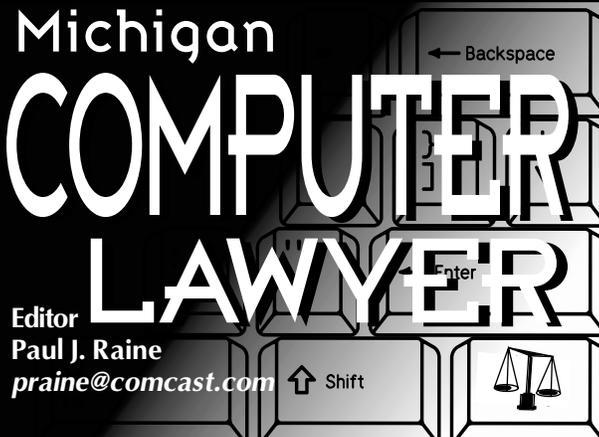


Michigan



COMPUTER LAWYER

Editor

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<http://www.michbar.org/sections/computer/>

In the News...

By Paul J. Raine,
Attorney at Law

Annual Meeting Takes on New Meaning

What if the Computer Law Section could schedule its annual meeting at a date and location of our own choosing? Traditionally, we have been constrained by our bylaws and past precedent to hold our annual meeting in conjunction with the State Bar of Michigan's Annual Meeting. However, based on recent changes at the State Bar, the Annual Meeting as you know it may never be the same.

On November 22, 2002, the Board of Commissioners approved the proposal from the Annual Meeting Vision Committee for a one and one-half day State Bar of Michigan (SBM) Annual Business Meeting to be held on September 11 and 12, 2003, in Lansing. Significantly, this is for a business meeting only, with no program.

The Board of Commissioners also adopted the following resolution authorizing a blanket exception to provisions in any SBM section's bylaws requiring their annual meetings to be held in conjunction with the State Bar's Annual Meeting:

"RESOLVED: That, notwithstanding provisions of a section's bylaws requiring that the section hold a meeting at the Annual Meeting of the State Bar of Michigan, sections are hereby

authorized for fiscal year 2002-2003 to hold such meetings at any time and place determined in accordance with their bylaws concerning section decisionmaking."

Therefore, the Computer Law Section has determined that we will NOT be going to Lansing on September 11 or 12, 2003. Freed from this historical constraint, the Section Council is now seeking input from its membership – and this means *YOU* – on where and when would be an ideal location for our 2003 annual meeting. Think about where you would be most likely to attend such a meeting. We plan to return to our tradition of having a substantive program and panel of speakers in connection with our annual business meeting. But we need our members' participation and involvement to make this a success. Please let me or any other Council member know of your preference for a meeting location.

In considering site selection for our 2003 annual meeting, the Council will seek a location that is both convenient to its membership and cost-efficient. Ideally, the Council would welcome proposals from law firms or corporate sponsors who are willing to donate space and facilities to host the meeting. While we are not obligated to have our annual meeting in September, there is a certain logic in continuing to do so. However, we will consider proposals that include alternate dates as well. Please contact me directly if you are interested in hosting the Section's annual meeting.

Anthony A. Targan, Chairperson, Computer Law Section
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Ann Arbor, MI 48104
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Major Developments in
Trademark Law 1999-2002



