UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION

GRAHAM SCHREIBER, Plaintiff, v. LORRAINE LESLEY DUNABIN, CENTRALNIC, LTD., NETWORK SOLUTIONS, LLC, VERISIGN, INC., INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS, and DEMAND MEDIA, INC., D/B/A/ ENOM, INC., BULKREGISTER, INC. Defendants.	No. 1:12-cv-00852-GBL-JFA

DEFENDANT CENTRALNIC LTD.'S REPLY
MEMORANDUM IN SUPPORT OF ITS MOTION TO DISMISS

This is a reply to the "Rebuttal" mailed via UPS by Graham Schreiber to the Motions to Dismiss filed by defendant, CentralNic, LTD. ("CentralNic") to Local Rule 7 of the Rules of the Eastern District of Virginia.

I. INTRODUCTION

As appears from his Rebuttal, Mr. Schreiber has no trademark rights in a relevant jurisdiction that would support his trademark-based claims and his contract claims are based on contracts to which he is not a party and has no cognizable beneficial interest.

His trademark claims are based on fundamental misconception of the law and his rights. He simply does not have trademark rights throughout the world because he has registered the

www.landcruise.com Internet address. The registration of the www.landcruise.com Internet address with Network Solutions for his Canadian business is not the registration of a trademark in the United States Patent and Trademark Office nor is it any sort of worldwide trademark registration that confers any rights other than the right to use the www.landcruise.com domain name in accordance with its agreement with Network Solutions. It certainly does not confer any rights or jurisdiction in the United States to bring frivolous, harassing trademark litigation against a resident of the United Kingdom concerning rights to a trademark in the United Kingdom or claims of contributory infringement against CentralNic and others based on those foreign claims.

Mr. Schreiber's non-Lanham Act claims are based on alleged violations of contracts between ICANN and other third parties, such as CentralNic, to which Mr. Schreiber is not a party. As a customer of a company that has contractual relations with another company, Mr. Schreiber derives no right to sue either party to the contract for alleged breaches. He is simply not a legal beneficiary to any such contract that he is not a party to.

In sum, Mr. Schreiber's Rebuttal simply confirms that he has not stated any claim upon which relief can be granted and this court has no jurisdiction over the claims alleged.

II. ARGUMENT

A. This Court Has No Jurisdiction over the Trademark Dispute Claimed between Schreiber, a Canadian Citizen, and a UK Resident over Use of a Trademark in the UK

In his Rebuttal, Mr. Schreiber again admits that his dispute is with Lorraine Dunabin, a UK citizen, who has registered the Landcruise mark in the United Kingdom and is the owner of trademark rights to Landcruise in the United Kingdom. (Rebuttal 4). Again, Mr. Schreiber

asserts that he is being harmed because "she has blocked me from RETURNING to the United Kingdom, my primary international market for consumers…." *Id.*

Clearly, this is a dispute between a UK citizen and a Canadian citizen over use and registration of a trademark in the United Kingdom. Therefore, the locus of their trademark dispute is outside the United States. "[T]he principal of territoriality is fundamental to trademark law. A trademark has a separate legal existence under each country." *Topps Co. v. Cadbury Stani S.A.I.C.*, 526 F3d 63, 70 (2d Cir. 2008) (holding "the legal effect of an assignment of a trademark in Argentina is not to be judged by U.S. trademark law, but by Argentinian law.").

The location of Ms. Dunabin and her trademark rights is crucial to determining whether the Lanham Act can be asserted extraterritorially over a citizen of the United Kingdom using a trademark in the United Kingdom. *See Tire Engineering and Distribution LLC v. Shandong Linhlong Rubber Co., Ltd.*, 682 F.3d. 292, 310 (4th Cir. 2012)*; see also Nintendo of America, Inc. v. Aeropower Co.,Ltd,* 34 F.3d 246, 250-251 (*4th Cir. 1994).* As the Fourth Circuit explained, extraterritorial application of the Lanham Act is only appropriate "only after consideration of the extent to which the citizenship of the defendant and the possibility of conflict with trademark rights under the relevant foreign law might make issuance of the injunction inappropriate in light of international comity concerns." *Nintendo*, 34 F.3d at 250-251.

Despite Mr. Schreiber's statements to the contrary, the citizenship of Lorraine Dunabin is not irrelevant. It is crucial to the question as to whether this Court has subject matter jurisdiction over Mr. Schreiber's claims. There is no dispute that Ms. Dunabin is a citizen of the United Kingdom and is the owner of a United Kingdom trademark registration for Landcruise. It is clear that a decision by this Court will conflict with existing law in the United Kingdom. The

Federal Court for the Eastern District of Virginia is not the appropriate forum for Mr. Schreiber to seek redress for his claims. Accordingly, the Complaint should be dismissed with prejudice for lack of subject matter jurisdiction.

