

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division

NEWSPAPER ASSOCIATION)
OF AMERICA, INC.,)
)
Plaintiff,)
)
v.)
)
MICHAEL MANCUSI,)
)
Defendant.)

COPY

Civil Action No. 01-1635-A

ORDER

This trademark infringement matter¹ is before the Court on the following defense

motions:

- (i) motion to dismiss for lack of personal jurisdiction, pursuant to Rule 12(b)(2), Fed. R. Civ. P.;
- (ii) motion to dismiss for lack of venue, pursuant to Rule 12(b)(3), Fed. R. Civ. P.;
- and
- (iii) motion to dismiss for failure to state a claim upon which relief may be granted, pursuant to Rule 12(b)(6), Fed. R. Civ. P.

At a hearing on April 19, 2002, the Court took under advisement defendant's motion to dismiss for lack of personal jurisdiction, denied defendant's motion to dismiss for lack of venue, and deferred defendant's motion to dismiss for failure to state a claim upon which relief may be

¹ Plaintiff's complaint lists the following counts:

- (1) unfair competition pursuant to the Lanham Act, 15 U.S.C. § 1125(a);
- (2) trademark infringement and unfair competition pursuant to Va. Code § 59.1-196 *et seq.*;
- (3) deceptive advertising under Va. Code § 18.2-216 *et seq.*; and
- (4) Virginia common law trademark infringement and unfair competition.

granted, pending resolution of the personal jurisdiction dispute. The Court further ordered the parties to file supplemental memoranda addressing defendant's motion to dismiss for lack of personal jurisdiction, noting that the matter would be decided without further oral argument.

Plaintiff, a Virginia corporation with its principal place of business in Vienna, Virginia, is a trade association for the nation's newspaper industry. Its membership includes over 2,000 newspapers, representing approximately 87% of the nation's dailies. On April 16, 1998, plaintiff registered the domain name, newspaperlinks.com, with NSI. Since at least July 13, 1998, plaintiff has used the mark "NEWSPAPERLINKS" to identify the website located at newspaperlinks.com, which provides a database of the nation's newspapers and serves as a portal to the websites of each listed newspaper. Although the "NEWSPAPERLINKS" mark has not yet been registered, plaintiff claims trademark rights in the mark.

Defendant Michael Mancusi is a United States citizen who resides in Dania, Florida.² On or about July 25, 1998, defendant registered the domain name, newspaperlink.com, with NSI. At the newspaperlink.com website, defendant offers options similar to those available on plaintiff's newspaperlinks.com website. Both sites feature maps and prominently display the NEWSPAPERLINKS or NEWSPAPERLINK mark at the top of the webpage. Furthermore, both sites feature lists of the U.S. states on which a user may click to view a list of newspapers from that state. While defendant's website provides links to a wide variety of newspaper websites, it is not interactive: it offers no goods or services for sale and requests no information

² Dania, Florida, which is part of the greater Miami-Fort Lauderdale area, is in the Southern District of Florida.

from those who access and use the website.³ Although defendant's website provides links to newspapers from Virginia, it also provides links to hundreds of other newspapers not located in Virginia. And, nothing about the website indicates that it has a particular focus on Virginia or is specifically targeted toward residents of Virginia. Finally, there is no evidence that defendant offered the newspaperlink.com domain name for sale to plaintiff or to anyone else.

Resolution of a personal jurisdiction challenge requires a well-settled two-step inquiry. First, a court must determine whether a plaintiff has made a *prima facie* showing that Virginia's long-arm statute reaches the nonresident defendant given the cause of action alleged and the nature of the defendant's contacts with Virginia. *See America Online, Inc. v. Huang*, 106 F. Supp. 2d 848, 853 (E.D. Va. 2000). The second step of the inquiry need not be undertaken unless it is determined in the first step that the long-arm statute reaches the nonresident defendant. If so, then it becomes necessary to ascertain whether the exercise of personal jurisdiction in the circumstances violates due process or, metaphorically, whether the long-arm statute's reach in the circumstances exceeds its constitutional grasp. *See Bochan v. LaFontaine*, 68 F. Supp. 2d 692, 697-98 (E.D. Va. 1999).