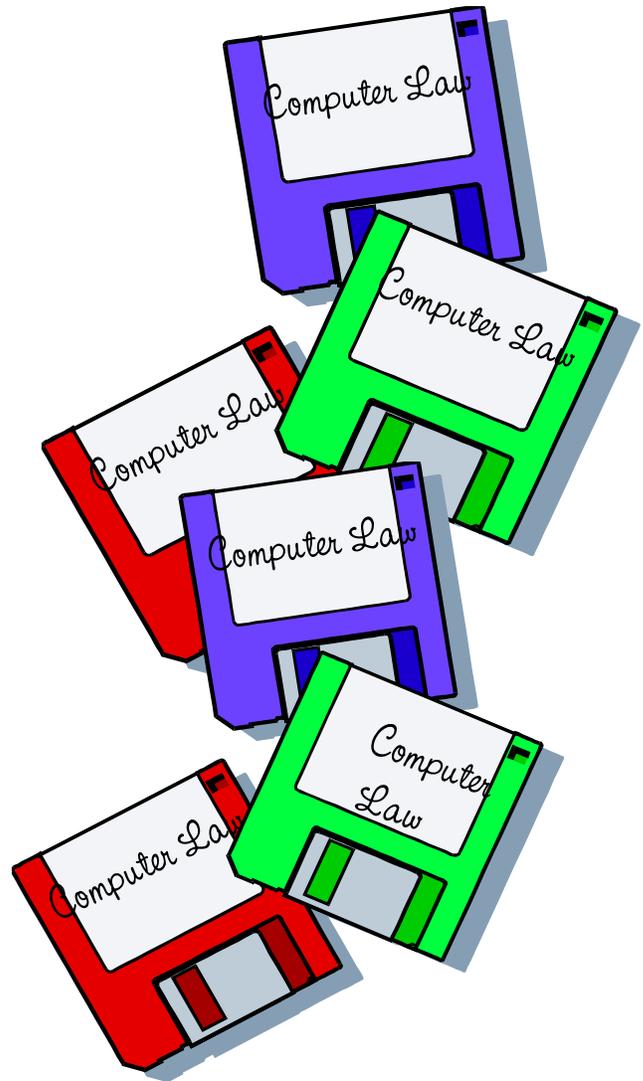
Michigan Computer Lawyer is published bi-monthly. If you have an article you would like considered for publication, send a copy to:

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Statement of Editorial Policy

The aim and purpose of the Michigan Computer Law Section of the State Bar of Michigan is to provide information relative to the field of computer law, and other information that the section believes to be of professional interest to the section members.

Unless otherwise stated, the views and opinions expressed in the Michigan Computer Lawyer are not necessarily those of the Computer Law Section, or the State Bar of Michigan.



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Computer Law Council Member Profiles

Sandra Franklin, Esq. **Secretary, Computer Law Council of the Michigan Bar**

Ms. Franklin focuses her practice in assisting high-tech companies of all sizes with technology development and with resolving disputes. She has 20 years of broad experience in corporate, computer and intellectual property law. She has most recently served as General Counsel for a global software company. Prior, she was in private practice serving such clients as the Michigan Economic Development Corporation, the Michigan Biotech Institute, and other technology incubators. She also served as an arbitrator in hundreds of cases, including ICANN domain name disputes, defense contracting disputes, insurance mass claims, mandatory consumer arbitration programs, and a host of general commercial cases. Ms. Franklin's technology expertise began as an Assistant Staff Judge Advocate General (JAG) officer in the U.S. Army, and then Intellectual Property Counsel for General Dynamics Land Systems.

Ms. Franklin is the President and Founder of Technology Arbitration, PLLC, a company offering neutral arbitration services in cases involving technology, including patents, copyrights, trademarks, trade secrets, licensing, employee disputes, government contracts, and joint development disputes. Ms. Franklin is a long-time participant in and supporter of Alternative Dispute Resolution and serves as a certified Arbitrator on several panels for the National Arbitration Forum, the American Arbitration Association, and on the Copyright Arbitration Royalty Panel for the Library of Congress.

Ms. Franklin has served on the Computer Law Council of the Michigan Bar since 1987.

Marla Schwaller Carew, Esq.

Ms. Carew practices business and technology law at Raymond & Prokop, P.C. She is an active member of the Computer Law Section of the State Bar of Michigan and an officer of and benefit planner for the Michigan Opera Theater Young Professionals. Ms. Carew attended the University of Michigan, Ann Arbor for her undergraduate, graduate and law school education. After obtaining a M.A. in East Asian Studies, she spent several years working for Japanese automotive electronics suppliers in the Detroit area before she returned to law school. In the past she was a freelance literary critic for the Detroit Free Press as well.

Ms. Carew's professional interests include copyright and internet law, capital financing, secured transactions and corporate governance matters. Outside of work she is an enthusiastic supporter of local classical music and opera, lover of books and one-time private pilot.

Steve Tupper

Steve Tupper is an associate in Dykema Gossett PLLC's Bloomfield Hills office. He is a member of the Corporate Finance practice group and serves on the firm's E-Commerce and Technology Team. He also handles the security and EDI aspects of the Health Insurance Portability and Accountability Act (HIPAA) and biotechnology and life sciences issues for emerging and mature companies.

Steve also admits to watching way too much Discovery Channel, but insists that he can stop any time he wants to.

He earned a BA from Albion College in economics and political science and an MBA in finance from Western Michigan University. He is also a Certified Management Accountant (CMA) and Certified in Financial Management (CFM).

