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UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

1st TECHNOLOGY LLC,

Plaintiff,

v.

BODOG ENTERTAINMENT GROUP S.A., a  
foreign entity; BODOG IP HOLDINGS LTD, a  
foreign entity; and GK WORLD LINK  
TELECOM S.A., a foreign entity,

Defendants.

CASE NO. C08-0872-JCC

ORDER

This matter comes before the Court on a Motion to Dismiss (Dkt. No. 35) filed by Defendants Data Entry and Domain Management S.A. (“DEDMSA”) (formerly Bodog Entertainment Group, S.A., or “BEGSA”), Bodog IP Holdings Ltd. (“Bodog IP”), and GK Worldlink (“GK World”); Plaintiff’s Response in opposition by (Dkt. No. 39); and Defendants’ Reply (Dkt. No. 41). The Court has carefully considered these papers and their supporting declarations and exhibits and has determined that oral argument is not necessary. The Court hereby DENIES the motion and finds and rules as follows.

**I. BACKGROUND**

The Court has recounted the background facts of this dispute in its Order on Plaintiff’s Preliminary Injunction motion (“P.I. Mot.”) (Dkt. No. 37) but will repeat some of this information here for the reader’s convenience. This action arises in the context of ongoing litigation between Plaintiff and

1 Defendant BEGSA in state and federal court. Plaintiff obtained a default judgment in the amount of  
2 approximately \$46 million against BEGSA, Bodog.net, and Bodog.com in a patent infringement suit<sup>1</sup> in  
3 federal district court in Nevada in June 2007.<sup>2</sup> (P.I. Mot. 1–3 (Dkt. No. 7 at 5–7).) Two months later,  
4 Plaintiff “domesticated the judgment in Washington and sought a writ of execution from the King County  
5 Superior Court over the Nevada Bodog Defendants’ property in Washington.” (*Id.* at 3.) BEGSA owned  
6 “approximately 2000 internet domain names registered through eNom, Inc., a registrar located in the  
7 state of Washington[.]”<sup>3</sup> (*Id.*) In August 2007, the King County Superior Court granted Plaintiff’s motion  
8 for a writ of execution and ordered eNom to transfer control of all of the eNom domain names to Plaintiff  
9 and enjoined the Nevada Bodog defendants from using those domain names. (*Id.* at 4.) Thereafter,  
10 according to Plaintiff, BEGSA registered additional domain names, such as ‘newbodog.com,’ with other  
11 Washington-based registrars. (*Id.*) According to Plaintiff, BEGSA then “diverted its customers (who  
12 would use BEGSA’s services through websites accessible via the eNom Domain Names, such as  
13 ‘bodog.com’) to websites accessible through the second set of domain names[.]” (*Id.*)

14 In response, Plaintiff sought a second writ of execution, this time against the second set of domain  
15 names, and requested that the King County Superior Court enjoin BEGSA from diverting traffic from the  
16 websites accessible through the second set of domain names to other websites created or operated by  
17 BEGSA. (*Id.*) While that motion was pending, Plaintiff alleges, BEGSA registered a third set of domain

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19 <sup>1</sup>According to Plaintiff’s Complaint, Plaintiff’s patent is entitled “Method and System for  
20 Interactively Transmitting Multimedia Information Over a Network which Requires a Reduced  
21 Bandwidth” (U.S. Patent 5,564,001). (Compl. ¶ 10 (Dkt. No. 1).) Plaintiff alleged in the Nevada district  
22 court action that BEGSA infringed the patent by operating a “worldwide network of entertainment-  
23 related services, such as television and internet video programming, internet gaming, sports and music  
24 events.” (*Id.* at ¶ 9.)

25 <sup>2</sup>The United States Court of Appeals for the Federal Circuit affirmed the default judgment issued  
26 by the District of Nevada on October 8, 2008. (Notice of Disposition of Related Case (Dkt. No. 42 at  
1).)

<sup>3</sup>DEDMSA states that it had approximately 3000 domain names registered in Washington through  
eNom. (P.I. Resp. 4 (Dkt. No. 27 at 5).)

1 names through a foreign registrar and diverted traffic again to those new domain names. (*Id.* at 5.)

