK LAW & THE INTERNET: ISSUES, CASE LAW, AND PRACTICE TIPS*. 219, 237–240 (Lisa E. Cristal & Neal S. Greenfield eds., 2d ed.

test is outdated in today's world because almost every website has some level of interactivity. Most courts do not find personal jurisdiction under *Zippo*'s passive website categories,¹⁶² and they agree to assert jurisdiction against the defendant under the active website categories.¹⁶³ However, the middle ground interactive websites are the most ambiguous category under the *Zippo* analysis.¹⁶⁴ As the world interacts more and more with each other through the internet, the level of uncertainty increases, and

2001); R. Parrish Freeman, *Personal Jurisdiction and the Internet*, in INTELLECTUAL PROPERTY LAW IN CYBERSPACE 942–975 (David A. Einhorn & Am. Intellectual Prop. Law Ass'n eds., 2011).

¹⁶² See, e.g., *A Corp. v. All Am. Plumbing, Inc.*, 812 F.3d 54, 61 (1st Cir. 2016) (“[T]he mere availability of a passive website, even one containing an allegedly-infringed trademark owned by a forum company, cannot, standing alone, subject a defendant to personal jurisdiction in the forum.”); *Bensusan Rest. Corp. v. King*, 126 F.3d 25, 27 (2d Cir. 1997), *aff’d*, 126 F.3d 25 (2d Cir. 1997) (without reaching the constitutional issue of due process, affirming the district court’s decision which decided that the defendant’s operation of the web site containing the plaintiff’s trademark was insufficient to satisfy the New York long arm statute); *Toys “R” Us, Inc.*, 318 F.3d at 454 (“[T]he mere operation of a commercially interactive web site should not subject the operator to jurisdiction anywhere in the world.”); *Cybersell, Inc.*, 130 F.3d at 419 (holding that the defendant’s passive website is insufficient to satisfy purposeful availment requirement); *Hy Cite Corp. v. Badbusinessbureau.com, L.L.C.*, 297 F. Supp. 2d 1154, 1166 (W.D. Wis. 2004) (“I agree with the majority of courts that simply placing the name of trademark on a website is not enough to show that a defendant has intentionally targeted the forum state.”); *Pub. Impact, LLC v. Boston Consulting Grp., Inc.*, 117 F. Supp. 3d 732, 744 (M.D.N.C. 2015) (finding no personal jurisdiction because the defendant’s internet activities are largely passive, consisting of occasional informational activities posted to defendant’s webpage, Twitter and LinkedIn).

¹⁶³ See, e.g., *Bird v. Parsons*, 289 F.3d 865, 874 (6th Cir. 2002) (finding personal jurisdiction when the defendant’s website on which the forum residents can register domain names and the defendant accepts the business of 4,666 forum residents); *Young Again Prods. v. Acord*, 307 F. Supp. 2d 713, 717 (D. Md. 2004) (finding personal jurisdiction when the defendant’s activities were directed at the forum state, including the publication of the infringing trademark); *Euromarket Designs, Inc. v. Crate & Barrel Ltd.*, 96 F. Supp. 2d 824, 838–39 (N.D. Ill. 2000) (finding personal jurisdiction when the defendant operated a retail store in Ireland and sold products via its website to Illinois residents).