With respect to the first step of the inquiry, it is apparent that the Virginia long-arm statute reaches defendant's conduct in the circumstances. *See* Va. Code § 8.01-328.1(A)(4). Specifically, Section 8.01-328.1(A)(4) provides *in personam* jurisdiction over a person (i) who causes tortious injury (ii) in Virginia (iii) by an act or omission outside of Virginia if that person

³ In its supplemental memorandum, plaintiff brought to the Court's attention several other websites defendant has registered and used, namely those found at roughriders.com and travelagentlink.com, which are interactive in that they ask for user information. Furthermore, the website at roughriders.com offers merchandise for sale to individuals throughout the United States. Defendant objects to plaintiff's reference to these websites, arguing that it is inappropriate to bring such "new evidence" to the Court's attention.

(a) regularly does or solicits business in Virginia, (b) engages in any other persistent course of conduct in Virginia, or (c) derives substantial revenue from goods or services rendered in Virginia. *See* Va. Code § 8.01-328.1(A)(4). Here, the tortious injury requirement is met, as trademark infringement is plainly a tort. *See Alitalia-Linee Aeree Italiane v. Casinoalitalia.com*, 128 F. Supp. 2d 340, 348 (E.D. Va. 2001). And, insofar as defendant uses an allegedly infringing domain name and website on its servers located in Florida, it commits a tortious act outside Virginia. This act, moreover, causes injury in Virginia, as it is alleged that defendant's use of the domain name on the Internet is likely to cause confusion, mistake, or deception among Virginia consumers. Finally, it is clear that defendant engages in a persistent course of conduct in Virginia, through the registration and use of a number of domain names and their corresponding websites, including interactive websites such as roughriders.com and uavelagatlink.com. *See Alitalia-Linee*, 128 F. Supp. 2d at 348 (holding that a defendant "engages in a persistent course of conduct in Virginia" through the maintenance of "interactive website[s] accessible to Virginia consumers 24 hours a day"). Thus, the requirements of the Virginia long-arm statute are met.

Although the Virginia long-arm statute reaches defendant's conduct, the second step of the inquiry requires that this reach comport with due process, which requires that no defendant shall be hailed into court unless he or she has had "certain minimum contacts [with the state]... such that the maintenance of the suit does not offend traditional notions of fair play and substantial justice." *International Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945). Personal jurisdiction is appropriate only where a defendant has "purposefully directed his activities at residents of the forum, and the litigation results from alleged injuries that arise out of or relate to those activities." *Huang* 106 F. Supp. 2d at 855 (emphasis added) (citing *Burger King Corp.*

v. Rudzewicz, 471 U.S. 462, 472 (1985)). Thus, under the standard articulated in *Burger King* and its progeny, the only relevant contacts of defendant are those involving the website and domain name in dispute, namely newspaperlink.com, not those relating to other websites and domain names that defendant may use or operate.

It is well-settled that registration of a domain name with NSI/Verisign and the use of a passive⁴ website are insufficient to establish the necessary minimum contacts with Virginia for purposes of personal jurisdiction under the Due Process Clause.⁵ It is evident that defendant's website found at newspaperlink.com is a passive site; it does not request users to submit information, nor does it offer any goods or services for sale.⁶ It merely provides information, namely links to the websites of various newspapers. Thus, defendant's website does not subject defendant to personal jurisdiction in either the state of registration or the state of plaintiff's

⁴ A passive website is one in which an individual has "done nothing more than post information or advertising on a website that is accessible to users in the forum jurisdiction." *Alitalia-Linee*, 128 F. Supp. 2d at 349 (E.D. Va. 2001); see also *Zippo Manufacturing Co. v. Zippo Dot Com, Inc.*, 952 F. Supp. 1119, 1124 (W.D. Pa. 1997) (establishing the active-passive distinction among websites). Furthermore, if a defendant offers the website for sale to plaintiff, such use is no longer considered passive. See *Huang*, 106 F. Supp. 2d at 859.