He started out as a commercial banker in Kalamazoo in 1989 and was managing a portfolio of commercial foreclo-



Profiles

Continued from page 3

sure properties in southeast Michigan when he left banking to join Electronic Data Systems Corp. (EDS) and start in Wayne State's evening law program in 1995. He joined Dykema after three years with EDS as a contract administrator handling systems development, telecommunications, and other contracts for EDS's GMAC customer.

Always fascinated with computers, his first was his scoutmaster's Atari 800 in 1979. He later moved to his own Atari 1200XL in 1982. He implemented and administered a LAN at Old Kent in 1990, one of the first smart-

workstation implementations for commercial lending at a regional bank. He quickly decided that negotiating IT agreements was a lot more interesting than performing the services, but the hands-on experience and work with talented systems developers gave him an enduring respect for IT delivery organizations (especially anyone doing post-acquisition bank systems conversions).

He enjoys science fiction, with an emphasis on the pulpy stuff written between 1957 and 1973. He also plays, and records with, several musical instruments.

The Proprietary Rights Committee Computer Law Section

will be meeting

Wednesday, January 8, 2003
at 4:30 PM

at

Brooks & Kushman P.C.
1000 Town Center Bldg.
22nd Floor
Southfield, Michigan

Phone: 248-358-4400

This Year's Topic:
Business Method Patents and the New
"Prior Inventor Defense" Under 35 U.S.C. § 273



Mark Your Calendars for the Next Computer Law Council Meetings

Tuesday, January 14, 2003

6:00 PM

Raymond & Prokop
26300 Northwestern Hwy
Southfield

Wednesday, March 12, 2003

6:30 PM

State Bar of Michigan
306 Townsend St.
Lansing





Major Developments in Trademark Law 1995 - 2002

Prepared for Intellectual Property Law Institute

October 18, 2002

By Robert C.J. Tuttle

- Federal Trademark Dilution Act
- Trade Dress
- Cybersquatting
- Personal Jurisdiction Based on Internet Activities

In the mid-1970s, Commissioner C. Marshall Dann gave a speech in which he expressed his belief that in any given year trademark registrations issued by the PTO were far more valuable than the patents issued. A legal requirement for securing registration of a mark is use in “commerce.” Thus, a registered mark is clothed in some commercial history when placed on the Principal Register.

Prefatory Statement

For common ground, an informal discussion of “What Is a “Trademark or Servicemark,” appearing on the USPTO website, is reproduced below:

A trademark is a word, name, symbol or device which is used in trade with goods to indicate the source of the goods and to distinguish them from the goods of others. A servicemark is the same as a trademark except that it identifies and distinguishes the source of a service rather than a product. The terms “trademark” and “mark” are commonly used to refer to both trademarks and servicemarks.

Trademark rights may be used to prevent others from using a confusingly similar mark, but not to prevent others from making the same goods or from selling the same goods or services under a clearly different mark. Trademarks which are used in interstate or foreign commerce may be registered with the Patent and Trademark Office. The registration procedure for trademarks and general information concerning trademarks is described in a separate pamphlet entitled “Basic Facts about Trademarks.”

(www.uspto.gov/web/offices/pac/doc/general/whatis.htm)

Federal Trademark Dilution Act

Prior to 1995 there was no federal cause of action for trademark dilution. A trademark dilution action was available under the laws of 25 of the 50 states that had enacted dilution statutes, and proof standards for this claim varied from state to state. The legislative history states the Federal Trademark Dilution Act (“FTDA”) was needed “because famous marks ordinarily are used on a nationwide basis and dilution protection is currently only available on a patch-quilt system of protection . . . Further, court decisions have been inconsistent and some courts are reluctant to grant nationwide injunctions for violations of state law where half of the states have no dilution law.” *See* 104-374 (1995), 1996 U.S.C.A.N. 1029, 1032. The FTDA is codified as 15 U.S.C. § 1125(c). (Tab 1.)

The FTDA protects a famous mark from dilution of its distinctive quality. In determining whether a mark is famous and distinctive, a court may consider factors such as, but not limited to:

- (A) the degree of inherent or acquired distinctiveness of the mark;
- (B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;
- (C) the duration and extent of advertising and publicity of the mark;



- (D) the geographical extent of the trading area in which the mark is used;
- (E) the channels of trade for the goods or services with which the mark is used;
- (F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks' owner and the person against whom the injunction is sought;
- (G) the nature and extent of use of the same or similar marks by third parties; and
- (H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

The principal remedy is an injunction. Entitlement to a pecuniary award requires a showing of a willful intent to trade on the owner's reputation or to cause dilution of the famous mark. The ownership of a registration on the principal record is a complete defense to a dilution claim.