2 In response to Plaintiff’s motion to appoint a receiver to enforce the Nevada judgment against the  
3 Nevada defendants’ Washington property, the King County Superior Court judge appointed Mark  
4 Northrup of Graham & Dunn. (*Id.*) The judge authorized the receiver to enforce the judgment with  
5 respect to the first and second set of domain names by liquidating that property, but not with respect to  
6 the trademarks associated with the domain names<sup>4</sup> because the judge was unsure of “the degree to which  
7 state courts have jurisdiction to transfer federal trademarks.” (*Id.* at 6; Mar. 3, 2008, Hearing Tr.  
8 54:10–12 (Dkt. No. 8-9 at 15).)

9 BEGSA argued in the King County Superior Court that the domain names would be worthless  
10 without the Bodog trademark rights, and therefore, the domain names should not be subject to a writ of  
11 execution. (P.I. Mot. 6 (Dkt. No. 7 at 10).) In addition, according to Plaintiff, BEGSA “purported to  
12 transfer its interest in the Marks to GK World[,]” a Costa Rican corporation, allegedly “part of the  
13 network of Bodog controlled or managed companies.” (*Id.*; Compl. ¶ 3 (Dkt. No. 1 at 2).) Thereafter,  
14 “GK World purported to assign the Marks to Bodog IP[,]” a “corporation organized under the laws of  
15 Antigua and Barbuda and . . . part of the network of Bodog controlled or managed companies.” (Mot. 7  
16 (Dkt. No. 7 at 11); Compl. ¶ 4 (Dkt. No. 1 at 2).)

17 Plaintiff filed the instant lawsuit in district court to “set aside the assignment of the Marks as a  
18 fraudulent transfer of property because the assignment between BEGSA and GK World as well as the  
19 assignment between GK World and Bodog IP was executed after the entry of the Nevada Judgment and  
20 after [Plaintiff] initiated the action in King County Superior Court.” (*Id.* at 8.) Plaintiff alleges that  
21 BEGSA’s transfer of its interest in the trademarks to GK World was done for the purpose of defrauding  
22 Plaintiff and to frustrate Plaintiff’s collections efforts. (*Id.*) Specifically, Plaintiff claims that Defendant  
23 BEGSA violated Washington’s Fraudulent Transfer Act, WASH. REV. CODE § 19.40 *et seq.* (Compl. ¶¶

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25 <sup>4</sup> The trademarks associated with the domain names are “BODOG,” “BODOG BATTLE OF THE  
26 BANDS,” “BODOG GIRLS,” and “PLAY HARD.” (P.I. Mot. 1 (Dkt. No. 7 at 5).)

1 32–46 (Dkt. No. 1 at 10–11).) Plaintiff seeks to void the purported assignments of the marks pursuant to  
2 15 U.S.C. § 1119 by having the Court issue an order to the Director of the United States Patent and  
3 Trademark Office to make an entry in the register to reflect that BEGSA is the owner of the marks for  
4 the purposes of allowing the receiver or Plaintiff to use the marks to satisfy the Nevada judgment. (*Id.* at  
5 ¶¶ 47–49.) Plaintiff also seeks a Court order appointing a receiver over the marks, who “in conjunction  
6 with the State Court Receiver will dispose of the Marks and maximize the value of the Marks in order to  
7 satisfy the judgment in favor of [Plaintiff].” (*Id.* at ¶¶ 50–54.)

8 Plaintiff filed a motion for a preliminary injunction, requesting that the Court enjoin Defendants  
9 from “(1) transferring, assigning, or otherwise disposing of the trademarks, ‘BODOG,’ ‘BODOG  
10 BATTLE OF THE BANDS,’ ‘BODOG GIRLS,’ and ‘PLAY HARD’ . . . ; and (2) utilizing or allowing  
11 the use of the Marks in connection with offering illegal gambling services to residents of the State of  
12 Washington, pending resolution of this lawsuit.” (P.I. Mot. 1 (Dkt. No. 7 at 5).)<sup>5</sup> This Court granted in  
13 part and denied in part the motion, enjoining Defendants only from transferring, licensing, encumbering or  
14 otherwise disposing of the trademarks during the pendency of this litigation. (Sept. 16, 2008, Order (Dkt.  
15 No. 37).) In that Order, the Court found that Plaintiff has a strong likelihood of success on the merits of  
16 the issue of whether BEGSA violated Washington’s Fraudulent Transfer Act. (*Id.* at 6–8.) In addition,  
17 the Court was not persuaded at that stage by Defendants’ argument that, even if Plaintiff could prove that  
18 Defendants violated the Washington Fraudulent Transfer Act, the ultimate relief Plaintiff seeks in this  
19 action—the judicially forced sale of the trademarks to satisfy Plaintiff’s judgment—is unavailable because  
20 “trademarks themselves cannot be the subject of judicial sale or attachment to execute upon a judgment.”  
21 (*Id.* at 8–10.) The Court found persuasive Plaintiff’s argument that, although the marks and goodwill