B. Mr. Schreiber Has No Trademark Rights in a Relevant Jurisdiction

As CentralNic pointed out in its initial memorandum of law, at the minimum, Schreiber would have to have some trademark rights in the United States to assert claims of trademark infringement, dilution, and cybersquatting under the Lanham Act. In his Rebuttal, Mr. Schreiber makes clear that he has no such rights. (Rebuttal 2 and 4). Trademark rights require use of the mark in commerce. Schreiber makes no claim either in his initial pleadings or his Rebuttal that he is providing mobile home rental services in the United States under the Landcruiser mark.

While he makes the bald assertion that he is using the mark in United States commerce, the facts that he states belie that statement and show, rather, he merely does not understand the requirements for use in commerce that is recognized under the law of the United States. He provides no evidence or statements regarding the sale of goods or services under the Landcruise mark to consumers in the United States. Instead, he supports his claim of use in commerce by his registration of the domain name Landcruise.com with Network Solutions and the hosting of his website with Network Solutions. (Rebuttal 4). Neither of these is use of a trademark in commerce in the United States.

It has been long established that in the United States trademark rights are solely acquired through use in commerce. *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 401, 413 (1916) "The right grows out of use, not mere adoption."); *Int'l Bancorp, L.L.C. v. Societe Des Baines De Mer Et Du Cercle Des*, 192 F.Supp.2d 467, 479 (E.D.Va. 2002) ("But where, as here, the mark in

issue is not federally registered, a mark holder seeking Section 1125(a) relief must establish that the mark has been used in American commerce and that the mark is distinctive.")

Mr. Schreiber has applied for trademark protection in the United States for the term Landcruise based on his trademark rights in Canada. (Rebuttal at 3). He does not own a federal trademark registration for Landcruise. Thus, he must establish that Landcruise has been used in United States commerce to assert claims for relief under the Lanham Act. Neither in his Complaint nor in his Rebuttal does he claim that he uses the mark in United States commerce, but rather his claims are based on registration of the domain name Landcruise.com and the hosting of the website by Network Solutions.

Registration of a domain name merely provides the registrant with an address on the Internet. It does not provide the registrant with any trademark rights in the United States. *See Brookfield Commc'ns v. W. Coast Entm't Corp*., 174 F.3d 1036, 1052 (9th Cir. 1999) ("The mere registration of a designation as a domain name with the intent to use it commercially does not establish "use" of the designation as a trademark."). *See also, Newborn v. Yahoo! Inc*., 391 F. Supp. 2d 181 (D.D.C. 2005) ("The mere registration of a domain name with a domain name registrar by itself does not confer trademark rights.").

Mr. Schreiber confuses the rights associated with registering a domain name with those of a trademark. He asserts his Landcruise.com domain name is "incontestable." (Rebuttal 5). Incontestability is something only trademarks registered with the United States Patent and Trademark Office can achieve. *See* 15 USC § 1065.

His misunderstanding of the law is also shown by his statements that it is irrelevant that Landcruise is not a famous mark (Rebuttal 5), (but a famous mark is a necessary element for a claim of dilution, *see* 15 USC § 1125) and that it is irrelevant where the plaintiff is located

(Rebuttal 4). But a plaintiff's location and the location of its services are critical because trademark rights are territorial. *See* 5 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* §29:1 at 29-4 (4th ed. 2012) ("Under the territoriality doctrine, a trademark is recognized as having a separate existence in each sovereign territory in which it is registered or legally recognized as a mark… In the United States, the rule of territoriality of marks is basic to American Trademark law."); *see also Person's Co. v. Christman*, 900 F.2d 1565, 1568-69 ("The concept of territoriality is basic to trademark law. Trademark rights exist in each country solely according to that country's statutory scheme.").

Mr. Schreiber has not asserted any new facts in his Rebuttal to establish use of Landcruise in United States commerce. The fact that Mr. Schreiber has used Landcruise in Canada in connection with his business there for over a decade does not create trademark rights in the United States, nor does his registration of the Landcruise.com domain name. Even a *pro se* plaintiff has to plead facts that support a claim and is bound by the requirements of the law. *See e.g., Jackson v. Michalski*, No. 10-cv-00052, 2011 WL 3679143, at *5 (W.D. Va. 2011) (dismissing *pro se* plaintiff's Lanham Act claims). Accordingly, his complaint should be dismissed with prejudice because he has no trademark rights to assert and is not entitled to any relief.