¹⁶⁴ See, e.g., *Carefirst of Md., Inc. v. Carefirst Pregnancy Ctrs., Inc.*, 334 F.3d 390, 401 (4th Cir. 2003) (finding no personal jurisdiction because the defendant’s semi-interactive website was insufficient to establish the required minimum contacts); *Venture Tape Corp. v. McGills Glass Warehouse*, 292 F. Supp. 2d 230, 233 (D. Mass. 2003) (holding that the mere existence of an interactive website might not be enough to establish personal jurisdiction over the defendant); *Outdoor Channel, Inc. v. Performance One Media, Ltd. Liab. Co.*, 826 F. Supp. 2d 1271, 1286 (N.D. Okla. 2011) (“[T]he court finds that the ICTV website is only minimally interactive under *Zippo*, as it merely provided a method to contact POM via email. Furthermore, the nature of the communication facilitated by the website was not commercial, because the website did not sustain any commercial activity and POM did not have the ability to sell ICTV programming because it was distributed to consumers as a portion of the DISH and DirecTV satellite cable packages. Thus, the *Zippo* test demonstrates that while the ICTV website was not exclusively passive, it provided no interactivity relevant to the jurisdictional analysis.”); *Sunlight Saunas, Inc. v. Sundance Sauna, Inc.*, 427 F. Supp. 2d 1011, 1019 (D. Kan. 2006) (holding that the defendant’s website occupies the middle ground in the *Zippo* analysis and finding no personal jurisdiction because the defendants did not conduct business on the internet through its website and the site was more informational than commercial in nature); *Tech Heads, Inc. v. Desktop Serv. Ctr.*, 105 F. Supp. 2d 1142, 1151 (D. Or. 2000) (“By posting a highly commercial, highly interactive Web site on the World Wide Web, engaging in Internet commerce with at least one Oregon resident, advertising in a national newspaper, and providing a toll-free number, Desktop has intentionally availed itself of jurisdiction in Oregon.”).

the effectiveness of the *Zippo* sliding scale approach diminishes. The *Zippo* method is especially not appropriate in social media, which both individuals and businesses utilize for their commercial activities via smartphone applications such as Instagram, Facebook, and Twitter.¹⁶⁵ Moreover, since *Zippo* is only a district court case, most lower courts still use the *Calder* effects test and *Walden* in combination with *Zippo*.¹⁶⁶ However, such a complicated combination is far from achieving a united analysis in online trademark infringement because of courts' possible different interpretations.

B. EUTM Regulation-Based Analysis for European Union Trademarks

Another type of trademark known as a European Union trade mark (EUTM) should be considered for jurisdictional purposes.¹⁶⁷ It was formerly known as a community trademark, and it is subject to a different regulation, which is the European Union Trade Mark Regulation (EUTM Regulation).¹⁶⁸ If the dispute concerns the infringement of an EUTM, Articles 124 and 125 of the EUTM Regulations would be applicable.¹⁶⁹

Although the EUTM Regulation protects the trademark owner within the entire European Union with its various rules on jurisdiction,¹⁷⁰ even this specific regulation does not provide the expected uniformity in online trademark infringement. According to Article 124, the E.U. trademark courts will have exclusive jurisdiction over all

¹⁶⁵ See, e.g., *Sullivan v. Bickler*, 360 F. Supp. 3d 778, 785 (N.D. Ill. 2019) (applying *Walden* and finding that defendant's Instagram posts of his musical performances in Illinois were not sufficient to establish minimum contacts with the state, but the negotiation and performance of defendant's contract in Illinois were sufficient); *BTG Patent Holdings, LLC v. Bag2Go*, 193 F. Supp. 3d 1310, 1320 (S.D. Fla. 2016) (applying *Calder's* effects test in a trademark infringement case and finding no personal jurisdiction over the German defendant based on their Instagram account activities because they did not sell infringing products in the forum state, Florida).

¹⁶⁶ See, e.g., *Pub. Impact, LLC v. Bos. Consulting Grp., Inc.*, 117 F. Supp. 3d 732, 742–44 (M.D.N.C. 2015) (applying *Walden* and *Zippo* to a trademark infringement case and finding no personal jurisdiction based on the defendant's internet presence which was largely passive, consisting of occasional informational articles to the defendant's webpage, Twitter page, and LinkedIn account); *Paisley Park Enters., Inc. v. Boxill*, 299 F. Supp. 3d 1074, 1081 (D. Minn. 2017) (applying both *Zippo* and *Calder* and finding personal jurisdiction over the defendants in a trademark infringement case involving musician "Prince" because the defendants created the website for the purpose of selling Prince recordings and the injury accrued primarily in Minnesota); *Sunlight Saunas, Inc. v. Sundance Sauna, Inc.*, 427 F. Supp. 2d 1011, 1017–21 (D. Kan. 2006) (applying both the *Zippo* and *Calder* tests and finding no personal jurisdiction because the defendant did not conduct business through the disparaging website, and defendants did not expressly aim their tortious conduct at Kansas).

