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As of: Aug 17, 2010

Mattel, Inc., Plaintiff, - against - Barbara Anderson, a/k/a Barbie Walley, Defendant.

04 Civ. 5275 (RCC)

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
NEW YORK

2005 U.S. Dist. LEXIS 14404

July 18, 2005, Decided
July 18, 2005, Filed

DISPOSITION: [*1] Defendant's motion granted.

CASE SUMMARY:

PROCEDURAL POSTURE: Defendant individual filed a motion, pursuant to Fed. R. Civ. P. 12(b)(2), to dismiss plaintiff corporation's complaint asserting claims under the Lanham Act for trademark infringement, 15 U.S.C.S. § 1114(a), trademark dilution, 15 U.S.C.S. § 1125(e), and cybersquatting, 15 U.S.C.S. § 1125(d).

OVERVIEW: Defendant was a resident of Calgary, Alberta, Canada and operated an adult retail store there. Defendant registered an Internet domain name and maintained a website. Plaintiff was a toy manufacturer organized under the laws of Delaware with its principal place of business in California. One month before plaintiff filed its complaint, its private investigator placed an order on defendant's website and had the goods shipped to him in New York. The court held that it did not have personal jurisdiction over defendant under N.Y. C.P.L.R. 302(a)(1) because the investigator's purchase had nothing to do with plaintiff's action for infringement since he could not have claimed to have been confused as to with whom he was dealing. Defendant's single shipment of goods into New York was insufficient to establish personal jurisdiction since it was nothing more than an attempt by plaintiff to manufacture a contact with the forum. Defendant did not purposefully avail herself of the protections of the forum when it was an act of someone associated with plaintiff, rather than her web site advertising, that brought her products into the forum.

OUTCOME: The court granted defendant's motion to dismiss.

LexisNexis(R) Headnotes

Civil Procedure > Jurisdiction > Personal Jurisdiction & In Rem Actions > In Personam Actions > General Overview

Civil Procedure > Pleading & Practice > Defenses, Demurrers & Objections > Motions to Dismiss Evidence > Procedural Considerations > Burdens of Proof > General Overview

[HN1]To survive a defendant's motion to dismiss pursuant to Fed. R. Civ. P. 12(b)(2), a plaintiff bears the burden of demonstrating that the exercise of personal jurisdiction is appropriate.

Civil Procedure > Pleading & Practice > Defenses, Demurrers & Objections > Motions to Dismiss

[HN2]Prior to discovery, the court presumes the factual allegations contained in the complaint and affidavits are true and resolves all doubt in favor of the plaintiff.

Civil Procedure > Jurisdiction > Diversity Jurisdiction > Citizenship > General Overview

Civil Procedure > Jurisdiction > Personal Jurisdiction & In Rem Actions > In Personam Actions > General Overview

[HN3]Personal jurisdiction in a diversity case is determined by the law of the state in which the district court sits.

Civil Procedure > Jurisdiction > Personal Jurisdiction & In Rem Actions > Constitutional Limits
Civil Procedure > Jurisdiction > Personal Jurisdiction & In Rem Actions > In Personam Actions > General Overview

[HN4]The acts of a non-domiciliary defendant must be within the scope of New York's long-arm statute and the exercise of personal jurisdiction must comport with federal due process requirements.

Civil Procedure > Jurisdiction > Jurisdictional Sources > General Overview
Civil Procedure > Jurisdiction > Personal Jurisdiction & In Rem Actions > In Personam Actions > General Overview

[HN5]See N.Y. C.P.L.R. 302(a)(1).

Civil Procedure > Jurisdiction > Personal Jurisdiction & In Rem Actions > In Personam Actions > General Overview

[HN6]The contract prong of N.Y. C.P.L.R. 302(a)(1) extends jurisdiction to defendants who contract anywhere to supply goods or services in the state. N.Y. C.P.L.R. 302(a)(1) captures cases where there are minimal contacts in New York, and, for example, a contract is made elsewhere for goods to be delivered or services to be performed in New York. Thus, even if a defendant never enters the state to negotiate one of these contracts, to complete performance or for any other reason, the second prong of N.Y. C.P.L.R. 302(a)(1) can provide long-arm jurisdiction over a defendant who has minimal contacts with the state and who has entered a contract anywhere to supply goods or services in the state. If the non-domiciliary does not somehow project him or herself into New York to perform services in New York, however, there will be no personal jurisdiction.