The two regional circuit opinions which have generated the most interest are: (1) *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208 (2d Cir. 1999), and (2) *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449 (4th Cir. 1999). These cases apply differing standards for proof of a claim of federal trademark dilution.

The *Nabisco* test requires that to establish a dilution claim, (1) the senior mark must be famous; (2) it must be distinctive; (3) the junior use must be a commercial use in commerce; (4) it must begin after the senior mark has become famous; and (5) it must cause dilution of the distinctive quality of the senior mark. *Nabisco*, 191 F.3d at 215. The *Ringling Bros.* test for a claim under the FTDA requires (1) a sufficient similarity of marks to evoke in consumers a mental association of the two that (2) causes (3) **actual harm** to the senior mark's economic value as a product-identifying and advertising agent. *Ringling Bros.*, 170 F.3d at 453.

The "actual harm" requirement of the *Ringling Bros.* test is a significant difference between these tests. The practical consequences are great. If a trademark dilution claimant must wait for actual harm to have occurred as a prerequisite for pleading a claim for federal trademark dilution, it robs the act of any preventative effect, and makes the equitable remedy of a preliminary injunction difficult if the actual harm must have been incurred before a *prima facie* case can be pleaded.

In *V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464 (6th Cir. 2001), *cert. granted*, April 15 (2002), the Sixth Circuit decided to follow the *Nabisco* test, which allows an inference of likely harm to the senior mark instead of requiring proof of actual harm under the *Ringling Bros.* test. In *V Secret*, the senior mark is "VICTORIA'S SECRET," and the junior mark is "VICTOR'S LITTLE SECRET." The well-known senior user sells lingerie through catalogues and retail stores; the junior user operates a retail store selling the same kind of merchandise in Louisville, Kentucky. In *V SECRET*, the district court granted summary judgment in favor of defendant on the federal trademark *infringement* claim, finding there to be no likelihood of confusion as a matter of law. Plaintiff did not appeal this summary judgment ruling. The district court did, though, grant summary judgment in favor of plaintiff on its federal trademark *dilution* claim, which defendant appealed. The Sixth Circuit affirmed summary judgment in favor of plaintiff on the FTDA claim.

In 2000, the Fifth Circuit adopted the Fourth Circuit's "actual harm" standard in *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658 (5th Cir. 2000). There is now a clear division of authority among the regional circuits on when a claim under the FTDA ripens. Under the *Ringling Bros.* test, the claim does not mature until "actual harm" has occurred; under the *Nabisco* test, a claim accrues on an inference of likely harm.

The Second Circuit faults the Fourth Circuit's analysis as dependent "on excessive literalism to defeat the intent of the statute." The Supreme Court has granted *certiorari* to the Sixth Circuit in to reconcile the split among the regional circuits.

Trade Dress

The Sears-Compco Doctrine - An Historic Perspective

On March 9, 1964, the Supreme Court of the United States issued its opinions in *Sears Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964) and *Compco Corp. v. Day-Brite Lighting*, 376 U.S. 234 (1964). Justice Black authored both opinions, and both cases involved the copying of unpatented lighting fixtures. In *Sears*, the Court stated:

An unpatentable article, like an article on which the patent has expired, is in the public domain and



may be made and sold by whoever chooses to do so. What Sears did was to copy Stiffel's design and to sell lamps almost identical to those sold by Stiffel. This it had ever right to do under the federal patent laws. That Stiffel originated the pole lamp and made it popular is immaterial.

Compco, the Court stated: "Today we have held in *Sears Roebuck & Co. v. Stiffel Co.*, *supra*, that when an article is unprotected by a patent or a copyright, state law may not forbid others to copy that article." *Sears* and *Compco* stood for the proposition that state unfair competition law must yield to the Supremacy Clause and federal power to govern copying of designs not covered by a patent or copyright.

On July 16, 2002 — 38 years after the *Sears* and *Compco* decisions — the Sixth Circuit in *Gray v. Meijer, Inc.*, 295 F.3d 641 (6th Cir. 2002), addressed "the misguided notion that copying is illegal." The Sixth Circuit cited to MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:122 (2001), which states:

The first principle of unfair competition law is that everything that is not protected by an intellectual property right is free to copy. In fact, copying is an essential part of the whole fabric of an economic system of free competition. Thus, the act of "copying," far from being intrinsically improper, is essential and should be lauded and encouraged, not condemned. There is absolutely nothing legally or morally reprehensible about exact copying of things in the public domain.