¹⁶⁷ For general information on European Union trademark legal texts, see *European Union Trade Mark Legal Texts*, EUR. UNION INTELL. PROP. OFF., <https://euipo.europa.eu/ohimportal/en/eu-trade-mark-legal-texts> (last visited Sept. 18, 2022). See generally Eleonora Rosati, *International Jurisdiction in Online EU Trade Mark Infringement Cases: Where is the Place of Infringement Located?*, 38 EUR. INTELL. PROP. REV. 482 (2016).

¹⁶⁸ EUTM Regulation, *supra* note 68, pmbl. recital 2.

¹⁶⁹ *Id.* arts. 124–25, at 54–55.

¹⁷⁰ *Id.* ¶¶ 2, 4, 6, 8, at 1–2.

infringement actions with respect to threatened infringement relating to EUTMs.¹⁷¹ Thus, in these infringement actions, the courts of the Member State shall have jurisdiction where “the defendant is domiciled or, if he is not domiciled in any of the Member States, [where] he has an establishment.”¹⁷² The Brussels Regulation rules will be applicable if the defendant is domiciled in the E.U. unless the EUTM Regulation says otherwise.¹⁷³ If the defendant is domiciled in EFTA states, the EUTM Regulation would be applicable in accordance with Article 125(1).¹⁷⁴ The Lugano Convention’s respective jurisdictional rules would also be applicable.¹⁷⁵ If the defendant is domiciled outside the E.U. or EFTA, the Member States’ own international jurisdictional rules would not be applicable under the EUTM Regulation because such a system would increase forum shopping.¹⁷⁶ Article 125(2) also gives the plaintiff an option to sue in the Member State courts of the plaintiff’s domicile or the plaintiff’s establishment.¹⁷⁷ Article 125(3) also gives an option to sue in the courts of the Member State where the European Union Intellectual Property Office (“EUIPO”) has its seat when there is no domicile or establishment in the E.U. for both the plaintiff and defendant.¹⁷⁸ Since all these jurisdictional alternatives focus either on the domicile of the parties or the place of EUIPO, it does not answer the problems arising from online infringement where the discussion is on the place of the infringement.

Defendant Domiciled in EU	Defendant is domiciled in EFTA states	Defendant is outside of EU/EFTA
<ul style="list-style-type: none"> •Defendant’s EU Domicile •The place where the act of infringement has been committed or threatened 	<ul style="list-style-type: none"> •Defendant’s EU/EFTA domicile •Defendant’s EU/EFTA establishment •The place where the act of infringement has been committed or threatened •The place in EFTA where the harmful event occurred or may occur 	<ul style="list-style-type: none"> •Defendant’s EU establishment •Plaintiff’s EU domicile •Plaintiff’s EU establishment •European Union Intellectual Property Office (EUIPO) •The place where the act of infringement has been committed or threatened

Table-6: EUTM Regulation-Based Analysis for European Union Trademarks

Although the EUTM Regulation has more specific and mandatory wording compared to Article 7(2) of the Brussels Regulation, they mostly resemble each other, and therefore, similar ambiguity in practice remains. The key language, “harmful event,” in Article 7(2) of the Brussels Regulation transforms into “infringement” in Article

¹⁷¹ *Id.* art. 124, at 54.

¹⁷² *Id.* art. 125(1), at 54.

¹⁷³ *Id.* art. 122, at 53–54; LARSEN, *supra* note 62, at 29–31.

¹⁷⁴ EUTM Regulation, *supra* note 68, art. 125(1), at 54; LARSEN, *supra* note 62, at 63.

¹⁷⁵ LARSEN, *supra* note 62, at 62–63; Lugano Convention, *supra* note 47, arts. 2, 5(3), 5(5), at 2–3.

¹⁷⁶ EUTM Regulation, *supra* note 68, art. 122(2)(a), at 54; LARSEN, *supra* note 62, at 39; Kono & Jurčys, *supra* note 105, at 57.

¹⁷⁷ EUTM Regulation, *supra* note 68, art. 125(2), at 54.

¹⁷⁸ EUTM Regulation, *supra* note 68, art. 125(3), at 55.

