1-1-2022

Civil Procedure—The Need for Effect-Based Personal Jurisdiction in Trademark Litigation—Motus, LLC v. Cardata Consultants, LLC, 23 F.4th 115 (1st Cir. 2022)

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CIVIL PROCEDURE—THE NEED FOR EFFECT-BASED PERSONAL JURISDICTION IN TRADEMARK LITIGATION—MOTUS, LLC V. CARDATA CONSULTANTS, LLC, 23 F.4TH 115 (1ST CIR. 2022).

The Fifth Amendment’s Due Process Clause requires that defendants have minimum contacts with a forum to establish jurisdiction in order for their presence in a court to not violate “traditional notions of fair play and substantial justice.”¹ However, the Internet’s exponential growth over the past two decades complicates the current analysis of minimum contacts—distant and foreign corporations can serve any state nationwide with only the click of a button.² In Motus, LLC v. CarData Consultants, Inc.³ the United States Court of Appeals for the First Circuit (“First Circuit”) addressed whether the United States District Court for the District of Massachusetts had personal jurisdiction over CarData Consultants, Inc. (“CarData”)—a Canadian business promoting an online service via their website that reached Massachusetts consumers, making CarData subject to suit by Motus, LLC (“Motus”).⁴ Given the lack of evidence indicating any physical or business ties to Massachusetts, the First Circuit held that the mere presence of a

¹ See Milliken v. Meyer, 311 U.S. 457, 463 (1940) (requiring personal jurisdiction abide by due process standard); see also Int’l Shoe Co. v. Wash., 326 U.S. 310, 316 (1945) (acknowledging due process satisfaction determined by nature and quality of minimum contacts); BLACK’S LAW DICTIONARY 1192 (11th ed. 2019) (defining minimum contacts as “[a] nonresident defendant’s forum-state connections … that are substantial enough to bring the defendant within the forum-state court’s personal jurisdiction . . . .”); see generally U.S. CONST. amend. V (“No person shall . . . be deprived of life, liberty, or property without due process of law.”); 28 U.S.C. §1331 (“The district courts shall have original jurisdiction of all civil actions arising under the Constitution, laws, or treaties of the United States.”).

² See David M. Kelly, Untangling a Web of Minimum Contacts: The Internet and Personal Jurisdiction in Trademark and Unfair Competition Cases, 87 TRADEMARK REP. 526, 527 (1997) (analyzing effects of Internet on personal jurisdiction). The increased access and commercialization of the Internet radically changed the nature of commerce, and as a result, businesses often conduct commerce in all fifty states without ever being physically present in any of them. See id.; see also U.S. Dep’t. of Commerce, Quarterly Retail E-Commerce Sales, 2nd Quarter 2022, U.S. CENSUS BUREAU NEWS, 1-2 (Aug. 19, 2022, 10:00 AM), https://perma.cc/7NM78-Y2D4 (detailing volume of Internet commerce in Second Quarter, 2022, estimated at $257.3 billion in sales).

³ 23 F.4th 115 (1st Cir. 2022).

⁴ See id. at 119 (posing appellate question of whether in personam jurisdiction was satisfied).
website in a forum is insufficient to satisfy the purposeful availment requirement to establish personal jurisdiction.5

Motus and CarData are competitors, both providing services for businesses to manage reimbursing expenses incurred by their employees.6 As alleged in Motus’ complaint, Motus has a registered trademark protecting the phrase “Corporate Reimbursement Services” from use by other companies.7 In the fall of 2019, CarData’s website had the phrase “Corporate Reimbursement Services, Vehicle Reimbursement Program” as its meta title, which appeared when searching for CarData on the web.8 In addition to referencing to the trademarked phrase as the meta title, CarData’s website also included several other statements which suggested it intended to serve the entire United States via its website.9 Motus informed CarData that the

5 See id. at 125-26 (holding accessibility of CarData’s website in Massachusetts, without more, insufficient to establish personal jurisdiction). To reach this conclusion, the court considered the voluntariness of the defendant’s contacts within the state to assess the defendant’s foreseeability of being haled into court. See id. at 124.

6 See id. at 120 (explaining nature of both parties’ business). Motus is a Delaware corporation with its principal place of business in Boston, Massachusetts, while CarData is a Canadian corporation with its principal place of business in Toronto, Ontario. See id. In addition to an office in Toronto, at the time of suit, CarData also had two offices in the United States: New York and Colorado. See id. at 127 n.7 (noting CarData’s two United States offices). Both Motus and CarData provide companies with technology to assist in managing employee reimbursement. See id. at 120 (describing Motus’ services); see also CarData Consultants, CarData mileage reimbursement and tracking software, CARDATA.CO, https://perma.cc/R742-MA8X (last visited Nov. 6, 2022) (describing CarData’s services, including travel expense reimbursement solutions for businesses).

7 See Motus, 23 F.4th at 120 (acknowledging Motus’s alleged proprietary rights). Prior to its organization as Motus, LLC, Motus was known as “Corporate Reimbursement Services, Inc.,” and trademarked that phrase to protect it from infringement and dilution. See Motus, LLC v. CarData Consultants, Inc., 520 F. Supp. 3d 87, 89 (D. Mass. 2021); Motus, 23 F.4th at 126 (quoting Borinquen Biscuit Corp. v. M.V. Trading Corp., 443 F.3d 112, 116 (1st. Cir. 2006)) (noting trademark infringement only requires “that the mark merits protection and that the allegedly infringing use is likely to result in consumer confusion.”); see also “Corporate Reimbursement Services,” Google.com, https://perma.cc/9WMS-8MPX (last visited Nov. 6, 2022) [hereinafter Corporate Reimbursement Services] (showing Corporate Reimbursement Services, Inc. as first search hit when searching trademarked phrase); Alexander Culafi, Motus: A Better Way to Reimburse, VENTUREFIZZ, https://perma.cc/C9GA-KS8A (last visited Nov. 6, 2022) (explaining Motus’s corporate history as Corporate Reimbursement Services).

