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

GRAHAM SCHREIBER, Plaintiff, vs. LORRAINE LESLEY DUNABIN, et al. Defendants.	**Case No. 1:12 CV 00852 (GBL/JFA)**

DEFENDANT ENOM, INC.'S REPLY MEMORANDUM IN SUPPORT OF ITS MOTION TO DISMISS PLAINTIFF'S COMPLAINT

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Defendant eNom, Inc. ("eNom"), through undersigned counsel, respectfully submits this reply memorandum of law in support of its motion to dismiss the Complaint ("eNom's Motion") filed by Graham Schreiber ("Mr. Schreiber") pursuant to Fed. R. Civ. P. 12(b)(1) for lack of subject matter jurisdiction, Fed. R. Civ. P. 12(b)(5) for insufficient service of process, and Fed. R. Civ. P. 12(b)(6) for failure to state a claim.

I. INTRODUCTION

Mr. Schreiber's Opposition Brief to Defendants' Motion to Dismiss ("Opposition Brief") (Dkt. 55), misstates the law and fails to rebut any of salient facts meriting dismissal including the most poignant: a trademark dispute between a Canadian citizen and a U.K. resident over trademark use in the U.K. with alleged damages occurring in the U.K. and Canada does not belong in a United States court, because there is no extraterritorial application of the Lanham Act. Mr. Schreiber does not have worldwide trademark rights, or any trademark rights in the United States, to the alleged "Landcruise" mark based on his use in Canada, an application to register the alleged mark on the principal trademark register in the United States, or a domain name registration.

Mr. Schreiber likewise fails to allege critical elements of his other claims. He admits that his mark is not famous, a necessary element for his dilution claim. And, Mr. Schreiber's Opposition does not dispute that eNom is a registrar, and therefore is protected under the Safe Harbor provision of the Lanham Act. Moreover, as a registrar, eNom lacks the degree of control over Dunabin that would be necessary to impose liability for contributory infringement.

Finally, to the extent that Mr. Schreiber is arguing that his Complaint contains a contract or fraud claims, those claims also must be dismissed because Mr. Schreiber is not a third party

beneficiary to any contract at issue and does not have standing to bring a breach of contract claim, and because any alleged fraud claim must be pled with particularity.

For the foregoing reasons, Mr. Schreiber's claims against eNom fail and his Complaint should be dismissed with prejudice.

II. ARGUMENT

A. The Court Does Not Have Subject Matter Jurisdiction Over a Trademark Dispute That Does Not Concern A U.S. Trademark

In his Opposition Brief, Mr. Schreiber, a Canadian citizen, admits that his claims are based on Lorraine Dunabin's registration of the alleged trademark Landcruise in the U.K., the ownership rights to the alleged trademark Landcruise in the U.K., and Ms. Dunabin's registration of the domain name, www.landcruise.uk.com. Opposition Brief at 3; *see also* Complaint at 3-5.. None of this use is alleged to have occurred in the United States. In addition, Mr. Schreiber seeks relief that is unrelated to trademark use in the United States. Specifically, Mr. Schreiber has asked the Court to order Ms. Dunabin to release both the U.K. trademark and domain name, and award damages for "TWO (2) YEARS of lost access to the United Kingdom, for marketing at travel and RV related shows" and "missing the ultimate branding opportunity, of touring a 'Landcruise' Branded RV or RV's around London, during the Summer Olympics of 2012."[1] (Opposition Brief at 3, 21).

[1] Mr. Schreiber's other alleged damage of 18 months of mental health stress is similarly not recoverable under the Lanham Act. See *Roth v. Naturally Vitamin Supplements, Inc.*, 2007 WL 2020114, at *3 (D. Ariz. July 6, 2007) (finding that the elements of damages under the Lanham Act do not include emotional distress); *Condit v. Star Editorial, Inc.*, 259 F. Supp. 2d 1046, 1052 (E.D. Cal. 2003) (private person asserting an emotional distress injury is not protected by the Lanham Act).

As set forth in eNom and CentralNic's Motions, the general rule is that Lanham Act does not apply extraterritorially. *See* eNom's Motion (Dkt. 46-1) at 5, CentralNic's Motion (Dkt. 9) at 8-11. The Lanham Act only applies to foreign conduct when they have a significant effect on United States commerce. *Tire Eng'g & Distribution, LLC v. Shandong Linglong Rubber Co., Ltd.*, 682 F.3d 292, 310 (4th Cir. 2012) (citing *Nintendo of Am., Inc. v. Aeropower Co., Ltd.*, 34 F.3d 246, 250 (4th Cir. 1994)); *see also ACG Products, Ltd. v. Gu*, 2011 WL 7748354, at *5 (W.D. Wis. Nov. 4, 2011) (dismissing plaintiff's trademark infringement claim for failure to allege conduct having an effect on U.S. commerce, thereby depriving the court of jurisdiction under the Lanham Act).