295 F.3d at 650.

Trade Dress — An "Intellectual Property Right"

The counter-weight to the "free to copy" rule is the growing body of case law within the ambit of "trade dress," under Lanham Act § 43(a). In *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 112 S.Ct. 2753 (1992), the Supreme Court stated "... it is common ground that 43(a) protects qualifying unregistered trademarks, and that the general principles qualifying a mark for registration under 2 of the Lanham Act are, for the most part, applicable in determining whether an unregistered mark is entitled to protection under 43(a)." 505 U.S. at 768, 112 S.Ct. at 2757. The *Two Pesos* decision presented the issue of whether the trade dress of a restaurant may be protected under § 43(a) as inherently distinctive, without proof of secondary mean-

ing. Prior to *Two Pesos*, there was a split of authority between the Second Circuit and the Fifth Circuit, on whether an unregistered mark, such as trade dress, could be protected without a showing of secondary meaning. The Second Circuit made proof of secondary meaning a requirement for this claim. The Supreme Court adopted the Fifth Circuit's position, *i.e.*, "An identifying mark is distinctive and capable of being protected if it *either* (1) is inherently distinctive or (2) has acquired distinctiveness through secondary meaning." 505 U.S. at 769, 112 S.Ct. at 2758.

The term "secondary meaning" had been defined by the Supreme Court previously in *Inwood Laboratories v. Ives Laboratories*, 45 U.S. 844 n.11 (1982), as follows:

To establish secondary meaning, a manufacturer must show that, in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself. *See Kellogg Co. v. National Biscuit Co.*, *supra* at 118 [305 U.S. 111, 59 S.Ct. 109 (1938)].

In 1995, the Supreme Court took up the issue of whether a color *per se* may qualify as a trademark. *Qualitex Co. v. Jacobsen Products Co., Inc.*, 514 U.S. 159, 115 S.Ct. 1300 (1995). This case involved Qualitex Company's use since the 1950s of a special shade of the green-gold color on pads it made and sold to dry cleaning firms for use on dry cleaning presses. In 1991, Qualitex Company registered this special green-gold color on press pads with the United States Patent and Trademark Office as a trademark. Reg. No. 1,633,711, registered February 5, 1991. In 1989, Jacobsen Products, a competitor of Qualitex Company, began to sell its own press pads to dry cleaning firms in a similar green-gold color. Qualitex brought suit in the Central District of California, and prevailed on its trademark infringement and unfair competition claims. However, the Ninth Circuit set aside the judgment in Qualitex's favor on the trademark infringement claim because it viewed the Lanham Act as not permitting registration of "color alone" as a trademark. The Supreme Court reversed, holding there is no rule absolutely barring the use of color alone as a trademark. The Supreme Court observed: "We cannot find in the basic objectives of trademark law any obvious theoretical objection to the use of color alone as a trademark, where that color has attained 'secondary meaning' and therefore identifies and



distinguishes a particular brand (and thus indicates its ‘source’). . . . Neither can be find a principled objection to the use of color as a mark in the important ‘functionality’ doctrine of trademark law.” 514 U.S. at 163-64, 115 S.Ct. at 1303-04.

In 2000, the Supreme Court distinguished between two types of trade dress — product design and product packaging. *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 120 S.Ct. 1339 (2000). In *Wal-Mart Stores*, the national retailer furnished one of its suppliers photographs of a number of garments from Samara’s line. The supplier duly copied, with minor modifications, 16 of Samara’s garments, many of which contained copyrighted elements. Samara brought suit in the Southern District of New York, presenting claims for copyright infringement, consumer fraud and unfair competition under New York law and infringement of unregistered trade dress under § 43(a) of the Lanham Act. The Lanham Act § 43(a) claim went to the Supreme Court on the question of whether Samara’s clothing designs could be legally protected as distinctive trade dress for purposes of § 43(a).

The Supreme Court held that if the trade dress falls within the category of “product design” (as distinguished from the packaging, or “dressing” of a product), it can never be inherently distinctive. 529 U.S. at 212, 120 S.Ct. at 1334 (“It seems to us that design, like color is not inherently distinctive.”). Moreover, the Court held that in close cases in which it is difficult to determine whether the trade dress at issue is product packaging or product design, “courts should err on the side of caution and classify ambiguous trade dress as product design, thereby requiring secondary meaning.” 529 U.S. at 215, 120 S.Ct. at 1346.