8 See Motus, 23 F.4th at 119-20 (outlining alleged ‘meta title’ infringement). “A ‘meta title’ comprises [of] the text that appears on a browser tab or in the headline for a web search result.” Id. at 119 n.1. Motus alleged that by using “Corporate Reimbursement Services” in their meta title, CarData infringed a mark which Motus had invested time and effort to develop. See Motus, 520 F. Supp. 3d at 89 (describing Motus’s cause of action as trademark infringement); see generally Corporate Reimbursement Services (demonstrating Motus’ use of Corporate Reimbursement Services as meta title).

9 See Motus, 23 F.4th at 120-21 (listing Motus’s alleged bases for personal jurisdiction based on CarData’s online services offered). Such allegations include “CarData is North America’s reliable source . . . ,” inviting users to “Get a Free Consultation,” and “[w]ith offices in Denver, New York[,] and Toronto, CarData clients range across industries . . . .” Id. at 120.
website infringed upon Motus’s trademark, and requested that CarData remove the phrase from the website.10 Despite CarData adhering to this request, Motus filed suit in the United States District Court for the District of Massachusetts, asserting several causes of action based on CarData’s alleged trademark infringement.11

CarData moved to dismiss Motus’s complaint for lack of personal jurisdiction, arguing the complaint failed to plead sufficient facts to support the exercise of personal jurisdiction.12 Motus responded that because CarData purposefully solicited business from Massachusetts customers through their website, CarData purposefully availed itself of Massachusetts’ laws and protections.13 However, Motus did not proffer any evidence showing that CarData targeted Massachusetts specifically nor that they had any customers in Massachusetts.14 In the alternative, Motus argued that it was not necessary to demonstrate CarData be bound by personal jurisdiction in Massachusetts because CarData had made sufficient minimum contacts with the United

10 See id. at 120 (noting procedural posture prior to commencement of suit).
11 See id. (outlining causes of action). On November 5, 2019, Motus requested that CarData remove the trademarked phrase; within three days, CarData complied with Motus’s request. Id. Motus invoked the Lanham Act, 15 U.S.C. §§ 1051-1129, arguing that because of CarData’s use of the trademarked phrase, Motus suffered damages from trademark infringement, dilution, and unfair competition. See id. The Lanham Act provides a national system of trademark registration and protects the owner of a federally registered mark against the use of similar marks. See 15 U.S.C. §§ 1051 et seq. (establishing federal trademark procedures and statutory requirements). For a mark to be eligible for trademark protection, it must both be used in commerce and distinctive. See 15 U.S.C. § 1051(a)(3) (listing requirements for trademark registration).
12 See Motus, 23 F.4th at 120 (describing CarData’s motion to dismiss for lack of personal jurisdiction). In addition to moving to dismiss on personal jurisdiction grounds, CarData also argued that the trademarked phrase is too generic to trademark, and as such, Motus failed to state a claim on which relief could be granted. See id.; see also Motus, 520 F. Supp. 3d at 89-90 (alleging Motus lacks federal, state, or common law rights in its trademark). However, the lower court dismissed the complaint for lack of personal jurisdiction, and thus, failed to conclude whether Motus stated a claim on which relief could be granted. See id. at 94. CarData argued in their motion to dismiss that the availability of the website in Massachusetts alone was insufficient to establish personal jurisdiction, and that the website’s use of descriptive words encouraging customer interaction was the only purposeful conduct of CarData alleged in the complaint. See Motus, 23 F.4th at 120.
13 See Motus, 23 F.4th at 120 (stating Motus’s argument that CarData’s online marketing to United States and Massachusetts constitutes personal jurisdiction). According to Motus, CarData’s website stated that they are “North America’s reliable source for ‘best in class’ vehicle reimbursement solutions.” Id. CarData’s website allegedly enables customers to directly enter information and instantly have a reimbursement value. See id. at 120-21. The website invites customers to request a demonstration directly, at which point CarData will contact the customer. See id. Motus further claimed that in addition to being available in Massachusetts, CarData’s website did nothing to disclaim that it was not intended to solicit business from Massachusetts residents. See id. at 121.
14 See Motus, 520 F. Supp. 3d at 93 (“Nothing in the record shows that CarData . . . targeted Massachusetts residents specifically . . . [n]or is there any evidence that CarData has acquired any revenue from Massachusetts residents, at all, let alone in a substantial sum.”). Ultimately, the district court stated the plaintiff must be the party to proffer evidence demonstrating purposeful availment. See id. at 92.
States as a whole to establish personal jurisdiction.\textsuperscript{15} The district court rejected Motus’s allegation of personal jurisdiction, holding that there must be something more than mere availability of a website in the forum state to exercise personal jurisdiction in Internet commerce cases.\textsuperscript{16}

Originally, to be subject to personal jurisdiction in a forum state, a defendant had to physically reside in, voluntarily appear in, or own attached property in the forum state.\textsuperscript{17} However, mid-twentieth century jurisprudence introduced doctrines of specific and general jurisdiction, which created a personal jurisdiction test based on reasonableness.\textsuperscript{18} For a court to exercise specific personal jurisdiction, a defendant must purposefully avail themselves of the jurisdiction, and the defendant’s contacts with the forum state must be intentional.\textsuperscript{19} When exercising specific personal jurisdiction, it is

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\textsuperscript{15} See Motus, 23 F.4th at 126-27 (stating Motus’ alternate basis for asserting personal jurisdiction as sufficient minimum contacts with United States). According to Rule 4(k)(2) of the Federal Rules of Civil Procedure, if a plaintiff certifies that a defendant is subject to federal jurisdiction, the burden shifts to defendant to prove either (a) that there is a state in which the defendant is subject to personal jurisdiction, or (b) that the defendant’s contacts with the United States as a whole are insufficient to satisfy the applicable constitutional requirements. See id. at 127; see Fed. R. Civ. P. 4(k)(2) (establishing statutory requirement which triggers burden-shifting framework).