A court must consider "the citizenship of the defendant, and the possibility of conflict with trademark rights under the relevant foreign law" since the general injury contemplated by the Act is harm to a plaintiff's "trade reputation in United States markets." *Nintendo of Am., Inc. v. Aeropower Co., Ltd.*, 34 F.3d 246, 250 (4th Cir. 1994). Although courts may apply the Lanham Act extraterritorially when "sales to foreign consumers would jeopardize the income of an American company," even if there is a failure to cause confusion among U.S. consumers, *Tire Eng'g & Distribution, LLC*, 682 F.3d at 310-11, that is not the case here.

In this case, there is no allegation that any of the alleged conduct has any effect on U.S. commerce, let alone a significant effect. Indeed, all of Mr. Schreiber's allegations focus on conduct that occurs outside of (and affects commerce outside of) the United States.

Similarly, Mr. Schreiber has not alleged the possibility of jeopardizing the income of a U.S. company, since his company is Canadian. (Complaint at Cover Page), or a U.S. trademark. As set forth below in Section B, Mr. Schreiber has not alleged any use in commerce in the United States of his alleged Landcruise mark. Accordingly and because the Lanham Act may

not be applied extraterritorially, the Complaint should be dismissed for lack of subject matter jurisdiction.

B. Mr. Schreiber Fails to State a Claim For Trademark Infringement Or Dilution Under the Lanham Act or Common Law

"Although district courts have a duty to construe *pro se* pleadings liberally, a court is not obliged to ferret through a complaint, searching for viable claims." *Jackson v. Michalski*, 2011 WL 3679143, at *5 (W.D. Va. Aug. 22, 2011) (dismissing *pro se* Lanham Act claims among others). A *pro se* plaintiff must allege facts that state a cause of action with enough detail to illuminate the nature of the claim, and courts do not have "to conjure up questions never squarely presented to them." *Id.* (quoting *Beaudett v. City of Hampton,* 775 F.2d 1274, 1278 (4th Cir. 1985).

1. Mr. Schreiber Has No Trademark Rights in the U.S.

a. Use of the Term "Landcruise" in Canada Does Not Create Trademark Rights in the U.S.

As set forth in eNom and CentralNic's Motions, "[i]t has long been recognized that use of a foreign mark in a foreign country creates no trademark rights under United States law." *Int'l Bancorp, LLC v. Societe des Bains de Mer et du Cercle des Estrangers a Monaco*, 329 F.3d 359, 363 (4th Cir. 2003).

Mr. Schreiber failed to allege that anything pertaining to his business or operations occurs in the U.S. and failed to allege any evidence of sales of goods or services under the Landcruise mark in the U.S. Mr. Schreiber has not asserted any new facts in his Opposition Brief demonstrating use in commerce of the "Landcruise" mark in the U.S. to support trademark rights under the Lanham Act or common law. Although Mr. Schreiber alleges that he has a "USPTO No. 85348243 Trademark," this is not a registered trademark, but a pending application that

confers no trademark rights at all. (Complaint at 15; Opposition Brief at 15). Contrary to Mr. Schreiber's incorrect statement, his pending trademark is not incontestable. (Opposition Brief at 26). The only use in commerce Mr. Schreiber alleges is his 14 years of use of the mark "Landcruise" in Canada for his Canadian-based company "Landcruise Ltd," which sells or rents motor homes in Canada. (Complaint at 5, 14; Ex. 1 at 6). Since Mr. Schreiber's mark is unregistered, the extent of his trademark rights is limited to whatever markets the mark has been used in, which in this case, means Canada.

Because use of a Canadian mark in Canada creates no trademark rights in the U.S., Mr. Schreiber has failed to state a claim under the Lanham Act or common law.

b. Registration of a Domain Name Does Not Create Trademark Rights in the U.S.

Similarly, Mr. Schreiber contends that he has trademark rights, which he refers to as "States Rights," through the registration of his domain name. (*See* Opposition Brief at 15-16, 25 (stating he has a "'Registered Mark' for commerce, issued by Network Solutions, under authority of the United States Department of Commerce and it's in Bona Fide Use and has been in uninterrupted Use, ever since")). Mr. Schreiber, however, appears to confuse trademark registration with domain registration. "The mere registration of a domain name with a domain name registrar by itself does not confer trademark rights." *Newborn v. Yahoo! Inc.*, 391 F. Supp. 2d 181 (D.D.C. 2005); *see also* CentralNicMotion (Dkt. 9) at 12-14. Since the registration of a domain name alone does not create trademark rights, Mr. Schreiber has failed to state a claim for trademark infringement under the Lanham Act or common law.