Civil Procedure > Jurisdiction > Personal Jurisdiction & In Rem Actions > In Personam Actions > General Overview

[HN7]Where jurisdiction under N.Y. C.P.L.R. 302(a)(1) is based on a single transaction of business in which the defendant never entered New York, the plaintiff must demonstrate that the cause of action sued upon substantially relates to the underlying transaction of business. That is, plaintiff's claims must be directly and proximately related to the business transacted in New York,

and a cause of action which bears only a remote and indirect relationship to the New York transaction will not support jurisdiction.

COUNSEL: For Mattel, Inc., Plaintiff: Megan Leigh Martin, William Irvin Dunnegan, Perkins & Dunnegan, New York, NY.

For Barbara Anderson, also known as Barbie Walley, Defendant: Linda Joseph, Schroder Joseph and Associates, Buffalo, NY.

JUDGES: Richard Conway Casey, U.S.D.J.

OPINION BY: Richard Conway Casey

OPINION

MEMORANDUM & ORDER

RICHARD CONWAY CASEY, United States District Judge:

Before the Court is Defendant's motion to dismiss the complaint for lack of personal jurisdiction. For the reasons explained below, Defendant's motion is granted.

I. Background

Defendant Barbara Anderson, a/k/a Barbie Walley, is a resident of Calgary, Alberta, Canada and operates a small unique adult retail store there called Barbie's Shop. In January 2001, Defendant registered the Internet domain name "barbiesshop.com" and maintains a website at www.barbiesshop.com. Plaintiff Mattel is a toy manufacturer organized under the laws of Delaware, with its principal place of business in California. Mattel holds several trademarks relating to its Barbie doll products and accessories and hosts websites at www.barbie.com and www.barbieshop.com. Mattel asserts [*2] claims under the Lanham Act for trademark infringement, 15 U.S.C. § 1114(1)(a), trademark dilution, 15 U.S.C. § 1125(c), and cybersquatting, 15 U.S.C. § 1125(d).

II. Discussion

[HN1]To survive Defendant's motion to dismiss pursuant to Federal Rule of Civil Procedure 12(b)(2), Plaintiff bears the burden of demonstrating that the exercise of personal jurisdiction is appropriate. Bank Brussels Lambert v. Fiddler Gonzalez & Rodriguez, 171 F.3d 779, 784 (2d Cir. 1999). At this stage, [HN2]prior to discovery, the Court presumes the factual allegations contained in the complaint and affidavits are true and resolves all doubt in favor of the Plaintiff. CutCo Indus. Inc. v. Naughton, 806 F.2d 361, 365 (2d Cir. 1986). [HN3]Personal jurisdiction in a diversity case is deter-

mined by the law of the state in which the district court sits. Bank Brussels, 171 F.3d at 784 (citing Arrowsmith v. United Press Int'l, 320 F.2d 219, 222-25 (2d Cir. 1963)). Accordingly, [HN4] the acts of a non-domiciliary defendant must be within the scope [*3] of New York's long-arm statute and the exercise of personal jurisdiction must comport with federal due process requirements. *Id.*

Mattel claims that this Court's exercise of personal jurisdiction is appropriate under [HN5] N.Y. C.P.L.R. § 302(a)(1), which provides that "a court may exercise personal jurisdiction over any non-domiciliary . . . who in person or through an agent . . . transacts any business within the state or contracts anywhere to supply goods or services in the state." N.Y.C.P.L.R. § 302(a)(1). In support of this theory of personal jurisdiction, Mattel relies on a single sale from Defendant's website -- procured by its investigator -- which resulted in the shipment of goods to New York. On June 3, 2004, one month before Mattel filed the complaint in this action, its private investigator Michael Falsone placed an order on Defendant's website and had the goods shipped to him in New York. *See generally* Falsone Decl. On June 4, 2004, he received an email confirmation of his order. *See* Falsone Decl. P4 and Ex. C.

[HN6] The contract prong of § 302(a)(1) extends jurisdiction to defendants who "contract anywhere to supply goods [*4] or services in the state." N.Y.C.P.L.R. § 302(a)(1). "This provision captures cases where there are minimal contacts in New York, and, for example, a contract is made elsewhere for goods to be delivered or services to be performed in New York." Bank Brussels, 171 F.3d at 789 (noting provision was added in 1979 and citing legislative history). "Thus, even if a defendant never enters the state to negotiate one of these contracts, to complete performance or for any other reason, the second prong of § 302(a)(1) can provide long-arm jurisdiction over a defendant who has minimal contacts with the state and who has entered a contract anywhere to supply goods or services in the state." *Id.* (citing Island Wholesale Wood Supplies, Inc. v. Blanchard Indus. Inc., 101 A.D.2d 878, 476 N.Y.S.2d 192 (2d Dep't 1984)). If the non-domiciliary does not somehow project him or herself into New York to perform services in New York, however, there will be no personal jurisdiction. *Id.* at 789 (declining to exercise personal jurisdiction under § 302(a)(1) where Puerto Rican law firm performed all the relevant services in Puerto Rico and did not project itself [*5] into New York or purposefully avail itself of the privileges and benefits of performing services in New York).