\textsuperscript{16} See Motus, 520 F. Supp. 3d at 92 (reasoning “there is not ‘something more’ connecting CarData to [Massachusetts] beyond its website which is available to anyone with [I]nternet access, in any state.”).

\textsuperscript{17} See Pennoyer v. Neff, 95 U.S. 714, 733 (1877) (holding personal jurisdiction required to satisfy due process). When the personal liabilities of a defendant are at stake, the defendant must either be brought within the court’s “jurisdiction by service of process within the State, or [by the defendant’s] voluntary appearance.” Id. When the action is in rem, meaning that it involves the disposition of a piece of property, the existence of the disputed property in the forum state creates personal jurisdiction in the matter. See id. at 734.

\textsuperscript{18} See Int’l Shoe Co. v. Wash., 326 U.S. 310, 317 (1945) (“[The] demands [of due process] may be met by such contacts of the corporation with the state of the forum as make it reasonable . . . .”). When a party is not present in the forum state, that party must have “certain minimum contacts” with that forum to be subject to personal jurisdiction. See id. at 316; see also Ford Motor Co. v. Mont. Eighth Jud. Dist. Ct., 141 S. Ct. 1017, 1024 (2021) (citing Goodyear Dunlop Tires Operations, S.A. v. Brown, 564 U.S. 915, 919 (2011)) (“A state court may exercise general jurisdiction only when a defendant is ‘essentially at home’ in the State.”).

\textsuperscript{19} See Chen v. U.S. Sports Acad., Inc., 956 F.3d 45, 59 (1st Cir. 2020) (establishing defendant’s contact must be intentional). The First Circuit held that to establish purposeful availing, “the plaintiff’s claim must directly arise from or relate to the defendant’s activities in the forum.” Id. Additionally, those activities “must ‘represent a purposeful availing of the privilege of conducting activities in [the forum] state.’” Id. (quoting Scottsdale Cap. Advisors Corp. v. Deal, LLC, 887 F.3d 17, 20 (1st Cir. 2018)); see also World-Wide Volkswagen Corp. v. Woodson, 444 U.S. 286, 298 (1980) (holding unilateral action of plaintiff insufficient for specific personal jurisdiction). A plaintiff may not be the party who establishes the defendant’s contact with a state; for example, a plaintiff independently driving a car made by the defendant into the forum state is not the defendant purposefully availing themselves of said forum. See World-Wide Volkswagen Corp., 444 U.S. at 298 (noting defendant must establish his or her own contacts with forum State). Even when the independent action of the plaintiff is a known and foreseeable risk, it must be the defendant who makes intentional contact with the forum state. See id. at 296.
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insufficient for a defendant to simply have contacts with the forum; instead, disputes must arise out of or relate to the contacts.\(^{20}\) Finally, the personal jurisdiction analysis looks to reasonableness, and courts have specifically declined personal jurisdiction based on reasonableness in situations involving stream-of-commerce personal jurisdiction.\(^{21}\)

In modern litigation, personal jurisdiction is not a black-letter rule.\(^{22}\) Instead, there is substantial room for interpretation, and no single rule or standard can govern the exercise of personal jurisdiction.\(^{23}\) When invoking

\(^{20}\) See Burger King Corp. v. Rudzewicz, 471 U.S. 462, 472 (1985) (requiring predictability of being haled into court through intentional contact in a state). A defendant must purposefully direct conduct or contacts at a state or a state’s residents, and the injuries alleged in the litigation must “arise out of or relate to” those activities . . . .” Id. at 472 (quoting Helicopteros Nacionales de Colom., S.A. v. Hall, 466 U.S. 408, 414 (1984)). Therefore, if the alleged contacts with the forum state are wholly unrelated to the resulting injury, specific personal jurisdiction is improper. See Shaffer v. Heitner, 433 U.S. 186, 218 (1977) (Stevens, J., concurring) (noting a party needs to have “fair warning that a particular activity may subject a person to the jurisdiction of a foreign sovereign.”).

\(^{21}\) See Tanya J. Monestier, Where is Home Depot “At Home”?; Daimler v. Bauman and the End of Doing Business Jurisdiction, 66 HASTINGS L.J. 233, 262 (2014) (noting two-prong test of sufficient contacts and reasonableness for personal jurisdiction); Asahi Metal Indus. Co. v. Super. Ct. of Cal., 480 U.S. 102, 116 (1987) (resolving case on reasonableness factors, rather than purposeful availment). In Asahi, the Supreme Court of the United States declined to address whether stream-of-commerce amounted to personal jurisdiction and decided the question based on reasonableness factors alone, because this issue involved a large burden on an international defendant and California while the plaintiff only had “slight interests” in asserting jurisdiction over the defendant in California. Asahi, 480 U.S. at 116. When deciding whether it is reasonable to exercise personal jurisdiction over a nonresident defendant, a court must weigh:

1. the extent of the defendants’ purposeful interjection into the forum state’s affairs;
2. the burden on the defendant of defending in the forum;
3. the extent of conflict with the sovereignty of the defendants’ state;
4. the forum state’s interest in adjudicating the dispute;
5. the most efficient judicial resolution of the controversy;
6. the importance of the forum to the plaintiff’s interest in convenient and effective relief; and
7. the existence of an alternative forum.

Core-Vent Corp. v. Nobel Indus. AB, 11 F.3d 1482, 1487-88 (9th Cir. 1993) (outlining reasonableness factors). The existence or lack thereof of any one factor is not dispositive; rather, a court must consider all factors. See id. at 1488. Nonetheless, in determining reasonableness, it could be argued if remote activities give rise to the suit, the burden on the defendant is diminished. See Jenny Bagger, Note, Dropping the Other Shoe: Personal Jurisdiction and Remote Technology in the Post-Pandemic World, 73 HASTINGS L.J. 861, 909 (2021) (noting “remote activities give rise to a cause of action in a faraway forum,” but “remote technology also makes it easier for these defendants to defend these suits.”).