⁵ See *Huang*, 106 F. Supp. 2d at 859 (holding that the "mere registration of a domain name that is similar or identical to a trademark, or the operation of a passive web site using the allegedly infringing domain name, is not a sufficient basis for personal jurisdiction in the trademark owner's domicile" even if the alleged injury to plaintiff's mark occurs in plaintiff's domicile); see also *Alitalia-Linee*, 128 F. Supp. 2d at 349 ("[a] passive Web site that does little more than make information available to those who are interested in it is not grounds for the exercise of personal jurisdiction.") (quoting *Zippo*, 952 F. Supp. at 1124).

⁶ It is also undisputed that defendant has not offered the domain name, newspaperlink.com, for sale to plaintiff or to anyone else in this jurisdiction. See *Huang*, 106 F. Supp. 2d at 859 (holding that a person who registers a trademark as a domain name and offers that domain name for sale to the trademark owner may be subject to personal jurisdiction in the trademark owner's domicile).

domicile, where the harm to plaintiff's mark is alleged to have taken place.⁷ Accordingly, there is no personal jurisdiction over defendant in this case.

Anticipating this possibility, plaintiff asks that this matter be transferred rather than dismissed. In the circumstances, this request is appropriate. 28 U.S.C. § 1406(a) provides that

[t]he district court of a district in which is filed a case laying venue in the wrong division or district shall dismiss, or if it be in the interest of justice, transfer such case to any district or division in which it could have been brought.

It is well-established that Section 1406(a) "authorizes the transfer of a case to any district, which would have had venue if the case were originally brought there, for any reason which constitutes an impediment to a decision on the merits in the transferor district but would not be an impediment in the transferee district." *Porter v. Groat*, 840 F.2d 255, 258 (4th Cir. 1988).⁸

Here, lack of personal jurisdiction over defendant is an impediment to a decision on the merits. Such an impediment would not be present were this matter to be transferred to the United States District Court for the Southern District of Florida, where there exists both personal jurisdiction over defendant⁹ and proper venue.¹⁰

Accordingly,

⁷ In this case, both locations are Virginia.

⁸ See also *Harding v. Williams Property Co.*, 1998 WL 637414, *2 (4th Cir. 1998) (unpublished) (holding that "[a] court's lack of personal jurisdiction does not deprive it of the power to transfer a case under 28 U.S.C. § 1406(a)") (citing *Goldlawr, Inc. v. Heiman*, 369 U.S. 463 (1962)).

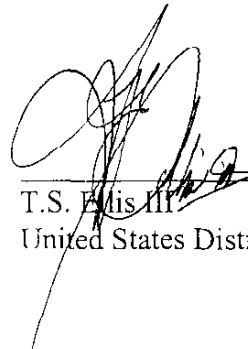
⁹ Defendant is a resident of Florida, and accordingly, courts in Florida have personal jurisdiction over him. See *International Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945).

¹⁰ Venue is proper in the judicial district in which defendant resides—namely, the Southern District of Florida. See 28 U.S.C. § 1391(a)(1).

It is hereby **ORDERED** that defendant's motion to dismiss, pursuant to Rule 12(b)(2), Fed. R. Civ. P., for lack of personal jurisdiction is **GRANTED** and the matter is hereby **TRANSFERRED** to the United States District Court for the Southern District of Florida.

It is further **ORDERED** that defendant's motion to dismiss for failure to state a claim upon which relief may be granted, pursuant to Rule 12(b)(6), Fed. R. Civ. P., is **DEFERRED** to allow it to be resolved by the transferee forum.

May 8, 2002
Alexandria, Virginia



T.S. Ellis III
United States District Judge