



NINTH CIRCUIT FINDS A FOREIGN DEFENDANT AND ALLEGED COPYRIGHT INFRINGER SUBJECT TO PERSONAL JURISDICTION IN U.S.

by Robert Rotstein, J. Matthew Williams, and Sofia Castillo

In recent years, judicial opinions deciding whether a foreign defendant can be sued for copyright infringement in a U.S. court have reached seemingly inconsistent results. *Compare, UMG Recordings, Inc. v. Kurbanov*, 963 F.3d 344 (4th Cir. 2020), cert. denied, 141 S. Ct. 1057, 208 L.Ed.2d 525 (2021) (finding personal jurisdiction in Virginia over a Russian defendant who operated two “stream-ripping” websites) *with AMA Multimedia, LLC v. Wanat*, 970 F.3d 1201 (9th Cir. 2020) (finding no jurisdiction in California over a Polish resident maintaining an allegedly infringing website where about 19% of visitors were from the U.S.). The ability to assert personal jurisdiction in the United States over foreign infringers has significant importance to American copyright owners. In 2019, there were an estimated 46.9 billion online instances of piracy of movies, and 183.4 billion instances of piracy of television programming in 2017 alone. David Blackburn, et al., *Impacts of Digital Video Piracy on the U.S. Economy* 5 (2019), <https://www.theglobalipcenter.com/wp-content/uploads/2019/06/Digital-Video-Piracy.pdf>. Often, the United States is the only available forum in which a U.S. copyright holder can effectively pursue an infringement claim against a foreign website that profits from infringement of U.S. intellectual property through activities both directed at and occurring in the United States. *See, e.g.*, Office of United States Trade Representative, 2021 REVIEW OF NOTORIOUS MARKETS FOR COUNTERFEITING AND PIRACY (2022), <https://ustr.gov/sites/default/files/IssueAreas/IP/2021%20Notorious%20Markets%20List.pdf>.

On July 21, 2022, the Ninth Circuit again weighed in on the issue, holding that a Vietnamese corporation that maintained an allegedly infringing website and released a related app was subject to personal jurisdiction in the United States. *Lang Van, Inc. v. VNG Corporation*, 40 F.4th 1034 (9th Cir. 2022). In reaching this conclusion, the court relied on Federal Rule of Civil Procedure 4(k)(2), the “federal long-arm statute,” which provides for jurisdiction over defendants who do not reside in the United States that have ample contacts with the U.S. as a whole, but whose contacts are so scattered among the states that none of them would have jurisdiction.

Plaintiff Lang Van is a California corporation that produces and distributes Vietnamese music and entertainment and owns copyrights to thousands of songs and hundreds of original programs. Defendant VNG, a Vietnamese corporation, owns the Zing MP3 website and Zing MP3 mobile app, which made copyrighted music available for download worldwide, including songs in which Lang Van owned the copyright. The Zing MP3 app was available in the Apple App store and on Google Play.

After Lang Van sued for copyright infringement, VNG moved to dismiss the case for lack of personal jurisdiction in California. The district court granted the motion, finding that Lang Van failed to satisfy the first prong of the Ninth Circuit’s test for specific personal jurisdiction, namely that for a court to invoke jurisdiction, a non-resident defendant must perform some act by which it purposefully avails itself of the privilege of conducting activities in the forum, thereby invoking the benefits and protections of the forum’s laws. Notably, the district court ignored the issue of personal jurisdiction over VNG under Federal Rule 4(k)(2).

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The Ninth Circuit reversed, first noting that because VNG contended that it was not subject to personal jurisdiction in any state's court, the question of jurisdiction depended on an analysis under Federal Rule 4(k)(2). To obtain personal jurisdiction under Rule 4(k)(2), the plaintiff must prove: (1) the claim at issue arises from federal law; (2) the defendants are not subject to any state's courts of general jurisdiction; and (3) invoking jurisdiction upholds due process—in other words, that invoking jurisdiction is not unreasonable.

The court found that Lang Van had readily satisfied the first two conditions of Rule 4(k)(2) jurisdiction. A copyright infringement claim arises out of federal law, and VNG itself claimed that no state had personal jurisdiction over it.

In analyzing the third factor—due process—the Ninth Circuit first set forth the three factors necessary for invoking jurisdiction: (i) there must be purposeful activities or transactions with the United States, with an act that shows defendant purposefully availing itself of the privileges of doing business in the United States, and thereby invoking the benefits and protections of its laws; (ii) the claim must arise out of activities that are related to the United States; and (iii) the exercise of jurisdiction must comport with notions of fair play and substantial justice. In deciding the first factor—purposeful availment—the court applied the so-called “effects test” set forth in *Calder v. Jones*, 465 U.S. 783, 787–89 (1984), which applies to issues like copyright infringement. The effects test mandates that for a court to exercise personal jurisdiction, “[a] defendant must have committed an intentional act that is aimed at the forum, and caused harm that defendant knew would occur in the forum.” Under Rule 4(k)(2), the “forum” is the entire United States.

The court found exercise of personal jurisdiction over VNG to be reasonable. First, VNG targeted American companies in sourcing, cataloguing, and distributing content through Zing MP3. Specifically regarding the Plaintiff, VNG offered more than 2,800 of Lang Van's songs to the public through Zing MP3. While VNG argued that its primary audience was in Vietnam, it released Zing MP3 in the United States and in the English language. Indeed, “Zing MP3 was downloaded more than 320,000 times in the United States by its mobile users, allowing these users to hold a voluminous collection of copyrighted material.” Second, VNG “contracted with U.S. businesses [e.g., Apple and Google] in conjunction with Zing MP3.” Third, VNG chose not to “geoblock” access to Lang Van's content on Zing MP3. Geoblocking would have restricted the use of Zing MP3 in the United States or elsewhere outside of Vietnam. Finally, VNG had various communications with the United States Trade Representative showing that it knew its practices might violate the intellectual property rights of U.S. copyright holders. In light of VNG's contacts with the United States, exercise of personal jurisdiction was reasonable.

Significantly, in reaching its decision, the Ninth Circuit distinguished *AMA Multimedia, LLC v. Wanat*, 970 F.3d 1201 (9th Cir. 2020), on which VNG heavily relied. In *AMA Multimedia*, the defendant operated ePorner.com, an adult website, in Poland. The plaintiff, a Nevada corporation, learned that anonymous users of the defendant's website had uploaded copyrighted videos. The website did not directly charge visitors but rather generated revenue from advertising that a third party (sometimes called an ad broker) chose via geotargeting. Defendants used a U.S. company to register certain domains and had a U.S. terms-of-service. Approximately 19 percent of all visitors to defendant's website were in the United States, making the U.S. the site's largest market. Despite these contacts, a Ninth Circuit panel held that the contacts did not mean that the defendants expressly targeted the U.S. market.

Interestingly, the *Lang Van* panel gave *AMA Multimedia* relatively short shrift. Rather than discussing the various contacts in the earlier case, the *Lang Van* court found that the earlier opinion was “easily distinguishable” because, in *AMA Multimedia* “the customers uploaded the content themselves” and because VNG had a history of engaging with USTR, U.S. copyright owners, and USPTO.

The Ninth Circuit's *Lang Van* opinion provides some comfort to U.S. copyright owners who seek to sue infringing sites located in foreign countries. This is especially so in the wake of the court's prior *AMA Multimedia* decision. The question remains whether, and under what circumstances, courts will apply *Lang Van's* reasoning even to websites to which users upload content.