Marketa Trimble

Setting Foot on Enemy Ground: Cease and Desist Letters, DMCA Notifications and Personal Jurisdiction in Declaratory Judgment Actions

Abstract

In declaratory judgment actions brought by alleged infringers against rights holders, such as actions for declaration of invalidity or non-infringement of intellectual property rights, courts in the U.S. have long maintained that the sending of a cease and desist letter alone, absent other acts in an alleged infringer’s forum, is not a sufficient basis for personal jurisdiction over the rights holder who mailed them to the alleged infringer’s forum. Notwithstanding the similarities between cease and desist letters and notifications under the Digital Millennium Copyright Act, the Tenth Circuit Court recently decided that the sending of a notification alone, as opposed to a letter, does establish a basis for personal jurisdiction over the rights holder. This paper suggests, contrary to the decision of the Tenth Circuit Court, that letters and notifications should be treated similarly. First, as a matter of doctrine, the two instruments are similar enough to warrant application of the same rule; if a letter does not support the exercise of personal jurisdiction in declaratory judgment actions against the rights holder, neither should a notification. Second, there is a common policy reason for maintaining the same approach to the two instruments – the strong policy favoring settlements that courts have consistently promoted. The Tenth Circuit Court’s approach defeats the policy because it discourages rights holders from using notifications to achieve a speedy removal of allegedly infringing material from the internet. To avoid personal jurisdiction in the infringer’s forum, rights holders must refrain from using a notification and are thereby deprived of the option to stop further infringements immediately; without such an option they are less likely to seek settlement before filing a lawsuit. It is important to clarify whether notifications will be a basis of personal jurisdiction over a rights holder because the result will determine how practicable the use of notifications will be for rights holders and therefore how effective the notification system will be.