\(^{23}\) See id. (noting fact-sensitive nature of personal jurisdiction analyses). In Kulko, the Supreme Court acknowledged that the exercise of personal jurisdiction must be determined on a case-by-case basis:

Like any standard that requires a determination of “reasonableness,” the “minimum contacts” test of International Shoe is not susceptible of mechanical application; rather, the
federal question jurisdiction, a defendant’s contacts must only be sufficient with the United States as a whole. If a person or corporation intentionally acts in a way that affects someone in a distant state, they may be haled into that state to answer for the damages that resulted from their actions. A circuit split has developed around advertisements placed in national newspapers—while some courts hold that an individual’s or corporation’s advertisements in national publications, without more, do not constitute purposeful availment, other courts find that these advertisements establish an intent to reach the national market.

Id. (citation omitted).

See 28 U.S.C. § 1331 (authorizing original jurisdiction in federal question cases). A federal district court has “original jurisdiction of all civil actions arising under the Constitution, laws, or treaties of the United States.” Id.; see also U.S. Const. art. I, § 8, cl. 8 (noting federal government controls intellectual property regulation); Fed. R. Civ. P. 4(k)(2) (“For a claim that arises under federal law, serving a summons or filing a waiver of service establishes personal jurisdiction over a defendant if . . . the defendant is not subject to jurisdiction in any state’s courts of general jurisdiction . . . .”). United States v. Swiss Am. Bank, Ltd., 274 F.3d 610, 618 (1st Cir. 2001) (holding in federal question cases “a plaintiff need only show that the defendant has adequate contacts with the United States as a whole, rather than with a particular state.”).

See Keeton v. Hustler Mag., Inc., 465 U.S. 770, 773 (1984) (“Respondent’s regular circulation of magazines in the forum State is sufficient to support an assertion of jurisdiction . . . .”). When a defendant purposefully aims tortious conduct at a victim in a specific forum state, that defendant is subject to personal jurisdiction in the forum where the victim resides, even if the defendant was never physically present there. See Calder v. Jones, 465 U.S. 783, 789 (1984) (announcing “intentional, and . . . tortious, actions . . . expressly aimed at” state resident satisfies personal jurisdiction requirements). A defendant is subject to personal jurisdiction when the plaintiff has suffered from the effects of their tortious conduct in a forum state. See id. at 789-90. A victim does not have to travel to the home forum of the defendant when they are injured elsewhere. See id. at 790. Several Courts of Appeals have held, including the First Circuit in dicta, that while actual knowledge under Calder is not required, the Calder effects test is proper if a defendant should have known that their tortious conduct would reach a defendant in a distant state. See MCA Recs., Inc. v. Charly Recs. Ltd., No. CIV. 95–56250, 1997 WL 76173, at *8 (9th Cir. Feb. 21, 1997) (“[Defendants] should have known that their licensing of the [product] and trademarks would result in infringing products being distributed in the United States.”); First Am. First, Inc. v. Nat’l Ass’n of Bank Women, 802 F.2d 1511, 1517 (4th Cir. 1986) (explaining defendant knew or should have known its actions would lead to “the greatest injury . . . in the state in which [the plaintiff] resided and conducted his business.”).

Advances in technology, namely the Internet, spark new problems within the law on personal jurisdiction. However, the Supreme Court of the United States has declined to address the issues arising from the Internet’s broad reach. Given the Court’s lack of a finite answer, trademark disputes on the Internet present a new challenge in establishing personal jurisdiction, with courts using novel tests, such as the Zippo Mfg. v. Zippo Dot Com29 sliding scale test, to reach different conclusions on similar websites. In addition to the Zippo test, courts have utilized the Calder effects test to determine the outcome of trademark disputes based on websites.31 Intent or

27 See Hanson v. Denckla, 357 U.S. 235, 250-51 (1958) (“As technological progress has increased the flow of commerce between [s]tates, the need for jurisdiction over nonresidents has undergone a similar increase.”). As a result of the increased reach of commerce via technology, the “requirements for personal jurisdiction . . . have evolved from the rigid rule of [Pennoyer] to the flexible standard of [International Shoe].” Id. at 251 (citations omitted). Increased communication and transportation have similarly lowered the defendant’s burden of appearance in a distant forum. Id. at 251; see also McGee v. Int’l Life Ins. Co., 355 U.S. 220, 223 (1957) (“[M]odern transportation and communication have made it less burdensome for a party sued to defend himself . . .”). Since the time of Hanson and McGee, modern communication, including Voice Over Internet Protocol (VoIP) and Services Over Internet Protocol (SoIP) systems, has allowed litigation involving distant defendants to occur with a substantially lower burden than what courts required in the 1950s. See Danielle Keats Citron, Minimum Contacts in a Borderless World: Voice Over Internet Protocol and the Coming Implosion of Personal Jurisdiction Theory, 39 U.C. Davis L. Rev. 1481, 1501 (2006) (explaining decreased defense burden resulting from technological advances); see also Dan L. Burk, Jurisdiction in a World Without Borders, 1 VA. J. L. & TECH. 3, 34 (1997) (noting International Shoe has not “produced recognizably coherent results” in Internet trademark disputes).

28 See Walden v. Fiore, 571 U.S. 277, 290 n.9 (2014) (declining to address effects of Internet). The issue of the effect of the Internet was not necessary to dispose of the appeal in Walden, and consequently, the Supreme Court chose not to address it. See id.