C. Mr. Schreiber Does Not Have Standing to Assert Claims Resulting From Violations of a Contract Between ICANN and Other Third Parties

In his Rebuttal, Mr. Schreiber bases his claims of fraud and "shaking down" and other tort claims on violations of the agreement between ICANN and CentralNic, or ICANN and other third parties. (Rebuttal 5-8). Mr. Schreiber does not deny that he is not a party to these agreements. He is a customer of Network Solutions. However, being a customer of a company

that is a party to an agreement does not give Mr. Schreiber standing to assert breach of or violations of that agreement. *See Old Dominion Freight Line, Inc. v. Standard Sec. Life Ins. Co. of N.Y.*, No. CH05–1870, 2007 WL 6013705, at *5 (Va.Cir.Ct. July 18, 2007) ("At common law, one not a party to a contract did not have standing to sue for breach of contract."); *Radosevic v. Virginia Intermont College, 651 F.Supp.* 1037, 1038 (W.D.Va.1987) ("Generally one not a party to a contract does not have standing to sue for breach of that contract.").

To have standing to sue on a breach of contract theory, Mr. Schreiber must prove that the parties to the Principal Agreement "clearly and definitely intended" to confer a benefit upon him. *Copenhaver v. Rogers*, 238 Va. 361, 367, 384 S.E.2d 593, 596 (1989*); see also Food Lion, Inc. v. S.L. Nusbaum Ins. Agency, Inc*., 202 F.3d 223, 229 (4th Cir. 2000) (applying Virginia law).

Here, the parties clearly did not intend to confer a benefit upon Mr. Schreiber or any third parties. In his complaint, Mr. Schreiber quotes the provision of the agreement clearly stating that there are no third party beneficiaries to the agreement. (Compl. at 16) ("Section 8.5 No Third Party Beneficiaries. This Agreement shall not be construed to create any obligation by either ICANN or Registry Operator to any non-party to this Agreement, including any registrar or registered name holder."). By registering a domain name, Mr. Schreiber became a "registered name holder" and it is clear that the agreement did not intend to confer any benefit upon him.

Accordingly, any remaining non-Lanham Act claims must be dismissed because Mr. Schreiber does not have standing to claim breach or violation of the agreement between ICANN and CentralNic and/or ICANN and any other third party.

III. CONCLUSION

Mr. Schreiber's Rebuttal does not include any additional facts or allegations that would change the conclusion that there is no subject matter jurisdiction in the present case. Moreover, Mr. Schreiber does not assert any use in United States commerce in his rebuttal and therefore he does not have trademark rights to assert. Moreover, the Rebuttal clearly establishes that Mr. Schreiber is not a party to the agreement between ICANN and CentralNic or ICANN and other third parties and therefore does not have standing to assert violations of that agreement.

Based on the foregoing, and the arguments set forth in CentralNic's Motion to Dismiss, Mr. Schreiber's Complaint should be dismissed with prejudice.

Dated: October 1, 2012

Respectfully submitted,

_/s/ Jeremy Engle_____
Abigail Rubinstein (admitted pro hac vice)
Jeremy D. Engle (VA Bar No. 72919)
STEPTOE & JOHNSON LLP
1330 Connecticut Avenue, NW
Washington, DC 20036-1795
Tel. No.: (202) 429-3000
Fax No.: (202) 429-3902
jengle@steptoe.com

Counsel for Defendant CentralNic, Ltd.

CERTIFICATE OF SERVICE

I certify that on October 1, 2012, a copy of the foregoing was filed electronically with the Clerk of Court using the ECF system, which will send notifications to any ECF participants, and was served via First Class Mail on the following:

Lorraine Lesley Dunabin
1 Chalder Farm Cottages, Chalder Lane
Sidlesham, Chichester, West Sussex
United Kingdom
PO20 7RN

Graham Schreiber
5303 Spruce Ave.
Burlington, Ontario
Canada
L7L-1N4

eNom Inc.
5808 Lake Washington Blvd, Ste. 300
Kirkland, WA
98033

The remaining parties will be served through the ECF system.

Dated: October 1, 2012

Respectfully submitted,

_/s/ Jeremy Engle _____
Abigail Rubinstein (admitted pro hac vice)
Jeremy D. Engle (VA Bar No. 72919)
STEPTOE & JOHNSON LLP
1330 Connecticut Avenue, NW
Washington, DC 20036-1795
Tel. No.: (202) 429-3000
Fax No.: (202) 429-3902
jengle@steptoe.com

Counsel for Defendant CentralNic, Ltd.