

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
FORT MYERS DIVISION

NIGHT OWL SP, LLC,

Plaintiff,

v.

Case No: 2:19-cv-109-FtM-38UAM

DONGGUAN AUHUA
ELECTRONICS CO., LTD. and JUN
LI,

Defendants.

OPINION AND ORDER¹

Before the Court is Plaintiff Night Owl SP, LLC's Application for Order Authorizing Alternate Service of Process on Defendant Pursuant to [Federal Rule of Civil Procedure 4\(f\)\(3\)](#) (Doc. 18).

Background

This is a trademark infringement case. Night Owl is a Florida company that sells home security equipment under the registered NIGHT OWL trademark. Night Owl also uses certain design marks for its products. Defendant Dongguan Auhua Electronics Co., Ltd. is a Chinese company that supplied Night Owl with component products from 2012 to 2017, and Defendant Jun Li is Auhua's President. In its Complaint, Night Owl accuses

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Defendants of selling counterfeit products bearing the NIGHT OWL mark and its design marks. ([Doc. 1](#)).

Auhua has registered several of Night Owl's design marks in China and has used these registrations to disrupt exportation of Night Owl's products from China. When the Complaint was filed, Auhua was seeking to register three of Night Owl's design marks with the United States Patent and Trademark Office. Night Owl is contesting Auhua's Chinese registrations and worries that the USPTO applications could undermine its position in the Chinese proceeding. The USPTO granted Auhua's three applications and registered the design marks on March 5, 2019. The Court declined to issue an ex parte temporary restraining order, scheduled a hearing on Night Owl's request for a preliminary injunction, and ordered Night Owl to make diligent efforts to serve Defendants. ([Doc. 19](#)). Night Owl now seeks an order approving service by email to Defendants' known email addresses and by delivery to the Under Secretary of Commerce for Intellectual Property and Director of the USPTO under [15 U.S.C. § 1051\(e\)](#). ([Doc. 18](#)).

Discussion

[Federal Rule of Civil Procedure 4](#) authorizes service on foreign individuals and corporations under international agreements or "by other means not prohibited by international agreement, as the court orders." To be valid, "service must provide 'notice reasonably calculated, under all the circumstances, to appraise interested parties of the pendency of the action and afford them an opportunity to present their objections.'" [Fru Veg Marketing, Inc. v. Vegfruitworld Corp.](#), 896 F. Supp. 2d 1175, 1182 (S.D. Fla. 2012) (quoting [Mullane v. Cent. Hanover Bank & Trust Co.](#), 339 U.S. 306, 314 (1950)). Because the United States and China are signatories to the Hague Convention on the Service

Abroad of Judicial and Extrajudicial Documents, the Court's analysis of any proposed method of service must start there.

A. Service by Email

Night Owl argues that the Court may allow service by email because it is not expressly prohibited by the Hague Convention. ([Doc. 18](#)). But the Supreme Court has held that "compliance with the Convention is mandatory in all cases to which it applies." [Volkswagenwerk Aktiengesellschaft v. Schlunk](#), 486 U.S. 694, 705 (1988). The Convention applies "in all cases, in civil or commercial matters, where there is occasion to transmit a judicial or extrajudicial document for service abroad," except "where the address of the person to be served with the document is not known." [20 U.S.T. 361](#). Thus, the Hague Convention's silence on a method of service does not make it permissible.

Other courts have approved foreign service of process by email. In some cases, the Hague Convention does not apply because the defendants' addresses are unknown, see, e.g., [United States v. Machat](#), No. 08-CV-7936-JGK, 2009 WL 3029303 (S.D.N.Y. Sept. 21, 2009), or because the defendant's home country is not a signatory to the Convention, see, e.g., [Rio Props., Inc. v. Rio Int'l Interlink](#), 284 F.3d 1007 (9th Cir. 2015). In other cases, email has supplemented Convention-approved methods of service. See, e.g., [Nanya Tech. Corp. v. Fujitsu Ltd.](#), No. 06-CV-025, 2007 WL 269087 (D. Guam Jan. 26, 2007). And some courts have approved service by email despite the Convention's requirements, apparently ignoring the mandatory nature of the Convention recognized by the Supreme Court in *Schlunk*. See, e.g., [Williams-Sonoma Inc. v. Friendfinder Inc.](#), No. 06-CV-6572-JSW, 2007 WL 1140639 (N.D. Cal. Apr. 17, 2017).

Night Owl does not argue that the Hague Convention does not apply to its request for service by email. Nor does it propose service by email as a supplement to a Convention-approved method. Night Owl instead asks this Court to join those who have approved service by email despite the mandatory nature of the Hague Convention. But the Court will not contravene the controlling Supreme Court precedent. Thus, although Night Owl has shown that emails to the identified email addresses are likely to provide actual notice, they are improper methods of service here.

B. Service under 15 U.S.C. § 1051(e)

Night Owl also proposes to serve Defendants through delivery to the Director of the USPTO under 15 U.S.C. § 1051(e), which states,

If the applicant is not domiciled in the United States the applicant may designate, by a document filed in the United States Patent and Trademark Office, the name and address of a person resident in the United States on whom may be served notices or process in proceedings affecting the mark. Such notices or process may be served upon the person so designated by leaving with that person or mailing to that person a copy thereof at the address specified in the last designation so filed. If the person so designated cannot be found at the address given in the last designation, or if the registrant does not designate by a document filed in the United States Patent and Trademark Office the name and address of a person resident in the United States on whom may be served notices or process in proceedings affecting the mark, such notices or process may be served on the Director.