30 See id. at 1124 (creating sliding scale test for personal jurisdiction in trademark disputes). Traditional personal jurisdiction tests do not work well for trademark disputes. See id. at 1123. A sliding scale based on interactivity allows for the exercise of personal jurisdiction without offending constitutional safeguards. See id. at 1124. At one end exists passive websites simply presenting information, while on the opposite end are websites allowing businesses and consumers to actively conduct business back and forth over the Internet. See id.; see also Dennis T. Yokoyama, You Can’t Always Use the Zippo Code: The Fallacy of a Uniform Theory of Internet Personal Jurisdiction, 54 DePaul L. Rev. 1147, 1149 (acknowledging Zippo test as most influential Internet personal jurisdiction test); Inet Sys. Inc. v. Instruction Set, Inc., 937 F. Supp. 161, 165 (D. Conn. 1996) (finding personal jurisdiction when defendant directed advertising towards all states, solicited business in forum state); Robert J. Condlin, “Defendant Veto” or “Totality of the Circumstances”? It’s Time for the Supreme Court to Straighten Out the Personal Jurisdiction Standard Once Again, 54 Cath. U. L. Rev. 53, 133 (2004) (noting “overwhelming margin” of courts apply Zippo test). The Fourth and Fifth Circuit Court of Appeals, as well as several United States District Courts, have adopted Zippo. See Condlin, supra at 133 n.500. But see Bensusan Rest. Corp. v. King, 937 F. Supp. 295, 301 (S.D.N.Y. 1996) (holding no personal jurisdiction when website only provided basic information), aff’d, 126 F.3d 25 (2d Cir. 1997).

knowledge is not required in trademark infringement; the aggrieved party may obtain injunctive relief, regardless of damages suffered. If a defendant directs their Internet efforts at the United States as a whole, exercise of personal jurisdiction is reasonable under the Fifth Amendment.

In Motus, Motus argued that the district court made four errors in granting CarData’s motion to dismiss. Addressing the alleged errors uses a passive website to capitalize on the value of a plaintiff’s trademark, the effects of the defendant’s actions should make personal jurisdiction permissible. See Michael A. Geist, Is There a There There? Toward Greater Certainty for Internet Jurisdiction, 16 BERKELEY TECH. L.J. 1345, 1376 (2001) (evaluating criticisms of Zippo test). Geist argued that while the Zippo sliding scale has been applied broadly, personal jurisdiction requires “something more” than mere interactivity. See id. That “something more,” however, can be the effects doctrine, meaning the effect that defendant has based on their relationship with the forum. See id. at 1375-76.

Any person who shall, without the consent of the registrant – use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive . . . shall be liable in a civil action.

Id. However, trademark infringements can happen anywhere, and with the advent of the Internet, infringement can occur “all over the world, across borders, and in every jurisdiction.” Yelena Simonuk, Article, The Extraterritorial Reach of Trademarks on the Internet, 2002 DUKE L. & TECH. REV. 9, 11 (2002) (noting extraterritorial considerations for trademark infringement). Because each nation has its own governing trademark law and protections, United States trademark protections may not be effective internationally. See id. at 10 (noting difficulty with nations’ differing trademark laws). But see Anna R. Popov, Note, Watering Down Steele v. Bulova Watch Co. to Reach E-Commerce Overseas: Analyzing the Lanham Act’s Extraterritorial Reach Under International Law, 77 S. CAL. L. REV. 705, 705-06 (2004) (noting commonality of extraterritorial application of Lanham Act).

See Plixer Int’l, v. Scrutinizer GmbH, 905 F.3d 1, 10 (1st Cir. 2018) (holding website creating business in forum sufficient for personal jurisdiction). A website has sufficient contacts to exercise personal jurisdiction when it does not indicate that it is not intended to serve United States customers, fails to implement measures to restrict access in the United States, and generates substantial business in the United States. See id. at 8-9. If a defendant purposefully serves the United States market through a website and has a substantial income from that market, then that defendant can reasonably anticipate that it may be haled into a United States court. See id. at 10; see also United States v. Swiss Am. Bank, Ltd., 274 F.3d 610, 618 (1st Cir. 2001) (holding federal question cases require contacts with United States, not forum state, for personal jurisdiction).

See Motus, LLC v. CarData Consultants, Inc, 23 F.4th 115, 122-23 (1st Cir. 2022) (introducing four issues on appeal). Motus first alleged that the district court erred in not requiring CarData to prove the lack of contacts with Massachusetts. See id. Second, Motus alleged that the court erred in its conclusion that it had not made a sufficient prima facie case for personal jurisdiction in Massachusetts. See id. at 123. Third, Motus alleged that personal jurisdiction existed under FED. R. CIV. P. 4(k)(2). See id. Fourth, Motus alleged that the district court should have allowed it to seek jurisdictional discovery to prove the existence, or lack thereof, of CarData’s presence in Massachusetts. See id. Motus further alleged that the district court erred in not allowing leave to amend the complaint. See id. at 123. However, Motus only requested leave to amend the motion to dismiss for failure to state a claim, not for the motion to dismiss for lack of personal jurisdiction, and thus, could not contest that issue on appeal. See id. at 123 n.4.
sequentially, the First Circuit initially turned to Motus’s charge that the district court should have required CarData to prove its lack of contacts with Massachusetts. While a plaintiff does not need to provide a factual basis sufficient to establish personal jurisdiction in a complaint, the plaintiff must do so if their complaint is challenged by a motion to dismiss. In failing to produce any factual basis for personal jurisdiction once challenged by CarData’s motion to dismiss, the burden did not shift to CarData to prove the negative.

Second, Motus argued that the court erred in not finding that they made a prima facie showing of personal jurisdiction because they satisfied the requirements of personal jurisdiction: a plaintiff must show that the defendant purposefully availed themselves of the forum state, that the purposeful availment was related to the injury, and that in the totality of the circumstances, the exercise of personal jurisdiction was reasonable. Purposeful availment is the dispositive element in most personal jurisdiction analyses involving websites and the Internet. Motus argued two theories for CarData’s purposeful availment: (1) that CarData’s website amounted to servicing the Massachusetts population, or (2) in the alternative, CarData’s alleged trademark infringement was an intentional tort directed at a Massachusetts company.