125(5).¹⁷⁹ According to this formulation, EUTM Regulation gives an option to sue “in the courts of the Member State in which the *act of infringement* has been committed or threatened.”¹⁸⁰

This resemblance between tort-based and trademark-based analyses has raised questions on whether there is and should be a difference in its applications to jurisdictional questions. In 2014, the CJEU considered in *Coty Germany GmbH v. First Note Perfumes NV* the relationship between Article 125(5) of the EUTM Regulation and Article 7(2) of the Brussels Regulation.¹⁸¹ *Coty Germany* did not involve an online trademark dispute. It was about a German company alleging before the German courts that the trademark relating to the shape of a perfume bottle had been infringed by a Belgian Company, First Note Perfumes. The Belgian company sold the infringing products in Belgium to a third party, which resold them to customers in Germany.¹⁸² The court decided that the harmful event requirement in Article 7(2) cannot be interpreted in the same way for the act of infringement requirement in Article 125(5).¹⁸³ According to the court, the place where the damage occurred or where the infringement produces its effects could not be a valid criterion in assessing jurisdiction.¹⁸⁴ The proper examination of jurisdiction under Article 125(5) should be based on the place “where the event giving rise to the damage occurred.”¹⁸⁵ The court concluded that the German court did not have proper jurisdiction to hear the trademark infringement action against the Belgian Company based on the place where the damage occurred because the Belgian company did not act in Germany.¹⁸⁶

Once more, the jurisdictional decision was resolved based on where the defendant’s actions resulted in infringement. After this case, however, Article 125(5) of the EUTM Regulation is interpreted by some commentators as narrower than Article 7(2) of the Brussels Regulation because it does not grant jurisdiction for the places where the damages produce their effects.¹⁸⁷ It has also been criticized because the two different places in terms of jurisdiction cannot be distinguished in practical terms because the territoriality principle forces them to look for the effects in the forum state to assert jurisdiction.¹⁸⁸ Considering the possible different interpretations of the CJEU’s ruling in *Coty Germany*, it was not clear what would happen if trademark

¹⁷⁹ EUTM Regulation, *supra* note 68, art. 125(5), at 55 (emphasis added).

¹⁸⁰ *Id.*

¹⁸¹ Case C-360/12, *Coty Germany GmbH v. First Note Perfumes NV*, ECLI:EU:C:2014:1318, ¶1 (Jun. 5, 2014) <http://curia.europa.eu/juris/document/document.jsf?text=&docid=153309&doclang=EN>.

¹⁸² *Id.* ¶ 20.

¹⁸³ *Id.* ¶¶ 31–32 (discussing that the Member State in which “the act of infringement has been committed or threatened, . . . must be interpreted independently of the concept of the place where the harmful event occurred or may occur . . .”).

¹⁸⁴ *Id.* ¶¶ 32–34.

¹⁸⁵ *Id.* ¶ 34.

¹⁸⁶ *Id.* ¶ 38.

¹⁸⁷ Rosati, *supra* note 167, at 482–491; LARSEN, *supra* note 62, at 219–21.

¹⁸⁸ Annette Kur, *Enforcement of Unitary Intellectual Property Rights: International Jurisdiction and Applicable Law*, 10(6) J. INTELL. PROP. L. & PRAC. 468, 471–72 (2015).

infringement occurs through the internet.¹⁸⁹ Although the CJEU tried to answer these critiques by adopting the keyword *targeting* in a later case, which will be discussed in the next section, the question remains whether such language is enough to answer the concerns related to online trademark infringement.

V. “Targeting”: U.S. and E.U Convergence on Terminology

It is interesting to note how different legal systems simultaneously move toward each other in their analyses resolving online trademark infringement. The U.S. has been experimenting for a while with different keywords to define what kind of defendant activities amount to proper jurisdiction. Today, after a complicated process and interaction, most courts look for defendant activities that target or expressly aim at the forum. On the other hand, although the E.U. has a specific regulation without this *targeting* language, the CJEU had to develop additional keywords to cope with the jurisdictional problems in current online trademark infringement. And in a recent case, the CJEU also adopted the keyword *targeting* to address these problems. It seems that the global nature of the internet created world-wide problems, and again this global nature caused different parts of the world to pick up the same terminology without any official agreement. Therefore, this section will examine how the U.S. uses the *targeting* language in its courts today and how CJEU ended up adopting such language.