2. eNom Has Not Used the Alleged Trademark In Commerce

For a domain name dispute based on federal or common law trademark infringement or dilution, the relevant tortious act is the use of the domain name, not registration of the domain name. *Am. Online, Inc. v. Huang*, 106 F. Supp. 2d 848, 854 (E.D. Va. 2000). In this case, Mr. Schreiber has not alleged that eNom, as the registrar of the allegedly infringing domain name, has used the mark. For this additional independent reason, Mr. Schreiber has failed to state a claim against eNom under the Lanham Act or common law.

3. Mr. Schreiber Fails to State a Claim for Dilution

To state a claim for trademark dilution, a Mr. Schreiber must show that he owns a famous mark, among other elements. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 264 (4th Cir. 2007). Mr. Schreiber has admitted that "Landcruise" is not a famous mark. Although Mr. Schreiber states it is irrelevant that Landcruise is not a famous mark, (Opposition Brief at 26), it is relevant as an element of the claim. Therefore, Mr. Schreiber has not stated a claim for dilution.

4. Mr. Schreiber Fails to State a Claim for Contributory Infringement or Dilution

a. The Safe Harbor Provision Shields Registrars Like eNom from Liability

Contrary to Mr. Schreiber's assertion, in which he says to "See Red Flags!" (Opposition Brief at 5), the Safe Harbor provision found at 15 U.S.C. § 1114(2)(D)(iii) shields registrars like eNom from liability unless there is an alleged bad faith intent to profit from the maintenance or registration of a domain name. (Opposition Brief at 26). Mr. Schreiber contends that "eNom documents issued by CentralNic illustrated the use of enticing language, both on CentralNics website and eNom's too," "the sales pitch of eNom enticed infringement and they with

CentralNic, are profiting from Contributory Infringement," and that "eNom knew then, very clearly, the precious distinction's between 'TLD's' and 'Domain Names' and they were selling 'infringement' naturally equaling 'Contributory Infringement." (Opposition Brief at 5, 26, 32). Mr. Schreiber contends that these alleged facts prevent eNom from asserting the Safe Harbor provision. Sales pitches for legitimate, ICANN-approved activities, however, do not rise to the level of bad faith required for the Safe Harbor provision not to apply. *See Harsco Corp. v. Harscobc.com*, 2012 WL 5305180, at *4 (E.D. Va. Oct. 1, 2012), *report and recommendation adopted*, 2012 WL 5305231 (E.D. Va. Oct. 24, 2012) (holding legitimate business activities do not support a finding of bad faith intent). Therefore, the Safe Harbor provision applies and eNom is shielded from liability.

b. eNom Cannot Be Held Liable for Contributory Infringement

eNom likewise cannot be held liable for contributory infringement. "[D]omain name registrars lack the requisite degree of control over the activity of third-party infringers to justify extending the meaning of 'product" to their activities.'" *Size, Inc. v. Network Solutions, Inc.*, 255 F. Supp. 2d 568, 572-73 (E.D. Va. 2003) (quoting *Lockheed Martin v. Network Solutions*, 194 F.3d 980 (9th Cir. 1999)); *see also* CentralNic Motion (Dkt. 9) at 20-21. Mr. Schreiber contends that "eNom had 'control' sufficient to 'know' it's a fraudulent representation of a '.com'" and that "eNom knew then, very clearly, the precious distinction's between 'TLD's' and 'Domain Names and they were selling 'infringement' naturally equally 'Contributory Infringement.'" (Opposition Brief at 4, 5, 44) (citing *Lockheed Martin v. Network Solutions*, 194 F.3d 980, 984-85 (9th Cir. 1999) for the proposition that for contributory infringement, the critical distinction is "knowing"). *Lockheed*, however, holds that a registrar cannot be held liable for contributory

infringement because it does not supply a product to third parties that register domain names, and does not direct and control third parties' uses of domain names.

Since there are no allegations that eNom controlled any of the alleged infringement or directed Ms. Dunabin's use of the domain names, or was even aware at all of Mr. Schreiber's alleged mark, Mr. Schreiber fails to state a claim for contributory infringement.

C. Mr. Schreiber Is Not a Third-Party Beneficiary to Any Alleged Agreement

Mr. Schreiber's contention that eNom "are [sic] liable under the ICANN contract" because it "was breaching the law and representing themselves as ICANN agent while . . . KNOWINGLY . . . selling an artificial / fraudulent product, as an ICANN product," (Opposition Brief at 4) likewise must be rejected. As set forth in CentralNic's Motion to Dismiss, Mr. Schreiber lacks standing to assert any breach of contract claim as a result of the Registrar Accreditation Agreement ("RAA") with ICANN. *See* CentralNic's Memorandum In Support of Its Motion to Dismiss, Dkt. 9, at 21-22. Mr. Schreiber is not a third party beneficiary to any contract concerning the .com domain name at issue, and the RAA specifically disclaims any third party beneficiaries. (Complaint at 16) (quoting Section 8.5 of the RAA which disclaims any third party beneficiaries).