The court reasoned that the mere presence of a website, without more, is insufficient to exercise personal jurisdiction, and dismissed Motus’s first theory of purposeful availment. In addressing Motus’s trademark

35 See id. at 123 (addressing Motus’s first alleged error).
36 See id. (noting plaintiff must prove personal jurisdiction once challenged). The court stated that “[i]t is the plaintiff’s obligation to proffer facts that adequately make out a case for jurisdiction before any burden devolves upon the defendant to proffer contrary facts.” Id. at 124. Motus’s assertion that CarData had the burden of proof created a record before the district court devoid of any factual basis to support personal jurisdiction, as Motus did not “ensure that the record contains . . . facts” that support exercising personal jurisdiction. See id. at 123.
37 See id. at 124 (dismissing Motus’s first alleged error by district court).
38 See id. at 124 (outlining specific personal jurisdiction test). The court noted that a plaintiff must further comply with a state’s long-arm statute, but it is not necessary to analyze long-arm statutes when the plaintiff fails to meet the constitutional due process requirements for personal jurisdiction. See id. at 122, 124 (explaining absence of long-arm statute analysis).
39 See Motus, 23 F.4th at 124 (noting dispositive element is typically purposeful availment). To purposefully avail themselves of a forum, a defendant must voluntarily conduct business in the forum state. See id. Notably, “[v]oluntariness demands that the defendant’s contacts with the forum result proximately from its own actions.” Id. (quoting Chen v. U.S. Sports Acad., Inc., 956 F.3d 45, 59 (1st Cir. 2020)). Further, purposeful availment requires foreseeability, meaning that the defendant must “reasonably anticipate being haled into court there.” Id. (quoting Burger King Corp. v. Rudzewicz, 471 U.S. 462, 474 (1985)).
40 See id. at 125 (explaining Motus’s two theories of purposeful availment).
41 See id. (dismissing Motus’s first purposeful availment theory). While CarData’s website may serve customers in Massachusetts and solicit potential customers to reach out to CarData to contract with them, Motus failed to produce any evidence that CarData targeted customers in Massachusetts, or had any customers in the forum. See id.
infringement argument, the court held that the test outlined in *Calder*, if applied to websites, would subject defendants to suits in states in which they had minimal, if any, contacts.\(^{42}\) Therefore, the court rejected Motus’s second avenue to purposeful availment.\(^{43}\) Additionally, Motus’s third argument that CarData was subject to jurisdiction under Rule 4(k)(2) of the Federal Rules of Civil Procedure was likewise rejected by the court when Motus failed to certify that CarData was not subject to general personal jurisdiction in any state.\(^{44}\) Motus’s fourth and final argument that the district court abused their discretion in denying jurisdictional discovery was quickly disposed of, as Motus failed to make a proper timely request for jurisdictional discovery and only requested such discovery in a single sentence while opposing CarData’s motion to dismiss.\(^{45}\) Throughout its opinion, the First Circuit respected traditional notions of personal jurisdiction but failed to address the challenges that the Internet imposes upon personal jurisdiction.\(^ {46}\)

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\(^{42}\) See id. at 126 (addressing intentional tort avenue for purposeful availment); see also Calder v. Jones, 465 U.S. 783, 789-90 (1984) (holding targeted attacks on forum resident supports personal jurisdiction). The court reasoned that to apply *Calder*, CarData would have had to have knowledge of Motus’s existence and given the lack of proof of CarData’s knowledge of Motus, *Calder* was inapplicable. See Motus, 23 F.4th at 126 (highlighting risk of using *Calder* approach for trademark issues).

\(^{43}\) See Motus, 23 F.4th at 126 (denying application of *Calder* to determine personal jurisdiction); see also *Calder*, 465 U.S. at 789-90 (holding targeted attacks on forum resident supported personal jurisdiction).

\(^{44}\) See Motus, 23 F.4th at 126-27 (analyzing FED. R. CIV. P. 4(k)(2) when certification absent); see also FED. R. CIV. P. 4(k)(2)(A) (allowing personal jurisdiction in federal question cases when “defendant is not subject to jurisdiction in any state’s courts of general jurisdiction.”); United States v. Swiss Am. Bank, Ltd., 274 F.3d 610, 618 (1st Cir. 2001) (requiring plaintiff to certify defendant not subject to general jurisdiction in any state).

\(^{45}\) See Motus, 23 F.4th at 127-28 (rejecting jurisdictional discovery argument). Denials of jurisdictional discovery are reviewed under an abuse of discretion standard, giving wide latitude to lower courts. See id. at 128. Given Motus’s failure to make a request for jurisdictional discovery that fully outlined which facts may be uncovered, the conclusion by the district court that jurisdictional discovery was improper was not “plainly wrong,” as required under an abuse of discretion test. Id.