A. “Targeting” in the U.S.

The parties before U.S. courts need to argue personal jurisdictional arguments based on the foggy framework laid out previously. Since the framework consists of a little bit of everything, each court can interpret facts differently. Most courts move toward using the word *targeting* in describing the defendant’s related conduct in assessing the jurisdictional basis. However, as it can be seen in the examples below from 2018, 2019 and 2021, two jurisdictions within the U.S. can take a similar approach to online trademark infringement and yet conclude their analyses in opposite directions.

In 2018, the First Circuit evaluated, in *Plixer Int’l v. Scrutinizer GmbH*, a foreign defendant’s virtual contacts in a trademark infringement case.¹⁹⁰ The dispute arose out of the foreign defendant’s use of its corporate name *Scrutinizer* in the U.S., where the plaintiff had a registered mark named *Scrutinizer*.¹⁹¹ Although the court stated that there is a lack of guidance for analyzing the foreign defendant’s online activities for jurisdictional purposes, it decided to resolve the case based on the law as it existed at the moment.¹⁹² By relying expressly on *J. McIntyre Mach., Ltd. v. Nicastro*,¹⁹³ the court underlined the fact that “the exercise of jurisdiction is permissible ‘only where

¹⁸⁹ Rosati, *supra* note 167, at 482–91; LARSEN, *supra* note 62, at 219–21.

¹⁹⁰ 905 F.3d 1 (1st Cir. 2018).

¹⁹¹ *Id.* at 4–5.

¹⁹² *Id.* at 7–8.

¹⁹³ 564 U.S. 873 (2011).

the defendant can be said to have targeted the forum.”¹⁹⁴ Although the court noted that *Nicastro* was only a plurality decision and therefore non-binding,¹⁹⁵ the court continued its analysis by stating that such a holding may be considered on the narrowest grounds.¹⁹⁶ After admitting that the facts of the case were a close call, the court found that personal jurisdiction existed over the defendant because its website services were not limited to U.S. users on its globally accessible website, and it had substantial U.S. business that generated \$200,000 over three and a half years as evidence of its intent to serve customers in the U.S.¹⁹⁷ The court emphasized that the foreign defendant was on notice that it should have expected to be haled into U.S. courts.¹⁹⁸ Finding that the defendant had sufficient minimum contacts to have purposefully availed itself to the U.S. forum, the court decided that it was not unreasonable for the defendant to be subject to the forum court’s jurisdiction without violating the Due Process Clause.¹⁹⁹ In justifying its decision, the court also mentions how its analysis is in line with other circuits which mostly rely on targeting language via either *Calder’s* effects test or *Zippo*.²⁰⁰ However, as shown below, the outcome in this case is, in fact, not in line with other circuits’ decisions based on factually similar cases.

The Ninth Circuit, in 2019, reached a completely different conclusion in *AMA Multimedia, LLC v. Wanat* by finding no specific jurisdiction over the foreign defendant, though its facts were similar to the First Circuit case above.²⁰¹ The dispute was about the activity of Wanat, the Polish defendant, through a website named “ePorner” featuring adult videos uploaded by users in the U.S. that infringes the trademarks and copyrights of AMA Multimedia, the American defendant.²⁰² Relying on *Walden* and the *Calder* effects test, the court examined whether the defendant targeted the forum with its geo-targeted advertisements that resulted in U.S. viewers.²⁰³ Although two domain names were registered in the U.S. to forward users to the defendant’s website and there was an agreement with an American domain name server to increase its internet speeds in the U.S., the court held these activities not to be forum focused.²⁰⁴ Moreover, the fact that almost 20% of the website’s user base generated advertising profits from the U.S. market was also found insufficient to trigger jurisdiction.²⁰⁵ By emphasizing that the defendant’s activities were global, the court

¹⁹⁴ *Plixer*, 905 F.3d at 9.

¹⁹⁵ *Id.*

¹⁹⁶ *Id.* at 10.

¹⁹⁷ *Id.* at 8–10.

¹⁹⁸ *Id.* at 9.

¹⁹⁹ *Id.* at 13.

²⁰⁰ *Id.* at 11.

²⁰¹ *AMA Multimedia, L.L.C. v. Wanat*, 970 F.3d 1201, 1204–07 (9th Cir. 2020), *cert. denied*, 142 S. Ct. 76 (2021).