15 U.S.C. § 1051(e). Night Owl acknowledges a disagreement among courts over whether the phrase “proceedings affecting the mark” includes civil actions, or instead is limited to proceedings held before the USPTO. The competing positions are exemplified by *V & S Vin & Spirit Aktiebolag v. Cracovia Brands, Inc.*, 212 F. Supp. 2d 852 (N.D. Ill. 2002) and *E. & J. Gallo Winery v. Cantine Rallo, S.P.A.*, 430 F. Supp. 2d 1064 (E.D. Cal. 2005). The courts in both cases reviewed the legislative history and found it to be

“equivocal.” [V & S Vin](#), 212 F. Supp. 2d at 854; *see also* [E. & J. Gallo](#), 430 F. Supp. 2d at 1083 (“The legislative history fails to clarify the meaning of the phrase ‘proceedings affecting the mark.’”). But neither court paid much attention to the words “notices or process,” which, in this Court’s judgment, clears up any ambiguity in the intended meaning of “proceedings affecting the mark.” [15 U.S.C. § 1051\(e\)](#).

Black’s Law Dictionary defines “process” as “[a] summons or writ, esp. to appear or respond in court <service of process>.” *Process*, BLACK’S LAW DICTIONARY (10th ed. 2014). The statutes and regulations that govern proceedings before the USPTO require notice to the interested parties, and they never refer to the initial notice as “process.” *See* [15 U.S.C. § 1067\(a\)](#) (“In every case of interference, opposition to registration, application to register as a lawful concurrent user, or application to cancel the registration of a mark, the Director shall give *notice* to all the parties[.]” (emphasis added)); *see also* [37 C.F.R. § 2.105](#); [37 C.F.R. § 2.113](#). If Congress meant for [15 U.S.C. § 1051\(e\)](#) to apply only to administrative proceedings before the USPTO, it would not have included the term “process.” The Court thus finds that [15 U.S.C. § 1051\(e\)](#) applies to civil actions that affect trademarks. And because Night Owl is seeking to cancel Auhua’s marks, this action qualifies, but only for Auhua. Night Owl cannot serve Li through § 1051(e) because he is not the registrant of the trademarks affected by this case.

An important question remains: does [15 U.S.C. § 1051\(e\)](#) obviate the need for Night Owl to serve Auhua in a manner approved by the Hague Convention? As noted above, the Hague Convention applies “where there is occasion to transmit a judicial or extrajudicial document for service abroad.” [20 U.S.T. 361](#). The Convention does not apply to service on a foreign corporation’s domestic agent. [Schlunk](#), 486 U.S. at 707

(“Where service on a domestic agent is valid and complete under both state law and the Due Process Clause, our inquiry ends and the Convention has no further implications.”). And the Hague Convention does not apply just because the domestic agent delivers the documents abroad after service is complete. *Id.*

Night Owl moves for service through [15 U.S.C. § 1051\(e\)](#) under Rule 4(f)(3), but Rule 4(h)(1)(B) is more appropriate. It authorizes service on a domestic or foreign corporation

by delivering a copy of the summons and of the complaint to an officer, a managing or general agent, or any other agent authorized by appointment or by law to receive service of process and—if the agent is one authorized by statute and the statute so requires—by also mailing a copy of each to the defendant[.]

[Fed. R. Civ. P. 4\(h\)\(1\)\(B\)](#). Because Auhua has not designated a domestic agent in its USPTO filings, the USPTO Director is its statutorily appointed agent in actions affecting its trademark registrations. Auhua and the USPTO have continuously and successfully communicated with each other for over two years, so service on the USPTO Director is reasonably calculated to notify Auhua of this case. The Hague Convention does not apply because service is complete upon delivery of the summons and complaint to the Director, and [15 U.S.C. § 1051\(e\)](#) does not require Night Owl to mail copies to Auhua. What is more, the Director can notify Auhua without necessarily transmitting the documents abroad. For example, the USPTO could upload the summons and complaint to its online [Trademark Status & Document Retrieval](#) system, then notify Auhua of the documents by mail or email.

For these reasons, the Court cannot approve service by email under [Federal Rule of Civil Procedure 4\(f\)\(3\)](#). But Rule 4(h)(1)(B) permits Night Owl to serve Auhua, but not Li, by delivering the summons and complaint to the USPTO director.

Accordingly, it is now

ORDERED:

Plaintiff Night Owl SP, LLC's Application for Order Authorizing Alternate Service of Process on Defendant Pursuant to [Federal Rule of Civil Procedure 4\(f\)\(3\)](#) (Doc. 18) is **GRANTED in part and DENIED in part.**

(1) Night Owl's request to serve Defendants Dongguan Auhua Electronics Co., Ltd. and Jun Li by email is **DENIED.**

(2) Night Owl's request to serve Auhua by delivery of the summons and complaint to the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office is **GRANTED.** Night Owl is **DIRECTED** to file proof of service sufficient to show compliance with [15 U.S.C. § 1051\(e\)](#) and all applicable regulations.

(3) Night Owl's request to serve Li by delivery of the summons and complaint to the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office is **DENIED.**

DONE and **ORDERED** in Fort Myers, Florida this 15th day of March, 2019.


SHERI POLSTER CHAPPELL
UNITED STATES DISTRICT JUDGE

Copies: All Parties of Record