\(^{46}\) See id. at 126 (declining intentional tort analysis under *Calder*). In *Motus*, the First Circuit applied traditional personal jurisdiction tests pursuant to *International Shoe* and *Burger King Corp.*, focusing on the voluntary nature of CarData’s contacts with Massachusetts. See id. at 124; see also Burger King Corp. v. Radzewicz, 471 U.S. 462, 480 (1985) (holding defendant must voluntarily contact forum state). Personal jurisdiction requires that the defendant’s contacts with a forum state cannot be random or attenuated, but in cases involving the Internet, the defendant voluntarily enters online commerce by the mere virtue of their posts on the Internet. See Burger King Corp., 471 U.S. at 475-76 (applying rule with nature of defendant’s activity); see also Inset Sys., Inc. v. Instruction Set, Inc., 937 F. Supp. 161, 165 (D. Conn. 1996) (holding continuous availability of advertisements constitutes purposeful availment to forum state). However, in cases involving the Internet, there is an increasing need to assess personal jurisdiction outside the bounds of traditional purposeful availment, which the First Circuit declined to do in *Motus*. See Motus, 23 F.4th at 125-26 (assessing whether defendant’s commercial operation amounts to purposeful availment); see
The Internet revolutionized commerce and communication, expanding a business’s consumer base from a small region to the entire worldwide market. The continued expansion of technology through the development of the Internet necessitates that personal jurisdiction undergoes a similar expansion. The Internet substantially complicates personal jurisdiction, as causes of action may arise from incidents with minimal to no financial gain, or in cases where a consumer and a business exchange funds without the business’s knowledge of the consumer’s location. Courts cannot extend personal jurisdiction to every website simply because the website is accessible in a forum state, but when a website actively solicits business in a forum state, exercise of personal jurisdiction becomes more reasonable. The exercise of personal jurisdiction also becomes increasingly reasonable based on the interactivity of the website: websites which only offer basic information differ from those that offer exclusively online services. Rather than...
analyze personal jurisdiction under tests and frameworks created long before the Internet existed, the First Circuit in Motus should have accounted for the broadening reach of commerce via the Internet in the last decade.\footnote{See Yokoyama, supra note 30, at 1154-55 (stating Internet precursor founded in 1969, and modern Internet developed in 1980s and 1990s). Given that International Shoe, World-Wide Volkswagen, and Burger King were decided in 1945, 1980, and 1985, respectively, all three traditional personal jurisdiction tests arose before the advent of the modern Internet in the 1980s and 1990s. See id. at 1153-55, 1163, 1167; Zippo, 952 F. Supp. at 1123 (describing issue with traditional personal jurisdiction in Internet disputes); Geist, supra note 31, at 1393 (noting Internet activities not bound to traditional geographic boundaries).}

By declining to exercise personal jurisdiction in Motus, the First Circuit retreated from prior case law exercising personal jurisdiction over defendants who voluntarily served United States customers via the Internet.\footnote{See Motus, 23 F.4th at 125 (distinguishing prior case law where court found personal jurisdiction); see Plixer Int’l v. Scrutinizer GmbH, 905 F.3d 1, 9 (1st Cir. 2018) (“[Defendant] made a globally accessible website and U.S. customers used that website to purchase and pay for [Defendant’s] service . . . [Defendant] knew that it was serving U.S. customers and took no steps to limit its website’s reach . . . .”). In Plixer, the First Circuit utilized Keeton to hold that when a defendant exploits a forum market, exercising personal jurisdiction is proper. See id. at 11; see also Keeton v. Hustler Magazine, Inc., 465 U.S. 770, 781 (1984) (“Where . . . [defendant] has continuously and deliberately exploited the [forum] market, it must reasonably anticipate being haled into court there . . . .”). When a corporation’s regular course of sale is in the forum, it is foreseeable to be haled into court. See Chen v. U.S. Sports Acad., Inc., 956 F.3d 45, 59 (1st Cir. 2020) (assessing voluntariness of contacts and foreseeability).}


\textit{Calder} subjects defendants who are aware, or should be aware, that their actions may injure parties in distant states.\footnote{See Calder, 465 U.S. at 789-90 (holding knowingly targeting individual in distant state sufficient to establish personal jurisdiction). In Motus, the First Circuit rejected Calder, finding that “[t]here is nothing in the record showing that CarData knew that Motus existed.” Motus, 23 F.4th at 126. However, CarData’s lack of actual knowledge does not necessarily control; the fact that CarData should have known is sufficient under Calder. See MCA Recs. v. Charly Recs. Ltd., No. CIV.95-56250, 1997 WL 76173, at *8 (9th Cir. Feb. 21, 1997) (acknowledging sufficiency of “should have known” for Calder); see also Geist, supra note 31, at 1402 (highlighting jurisdictional knowledge implied in Internet cases).} Had CarData performed an Internet search of the phrase “Corporate Reimbursement Services,” it would have found that Motus was previously known as “Corporate Reimbursement Services” and should have known that Motus existed.\footnote{Had CarData performed an Internet search of the phrase “Corporate Reimbursement Services,” it would have found that Motus was previously known as “Corporate Reimbursement Services” and should have known that Motus existed.}
Services, Inc.,” and likely would realize that Motus still utilized the phrase.\textsuperscript{56} CarData knew, or should have known, that their use of the trademarked phrase would dilute Motus’s brand in Massachusetts, and under \textit{Calder}, this alleged tortious conduct is sufficient to satisfy personal jurisdiction.\textsuperscript{57} For cases involving trademark disputes on the Internet, an effect-based test like that in \textit{Calder} is essential for providing greater clarity and certainty.\textsuperscript{58}

Analysis under \textit{Calder} requires minimum contacts and purposeful availment without offending traditional notions of fair play and substantial justice.\textsuperscript{59} Application of the \textit{Calder} test would have required the First Circuit to analyze personal jurisdiction from a reasonableness perspective.\textsuperscript{60} The first factor of the reasonableness requirement, the extent of purposeful interjection, would likely weigh in CarData’s favor as their interjection into the forum, although sufficient under \textit{Calder}, is slight.\textsuperscript{61} With the advances in technology, CarData’s burden to defend the suit in Massachusetts is minuscule, weighing the second factor in Motus’s favor.\textsuperscript{62} Further, it is unlikely there is conflict with any other state sovereignty, since the suit arose under

\textsuperscript{56} See Motus, LLC v. CarData Consultants, Inc., 520 F. Supp. 3d 87, 89 (D. Mass. 2021) (describing Motus’s corporate history); see also Corporate Reimbursement Services, supra note 7 (showing search results of trademarked phrase). A brief Google search shows that the top six results for “Corporate Reimbursement Services” are associated with Motus or its predecessor. Corporate Reimbursement Services, supra note 7; see also Culafi, supra note 7 (explaining Motus’s corporate history as Corporate Reimbursement Services, Inc.).

\textsuperscript{57} See \textit{Calder}, 465 U.S. at 789 (reasoning intentional actions aimed at plaintiff’s home state sufficient to exercise jurisdiction).