²⁰² *Id.* at 1204–05.

²⁰³ *Id.* at 1211–12.

²⁰⁴ *Id.* at 1209–10.

²⁰⁵ *Id.*

stated that a foreign defendant did not expressly aim and target his activities at the U.S.²⁰⁶

On the other hand, in 2021, the Ninth Circuit found personal jurisdiction over an Australian cosmetic company in *Ayla, LLC v. Ayla Skin Pty. Ltd.*²⁰⁷ with relatively similar facts. The court stated that the Australian company, with its brand, Ayla Skin, targeted its products specifically toward the U.S. through its Instagram account by using the words “ATTENTION USA BABES” and by advertising during the “Black Friday” sales.²⁰⁸ Although the “Black Friday” sales event was used all around the world, the majority of the defendant’s advertising was addressed to an international or Australian audience and the sale of the infringing products in the U.S. only constituted about 10% of the defendant’s total sales.²⁰⁹ Therefore, the court concluded that the defendant’s marketing targeted the U.S and satisfied the *Calder* effects tests.²¹⁰

As can be seen from these recent examples, though the courts in the U.S. mostly rely on the same Supreme Court precedent for relatively similar facts, the cases’ outcomes can be quite different. This inconsistency in online trademark infringement leaves parties without predictability and reasonableness, contrary to the goals of the due process analysis. On the other hand, the courts are doing their best to find the most sensible outcome under the uncertainties for online disputes. Without taking a stand in any of the cases, it should be noted that unanimous guidance is needed when it comes to interpreting the meaning of forum targeting activities for the sake of all parties in online trademark disputes.

B. “Targeting” in the E.U.

As discussed above, the E.U. has been struggling with defining the place of the court, which can exert its jurisdiction over a foreign defendant in online trademark infringement. The CJEU first interpreted the meaning of the “place of harmful event” terminology in the Brussels Regulation for national trademarks as the “place of the damage occurred and the place of the event giving rise” under *Wintersteiger*. However, because these interpretations were not sufficient to resolve the ambiguities that persist in online trademark infringement, the CJEU adopted, in 2019, *targeting* as a keyword to address online EUTM infringement in *AMS Neve Ltd, Barnett Waddingham Trustees, Mark Crabtree v. Heritage Audio SL, Pedro Rodriguez Arriba*.²¹¹

This case involved the sale and advertising of infringing products via the website in another Member State.²¹² In *AMS Neve*, the plaintiff, a company established in the

²⁰⁶ *Id.*

²⁰⁷ 11 F.4th 972, 977 (9th Cir. 2021).

²⁰⁸ *Id.* at 980–83.

²⁰⁹ *Id.*

²¹⁰ *Id.*

²¹¹ Case C-172/18, *AMS Neve Ltd. v. Heritage Audio SL*, ECLI:EU:C:2019:276, ¶ 2 (Mar. 28, 2019), <http://curia.europa.eu/juris/document/document.jsf?text=&docid=212346&pageIndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=1219927>.

²¹² *Id.* ¶ 1.

United Kingdom (U.K.), claimed that the defendant, a Spanish company, infringed its EUTM via the defendant's website and social media accounts (Facebook and Twitter) by advertising and offering the sale of infringing goods.²¹³ The question before the CJEU was whether the place where advertising and offers for sale targeted consumers can be a place sufficient to establish jurisdiction under the act of infringement requirement in Article 125(5).²¹⁴ While bearing in mind the practical consequences for the plaintiff, the CJEU concluded that "the place where the process of putting the offer for sale online . . . was activated" cannot be the only basis for granting jurisdiction.²¹⁵ The Court emphasized that the mere accessibility of a website from a certain place is not a sufficient criterion to establish jurisdiction against the defendant.²¹⁶