In 2001, the Supreme Court dealt again with the question of functionality in the context of trade dress. *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 121 S.Ct. 1255 (2001). In *TrafFix Devices*, Marketing Displays sought trade dress protection for a “dual-spring” mechanism that kept temporary road and other outdoor signs upright in windy conditions. The “dual-spring design” mechanism had been patented, but the patents had expired. After the expiration of the patents, TrafFix Devices, Inc. began marketing signs with a dual-spring mechanism copied from Marketing Displays’ design. The case was brought in the Eastern District of Michigan. The District Court ruled against Marketing Displays on its trade dress claim on two grounds: (1) no reasonable trier of fact could

determine that MDI had established secondary meaning in its alleged trade dress, and (2) the dual-spring design was functional, and ineligible for trade dress protection. The Sixth Circuit reversed.

The Supreme Court deemed the “dual-spring design” of the expired utility patents to be functional, and not protectible as trade dress or a trademark. The *TrafFix Devices* court re-iterated the rule that a feature is functional as a matter of law if it is “essential to the use or purpose of the product or if it affects the cost or quality of the product.” *TrafFix Devices*, 121 S.Ct. at 1261; *Qualitex*, 514 U.S. 165; *Inwood Laboratories*, 456 U.S. at 850 n.10. The fact the “dual-spring design” was the subject of a utility patent which disclosed the feature’s utilitarian advantages was “strong evidence of functionality.” 121 S.Ct. at 1260. *TrafFix Devices* was a re-iteration of federal patent policy that when a patent on an article expires, the article becomes public property. In 1932, Nabisco, Inc. sued Kellogg Co. for: (1) trademark infringement for using “SHREDDED WHEAT,” and (2) for trade dress infringement for producing the product in the form of a pillow-shaped biscuit. The term SHREDDED WHEAT was deemed generic. The pillow-shaped biscuit was produced by machines designed to produce that shape only. The machine had been patented, but the patent expired. Therefore, no trade dress protection was available for the pillow-shaped biscuit. *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 119-120, 59 S.Ct. 109, 114 (1938).

Proof Standard For A “Trade Dress Claim”

In *Gray v. Meijer, Inc.*, 295 F.3d 641,645 (6th Cir. 2002), the Sixth Circuit assigned the following proof standard for a trade dress claim.

To recover the trade dress infringement under § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), a plaintiff must prove by a preponderance of the evidence: (1) that its trade dress has obtained “secondary meaning” in the marketplace; (2) that the trade dress of the two competing products is confusingly similar, and (3) that the appropriated features of the trade dress are primarily nonfunctional.

The Lanham Act § 43(a)(3) assigns to the claimant the burden of proving the trade dress is not functional:



(3) In a civil action for trade dress infringement under this Act for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.

Anti-Cybersquatting

The Anti-Cybersquatting Consumer Protection Act, Pub. L. 106-113, 113 Stat. 150 (1999), was enacted on November 29, 1999 (“ACPA”). The ACPA is codified as Lanham Act § 43(d) (15 U.S.C. § 1125(d)). The ACPA provides a cause of action to the owner of a mark against a person who (1) has a bad faith intent to profit from that mark, and (2) registers on the traffics in, or uses a domain name that is identical or confusingly similar to the mark (if the mark is distinctive) or dilutive of the mark (if the mark is famous). The text of the ACPA is at Tab 1. Lanham Act § 43(d)(1)(B) includes a list of nine factors (non-exclusive right) a court may consider in determining whether a person has a bad faith intent:

(B)(i) In determining whether a person has a bad faith intent described under subparagraph (A), a court may consider factors such as, but not limited to -

- (I) the trademark or other intellectual property rights of the person, if any, in the domain name;
- (II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;
- (III) the person’s prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;
- (IV) the person’s bona fide noncommercial or fair use of the mark in a site accessible under the domain name;
- (V) the person’s intent to divert consumers from the mark owner’s online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;

(VI) the person’s offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person’s prior conduct indicating a pattern of such conduct;

(VII) the person’s provision of material and misleading false contact information when applying for the registration of the domain name, the person’s intentional failure to maintain accurate contact information, or the person’s prior conduct indicating a pattern of such conduct;

(VIII) the person’s registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and

(IX) the extent to which the mark incorporated in the person’s domain name registration is or is not distinctive and famous within the meaning of subsection (c) (1) of this section.