\textsuperscript{58} See Geist, supra note 31, at 1404 (concluding all Internet companies and consumers benefit from \textit{Calder}-like test). Consumers benefit from a \textit{Calder} test, as they can hold companies accountable within their local jurisdiction while still allowing companies to accurately assess risk and protect themselves by limiting geographical access to their website. \textit{See id.} at 1404-05. Current technology allows companies to restrict geographical access to their website based on user identification. \textit{See id.} at 1393; \textit{see also Plixer Int’l}, 905 F.3d at 8 (noting companies can limit geographical access to website).

\textsuperscript{59} See \textit{Calder}, 465 U.S. at 789 (reaffirming application of jurisdictional standards established in \textit{International Shoe}).

\textsuperscript{60} See Asahi Metal Indus. Co. v. Super. Ct. of Cal., 480 U.S. 102, 116 (1987) (requiring reasonableness in assessing personal jurisdiction); \textit{see also Core-Vent Corp. v. Nobel Indus. AB}, 11 F.3d 1482, 1487-88 (9th Cir. 1993) (listing seven reasonableness factors for personal jurisdiction). No one factor of the seven reasonableness factors is dispositive; all seven must be weighed. \textit{See Core-Vent Corp.}, 11 F.3d at 1488.

\textsuperscript{61} See \textit{Core-Vent Corp.}, 11 F.3d at 1488 (noting sliding scale approach to contacts for purposeful availment and reasonableness). While CarData would satisfy purposeful availment under \textit{Calder}, the volume of their contacts with Massachusetts are unknown. \textit{See Motus}, 23 F.4th at 125.

\textsuperscript{62} See \textit{Bagger}, supra note 21, at 909 (explaining decreased burden to defend distant suits due to modern technology). Remote technology, which is heavily relied upon since the COVID-19 pandemic, makes the burden of defending in distant forums substantially lower. \textit{See id.} at 872, 909.
the Lanham Act and CarData is a Canadian corporation, meaning the third
dfactor weighs in Motus’s favor as well.63

The United States has a strong interest in protecting the intellectual
property of American companies from dilution and infringement, and as
such, the fourth reasonableness factor favors Motus.64 The efficient resolu-
tion of the dispute also favors Motus, as Motus’s mark would not be pro-
tected in CarData’s home jurisdiction of Canada.65 Furthermore, the alter-
native of Motus litigating outside Massachusetts does not comport with the
effects-based principle behind Calder which says it is unjust to require a
plaintiff who is injured in one state by the actions of a defendant in a distant
state to travel across the country, or in Motus’s case, potentially internation-
ally, to seek redress.66 Finally, it is unlikely that an alternative forum exists;
though CarData, at the time of suit, had offices in Colorado and New York,
they were “essentially at home” in Toronto, a jurisdiction where Motus’s
trademark is inapplicable.67 Consequently, the reasonableness factors weigh
heavily in Motus’s favor to exercise personal jurisdiction in the District of
Massachusetts.68 Instead of relying on outdated notions of personal jurisdic-
tion, the First Circuit should have implemented an effect-based doctrine be-
cause changes in technology necessitate change in personal jurisdiction anal-
ysis.69

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CarData is a Canadian corporation with a principal place of business in Toronto, Ontario. See id.;

64 See Simonyuk, supra note 32, at 6 (stating Lanham Act protects parties from misuse of
protected trademarks); see also U.S. CONST. art. I, § 8, cl. 8 (proclaiming Congress’s exclusive
control of intellectual property regulation and legislation).

65 See Asahi, 480 U.S. at 115 (reasoning courts interpreting other nations’ laws is inefficient);
see also Simonyuk, supra note 31, at 10 (noting United States intellectual property protections may
not be protected in foreign nations).

66 See Motus, 23 F.4th at 120 (noting Motus headquartered in Massachusetts); see also Calder
ably anticipate being haled into court there’ to answer for the truth of the statements made in their
article.” Calder, 465 U.S. at 790.

67 See Motus, 23 F.4th at 127 n.7 (acknowledging CarData’s United States offices); see also
generate exercise general jurisdiction only when a defendant is ‘essentially at home’ in the State.”) (internal
quotations omitted). A corporation is “essentially at home” in its place of incorporation and prin-
cipal place of business. See Ford Motor Co., 141 S. Ct. at 1024 (explaining requirement for general
jurisdiction). CarData was incorporated in Canada and had a principal place of business in Toronto,
and as such, is not “essentially at home” anywhere in the United States. See Motus, 23 F.4th at 120
(describing lack of general jurisdiction based on where Motus is domiciled).

68 See Core-Vent Corp. v. Nobel Indus. AB, 11 F.3d 1482, 1487-88 (9th Cir. 1993) (testing
reasonableness of personal jurisdiction with promulgated factors); see also Asahi, 480 U.S. at 116
(requiring reasonableness of personal jurisdiction in analyzing burdens of defendant).

69 See Hanson v. Deenkla, 357 U.S. 235, 250-51 (1958) (noting technological advancement
make personal jurisdiction expansion necessary); see also Geist, supra note 31, at 1404 (suggesting
The Internet is a vast communication medium that does not consider jurisdictional boundaries. With the advent of the Internet, the world has become ever increasingly interconnected, requiring courts to adapt to modern reality: traditional personal jurisdiction tests fail to effectively handle the total impact of the Internet on commerce. CarData knew, or should have known, that their use of a trademarked phrase would impact distant competitors and should not be able to hide behind personal jurisdiction to absolve them of liability for their actions solely because they do not have a brick-and-mortar presence in Massachusetts. An effect-based test applied to the Internet, like that created in *Calder*, creates a reliable structure for Internet companies to consult when operating their website within a forum, while still enabling companies to hold violators of their trademark rights accountable. Expanding personal jurisdiction analysis using an effect-based test protects consumers and corporations from the uncertainty surrounding the long-reaching effects of the Internet.

*Ian McReynolds*

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*Calder*-like test will remedy insufficiencies in current jurisdictional analyses. *See Motus*, 23 F.4th at 125-27 (holding Motus did not establish personal jurisdiction over CarData).