In the end, the CJEU held in *AMS Neve* that "the place where the act of infringement occurred, provided that that advertisement or that offer is *targeted* at consumers located in the territory of that Member State" must be a valid basis for granting jurisdiction for the defendant when its acts consist of an "advertisement and an offer for sale on a website."²¹⁷ The Court also provided non-exhaustive and non-exclusive factors for understanding the targeting requirement, such as whether the offer and advertisement refer expressly to the public of a Member State with its language, country-specific top-level domain, national currency, shipping options, and telephone numbers.²¹⁸ The Court justified its broad interpretation of Article 125(5) based on foreseeability and the sound administration of justice.²¹⁹ According to the court, "the courts of the Member State from whose territory a website is accessible is, objectively, best placed to determine whether the national trademark protected in that Member State has actually been infringed."²²⁰ In this case, the finding provided the missing interpretation that is left in previous cases for the EUTM jurisdictional issues.²²¹

Although the CJEU's reasoning for finding EUTM jurisdiction is very similar to the U.S. approach, the CJEU tries to guide Member States in the E.U. with a factor-based analysis that does not explicitly exist in the U.S. The U.S. practice's ambiguity is based mainly on the different weighing of these fact-based factors by lower courts. It is yet to be seen whether the CJEU approach would be sufficient to resolve the hardship of deciding uniformly on jurisdictional issues among the Member States. Additionally, the involvement of artificial intelligence technologies in defendants' activities can make it difficult to weigh these factors uniformly in defining whether

²¹³ *Id.* ¶¶ 10–14.

²¹⁴ *Id.* ¶¶ 21, 31.

²¹⁵ *Id.* ¶ 66.

²¹⁶ *Id.* ¶ 76.

²¹⁷ *Id.* ¶ 83.

²¹⁸ *Id.* ¶¶ 89–90.

²¹⁹ *Id.* ¶ 84.

²²⁰ *Id.* ¶ 86.

²²¹ Eleonora Rosati, *Targeting Accepted as a Criterion to Establish International Jurisdiction in Online EU Trade Mark Infringement Cases*, 14 J. INTELL. PROP. L. & PRAC. 926, 926–27 (2019).

such defendants target at the forum. Therefore, courts in the U.S. and the E.U. need guidance on interpreting these global problems uniformly to achieve the fairness and predictability that the laws promise to parties.

VI. Summary and Application of the U.S. and the E.U. Rules

If we go back to the influencer's question, the answer would require applying all these different tests in both legal systems. This section will summarize the existing approaches by reviewing the various tests set forth in previous sections.

U.S.	E.U. National Trademark	E.U. EUTM
<ul style="list-style-type: none"> • <i>Zippo</i>: Active, interactive, passive websites • <i>Walden</i>: Intentional conduct of the defendant • <i>Calder</i>: The Place where the defendant's acts expressly aimed at the forum and caused a harm that is suffered in the forum 	<ul style="list-style-type: none"> • Recast Article 7(2): The place harmful event occurred or may occur • <i>Wintersteiger</i>: <ul style="list-style-type: none"> • The place of the damage occurred • The place of the event giving rise 	<ul style="list-style-type: none"> • EUTM 125(5): The place where the act of infringement has been committed or threatened • <i>Coty</i>: The place where the event giving rise to the damage • <i>AMS Neve</i>: The place where the act is targeted at consumers located in the territory of that Member State

Table 7: The Jurisdictional Rules for Online Trademark Infringement in the U.S. and the E.U.

In the U.S., upon applying the Zippo sliding scale test to our hypothetical, we may conclude that the European influencer's website activities fall under the active category because she is a rising social media star. However, it could also be argued that today almost every social media account is interactive with the world, so it should be categorized under the interactive category to avoid personal jurisdiction. Yet, under this category, it is hard to guess whether the level of activity would be enough for a specific court to exercise jurisdiction over the European influencer. So, we should continue in the analysis with other relevant Supreme Court precedent.

Since, based on *Walden*, the focus should be on the defendant's conduct, the plaintiff's injury in the U.S. cannot be a basis for jurisdiction. Moreover, under *Calder*'s test, she can argue that her social media activities are not expressly aimed and targeted at the U.S. and therefore cannot cause any harm suffered in the forum. The counterargument against her would be that she sells her face mask to the whole world, including the U.S., and earns significant money through advertisements in the U.S., which will satisfy the expressly aiming and targeting approach. As seen from the recent contradictory outcomes in First Circuit and Ninth Circuit in section V, the only predictability in the U.S. is the possibility of divergent outcomes based on the specific court. Furthermore, it is hard to predict what the First Circuit or Ninth Circuit will decide in such a case.