D. Mr. Schreiber Fails to Assert a Claim for Fraud

To the extent that Mr. Schreiber is attempting to assert a claim for fraud by asserting in his Opposition that "eNom is breaching the law while knowingly selling an artificial/fraudulent product," this claim must be dismissed as well. (Opposition Brief at 4).

Mr. Schreiber has failed to allege the required elements of fraud or plead any of the elements with particularity. *See Hitachi Credit Am. Corp. v. Signet Bank*, 166 F.3d 614, 628 (4th Cir. 1999) (reciting the elements of a fraud claim under Virginia law as "(1) a false

representation, (2) of a material fact, (3) made intentionally and knowingly, (4) with intent to mislead, (5) reliance by the party mislead, and (6) resulting damage to the party misled.") (internal quotations and citations omitted); Fed. R. Civ. P. 9(b) (mandating that claimants plead fraud with particularity); *see also Harrison v. Westinghouse Savannah River Co.*, 176 F.3d 776, 783-84 (4th Cir. 1999) (quoting 5 Charles Alan Wright and Arthur R. Miller, *Federal Practice and Procedure: Civil* § 1297, at 590 (2d ed. 1990) (requiring fraud claimants to plead with particularity elements such as "the time, place, and contents of the false representations, as well as the identity of the person making the misrepresentation and what he obtained thereby.").

Mr. Schreiber's complaint does not allege any of these elements. He likewise fails to plead the specifics of any false representation, reliance, or damages. Mr. Schreiber's claim for fraud therefore should be dismissed.

E. Mr. Schreiber Did Not Properly Serve eNom

In his Opposition Brief, Mr. Schreiber states that undersigned counsel for eNom, Mr. David Barger, accepted service by attending the Court hearing on the motion to dismiss. (Opposition Brief at 6). The waiver of service of process issue is governed by Fed. R. Civ. P. 12(h)(1). Under this rule, a party must object to insufficient service of process in its first Rule 12 motion or the objection is waived, but it does not mean that a party waives the defense by making the motion. *Xyrous Commc'ns, LLC v. Bulgarian Telecomm. Co. AD*, 74 Fed. R. Serv. 3d 629, at *8 (E.D. Va. 2009) (explaining how the federal waiver rules do not recognize the special and general appearance distinction). In resolving a motion under Rule 12(b)(5) for insufficient service of process, "the party making the service has the burden of demonstrating its validity when an objection to service is made." *United States v. Sea Bay Dev. Corp.*, 2007 WL 1378544, at *2 (E.D. Va. May 8, 2007) (quoting *Reed v. Weeks Marine, Inc.*, 166 F. Supp. 2d

1052, 1054 (E.D. Pa. 2001)). Since eNom asserted its insufficiency of service of process defense in its Motion, the filing of that Motion and Mr. Barger's subsequent appearance at the Court hearing do not waive the argument.[2]

III. CONCLUSION

This Court does not have subject matter jurisdiction over the underlying dispute between Mr. Schreiber and Dunabin regarding the use of Mr. Schreiber's alleged Landcruise mark in the U.K. or the registration of the domain name <Landcruise.uk.com>. Likewise, Mr. Schreiber has not alleged a cognizable claim against eNom and has not properly served eNom with process. Furthermore, to the extent that Mr. Schreiber is attempting to base any of his claim on his incorrect interpretation of third-party beneficiary status or is attempting to assert a claim for fraud, his arguments must fail and his claims must be dismissed. For all of these reasons and as described more fully above, Mr. Schreiber's Complaint should be dismissed with prejudice.

Dated: December 18, 2012

Respectfully submitted,

/s/ David G. Barger

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[2] Given the amount of time that has passed since Mr. Schreiber filed his Complaint on July 31, 2012, Mr. Schreiber's Complaint also should be dismissed for failure to properly serve eNom within 120 days of filing the Complaint under Rule 4(m). *See Mendez v. Elliot,* 45 F.3d 75, 78-79 (4th Cir. 1995) ("Rule 4(m) requires that if a complaint is not served within 120 days after it is filed, the complaint must be dismissed . . .") (citing *In re Cooper,* 971 F.2d 640, 641 (11th Cir. 1992)) ("[A] district court has no discretion to salvage an action once the court has found a violation of [Rule 4(m)] and a lack of good cause."). There is no good cause here, because, as set forth in eNom's Motion and above, Mr. Schreiber has failed to state a claim.

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