Mattel has had some success with its strategy of using its private investigator to create circumstances giving rise to personal jurisdiction over alleged cybersquatters in the past. *See, e.g., Mattel, Inc. v. Adventure Apparel*,

2001 U.S. Dist. LEXIS 3179, No. 00 Civ. 4085 (RWS), 2001 WL 286728, at *3 (S.D.N.Y. March 22, 2001) (finding exercise of personal jurisdiction appropriate under § 302(a)(1) where defendant's sole contact with New York was sale of allegedly infringing merchandise to Mattel's investigator in New York); Mattel, Inc. v. Procount Bus. Servs., 2004 U.S. Dist. LEXIS 3895, No. 03 Civ. 7234 (RWS), 2004 WL 502190, at *2 (S.D.N.Y. March 10, 2004) (finding exercise of personal jurisdiction appropriate under § 302(a)(1) where investigator had single toy purchase on allegedly infringing website shipped to New York); *but see Mattel, Inc. v. Securenet Info. Servs. & 2857111 Can., Inc.*, 2001 U.S. Dist. LEXIS 6288, No. 99 Civ. 11813 (JSM), 2001 WL 521816, at *1 (S.D.N.Y. May 16, 2001) (declining to follow Mattel v. Adventure Apparel and refusing to exercise personal jurisdiction under CLPR § 302(a)(1) over internet service provider, [*6] whose sole contract of service in New York was with Plaintiff's investigator, who secured the account only after stating, falsely, that he would be moving to Canada in the future).

Mattel acknowledges that it is relying on a single transaction to sustain jurisdiction. [HN7] "Where jurisdiction under section 302(a)(1) is based on a single transaction of business in which the defendant never entered New York, the plaintiff must demonstrate that the cause of action sued upon 'substantially' relates to the underlying transaction of business." Mattel v. Securenet Info. Servs., 2001 U.S. Dist. LEXIS 6288, 2001 WL 521816, at *2. That is, Mattel's claims "must be directly and proximately related to the business transacted in New York," and a cause of action which bears only a remote and indirect relationship to the New York transaction will not support jurisdiction." *Id.* (quoting Sherwin v. Indianapolis Colts, Inc., 752 F. Supp. 1172, 1182 (N.D.N.Y. 1990)).

Mattel's claims in this action concern Defendant's alleged infringement of the Barbie trademark. Mattel's claims do not relate to a breach of contract between Falsone and Defendant. Falsone's purchase has nothing to do with Plaintiff's [*7] action for infringement since he cannot claim to have been confused as to with whom he was dealing. *See Mattel v. Securenet Info. Servs.*, 2001 U.S. Dist. LEXIS 6288, 2001 WL 521816, at *2 (finding contract to supply internet services was unrelated to plaintiff's trademark infringement claim); *see also Millennium Enters v. Millennium Music*, 33 F. Supp. 2d 907, 911 (D.Ore. 1999) (finding exercise of personal jurisdiction in infringement action inappropriate where sole contact with forum was a purchase solicited by an acquaintance of plaintiff's counsel and purchaser "knew exactly with whom she was dealing and knew that defendants were not associated in any way with plaintiff"). Accordingly, the Court finds Defendant's single shipment

of goods into this district insufficient to establish personal jurisdiction since it was "nothing more than an attempt by plaintiff to manufacture a contact with this forum Defendant[] cannot be said to have 'purposefully' availed [herself] of the protections of this forum when it was an act of someone associated with plaintiff, rather than [her] web site advertising, that brought [her] products into this forum." Millennium Enters., 33 F. Supp. 2d at 911. [*8]

III. Conclusion

For the reasons explained above, this Court does not have personal jurisdiction over the Defendant Barbara Anderson. Accordingly, Defendant's motion is granted. The Clerk of the Court is asked to close the case.

So Ordered: New York, New York

July 18, 2005

Richard Conway Casey, U.S.D.J.