As a result, the European influencer's case analysis would depend on a specific

forum. Minuscule details would determine the outcome. It is apparent that neither *Calder's* effects test nor *Walden* nor *Zippo's* sliding scale is enough to address every particular situation created by newly adopted technologies. Although looking at defendants' targeting activities in the U.S seems good enough, without having guidance for interpreting these targeted activities unanimously, the outcomes of similarly situated cases would remain diverse.

If our imaginary influencer is from the U.S. instead of the E.U., the analysis would be similar under both national trademarks and European Union trademark analyses. However, the national trademark analysis in the E.U under *Wintersteiger* has similar ambiguities, like those in the U.S., because both jurisdictions heavily rely on general tort-based interpretations. It is not clear in that situation what the European courts will decide in determining which place might be the place of the damage or the place of the event giving rise to such harm.

On the other hand, the analysis under the *AMS Neve* case seems much more tailored to online trademark infringement since that case tries to clarify the meaning of the relevant EUTM Regulation. *AMS Neve* also focuses on the defendant's targeting activities to assert jurisdiction under the place of infringement. However, the factors listed in *AMS Neve* (language, country-specific top-level domain, national currency, shipping options, and telephone numbers) may not answer the jurisdictional questions to the influencer, especially if she only infringes trademarks in the E.U. based solely on her advertisement activities.

Compared to the U.S. approach, the CJEU approach at least provided some factors in *AMS Neve* to guide the Member States in determining the targeting activities. The sufficiency of these factors in evaluating newly adopted technology, like in the U.S. case with geo-targeted advertisements, remains unknown for now. Artificial intelligence technology makes the decision instead of individuals. Therefore, the factors set out by the CJEU approach may not address every possible scenario for advertisement-based infringement. However, the idea of going through some universal factors in defining the targeting requirement for online IP infringement is a necessary process for both jurisdictions.

VII. Conclusion

Without any statutory regulation or international treaty specific to jurisdictional challenges for online IP disputes, the foreign defendants in online trademark infringement would be left without certainty in similar situations. Under these circumstances, it would be wise for lawyers to warn their foreign clients about their internet activities in advance of a possible lawsuit in the U.S or the E.U. The only certainty in this situation is the risk of being a defendant in the U.S. or E.U., especially if the foreign defendant is operating its business based on the benefits of new internet technology in the forum state.

In coping with the jurisdictional challenges in online disputes, both legal systems

in different parts of the world try to solve their problems similarly. Consequently, both worlds adopted similar keywords such as *targeting*. Therefore, this convergence in terminology should be considered evidence of the need for a universal solution for the interpretation of jurisdictional issues for foreign defendants.

The factor-based approach offered in the *AMS Neve* case by the CJEU could be a starting point in resolving jurisdictional issues in online IP infringement. However, the CJEU has recently adopted a targeting type of approach in online trademark infringement, and the U.S. has already been struggling to maintain a uniform approach to this terminology within its courts. It is clear that only adopting a new term without guidance is not enough in interpreting the term in a way that would be consistent with other courts either in a country or in a union consisting of different states. Therefore, to ensure the fairness and predictability of the law by learning from the experience of the U.S. and considering the newly adopted factor-based approach in the E.U., a more global and holistic solution can be explored.

To that end, the next step in maintaining uniformity in this area should be guidance on weighing the level of the infringing acts that amount to jurisdiction. For instance, a rule defining a monetary threshold for infringing sales or advertisements could be a way of solidifying the bare-minimum activities that amount to jurisdiction. In this way, the inconsistencies within the U.S. courts can be disregarded without taking into account how foreign defendants invent new ways with the help of new technologies. Another solution could be defining a percentage threshold sufficient to trigger jurisdiction that considers the foreign defendant's revenue based on the online infringing activities in a specific forum. Without such a concrete basis in assessing the infringing acts, the possibility of divergent outcomes in each court would be inevitable. In cases where the monetary assessment is not possible, giving a concrete set of facts unique to online infringement that is not amenable to inconsistent interpretation should be considered instead of providing new terminology. In exploring new solutions for jurisdictional challenges in online trademark infringement, uniformity should be the goal to satisfy the fairness and predictability objectives of the law.