An informative case on both procedural and substantive aspects of the ACPA is *Harrods Ltd. v. Sixty Internet Domain Names*, ___ F.3d ___ (4th Cir. 2002) (<http://laws.findlaw.com/4th/002414p.html>). In *Harrods*, a famed London department store brought suit against Harrods (Buenos Aires) Limited, once affiliated with Harrods UK, but now a completely separate entity. Harrods UK sued Harrods BA in the Eastern District of Virginia, using the *in rem* jurisdictional provision of the ACPA. Harrods BA had registered 60 “Harrods”-based internet domain names with Network Solutions, Inc., the domain name administrator based in Virginia. The opinion is informative for its discussion of: (1) the legislative history of the ACPA, (2) the constitutionality of the *in rem* provisions of the ACPA, (3) the nine factors to be considered, and (4) *in personam* jurisdiction over defendant for assertion of infringement and dilution claims.



Personal Jurisdiction Based On Internet Contacts With The Forum State

The paradigm case for analyzing whether a defendant purposefully avails itself of the privilege of acting in a state through its website is *Zippo Mfg. Co. v. Zippo.com, Inc.*, 952 F.Supp. 1119 (W.D. Pa. 1997). The *Zippo* court used a sliding scale of interactivity to identify internet activity that constitutes purposeful availment. In *Zippo*, the defendant manifested its purposeful availment of the privilege of acting in Pennsylvania when it “repeatedly and consciously chose to process Pennsylvania residents’ applications and to assign them passwords,” knowing the result of these Internet contacts would be to perform services for Pennsylvania

customers in part through the transmission of electronic messages to Pennsylvania. 952 F.Supp. at 1126. Intentional interaction with the residents of the forum state is evidence of a conscious choice to transact business with inhabitants of a forum state. This is distinguishable from a passive website which posts information accessible from anywhere in the world. The Sixth Circuit adopted the *Zippo* analysis of website contacts in *Neogen Corp. v. NeoGen Screening, Inc.*, 282 F.3d 883 (6th Cir. 2002). See also, *Sports Authority Michigan, Inc. v. Justballs, Inc.*, 97 F.Supp.2d 806 (E.D. Mich. 2000); *The Winfield Collection Ltd. v. McCauley*, 105 F.Supp.2d 746 (E.D. Mich. 2000).

Computer Law Listserv

If you haven't already done so, join
the Section's listserv at

www.michbar.org/sections/computer/signup.html



Poetry of Computer Errors

If computer error messages were haikus:

Three things are certain:
Death, taxes, and lost data.
Guess which one has occurred.



Errors have occurred.
We won't tell you where or why.
Lazy programmers.



The code was willing.
It considered your request,
But the chips were weak.



Yesterday it worked.
Today it is not working.
Windows is like that.



The website you seek
Cannot be located but
Endless others exist.



**2003 Edward F. Langs
Writing Award
ESSAY COMPETITION RULES**

1. The award will be given to the student article, which in the opinion of the judges makes the most significant contribution to the knowledge and understanding of Computer or Internet law. Factors that are taken into consideration include originality, timeliness of the subject, depth of research, accuracy, readability and the potential for impact on the law.
2. The top three papers will receive awards of \$500, \$300 and \$200 respectively (in US dollars)
3. All entries must be original and must not have been submitted to any other contest within the last 12 months.
4. All entries must include the submitter's name(s), current address, current telephone number and college or university attended.
5. All articles must be typed, double-spaced and submitted on letter-size (8½ by 11 inch) plain, white, bond paper (no onion skin).
6. Entries must be typed with margins of 10 and 70, respectively, along with top and bottom margins of no less than one inch each.
7. All entries must contain proper citations, including footnotes at the end of the entry.
8. Entry of at least 10 pages is preferred.
9. All rights to the entries shall become the property of the State Bar of Michigan.
10. The Computer Law Section reserves the right to make editorial changes and publish the article(s) in the Section Newsletter.
11. The entry must be post-marked by June 30, 2003.
12. Entries are to be mailed to:
David R. Syrowik, Chairman
Computer Law Section Essay Competition
Brooks & Kushman P.C.
1000 Town Center, 22nd Floor
Southfield, Michigan 48075



Computer Law Section
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