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24 <sup>5</sup>In its Proposed Order, Plaintiff did not limit its second request to enjoining defendants from using  
25 the marks in connection with “illegal” gambling services, but rather proposed enjoining them “from  
26 utilizing the Marks in connection with on-line gambling services in the United States, including in the  
State of Washington.” (Proposed Order 2 (Dkt. No. 7-2).)

1 must be transferred together, the combined sale of the marks and the good will in this case was not an  
2 impediment because the goodwill associated with the marks consisted of the domain names, which were  
3 already being liquidated to satisfy Plaintiff's judgment against BEGSA. (*Id.* at 9–10.) Further, the Court  
4 found that Defendants' argument that federal trademark law preempts state fraudulent transfer law  
5 unpersuasive, noting that Defendants had cited no cases holding that federal trademark law preempts  
6 state fraudulent transfer laws and that Plaintiff had cited two district court cases from outside the Western  
7 District of Washington suggesting that Defendants' argument lacked merit. (*Id.* at 10–11.)

8         Shortly before the Court issued that Order, Defendants filed the instant motion to dismiss. (Dkt.  
9 No. 35.) In it, Defendants argue that the Complaint should be dismissed for three reasons: First,  
10 Defendants argue, as they had in response to the P.I. Motion, that "Federal trademark registrations are  
11 not subject to the common law remedies of attachment and execution, and cannot be involuntarily  
12 assigned to another party (such as Plaintiff) without the goodwill and tangible assets those trademarks  
13 represent." (*Id.* at 1.) As such, Defendants argue, the Complaint should be dismissed pursuant to Federal  
14 Rule of Civil Procedure 12(b)(1) for lack of subject matter jurisdiction. (*Id.*) Second, Defendants argue,  
15 again, as they had in response to the P.I. Motion, that Plaintiff's state law fraudulent transfer claims are  
16 preempted by Federal trademark law. (*Id.*) Therefore, according to Defendants, the Complaint should be  
17 dismissed pursuant to Federal Rule of Civil Procedure 12(b)(6) for failure to state a claim upon which  
18 relief can be granted. (*Id.* at 1–2.) Third, Defendants argue that the Court does not have personal  
19 jurisdiction over Bodog IP or GK World. (*Id.* at 2.) Although Defendants concede that the Court might  
20 possess *in rem* jurisdiction over the trademark registrations held by Bodog IP, they argue that because  
21 the requested relief regarding the *res* is not available as a matter of law, the Court should dismiss as to  
22 Bodog IP and GK World. (*Id.*) Defendants move for dismissal of Bodog IP and GK World pursuant to  
23 Federal Rule of Civil Procedure 12(b)(2). (*Id.*)

24         Plaintiff responds that the motion to dismiss raises nearly identical arguments to those raised in  
25 the opposition to the P.I. Motion, and that the Court already rejected these arguments. (Resp. 1 (Dkt.

1 No. 39.) Plaintiff also argues that it has alleged sufficient facts to assert personal jurisdiction over Bodog  
2 IP and GK World. (*Id.* at 1–2.)

3 In their Reply, Defendants contend that the Court should give their arguments further  
4 consideration because the standards for a preliminary injunction and a motion to dismiss are different and  
5 because Defendants have further supported their arguments in the briefing for the motion to dismiss.  
6 (Reply 1–2 (Dkt. No. 41).) Defendants argue that Plaintiff’s Complaint does not make a prima facie case  
7 of jurisdiction as to Bodog IP or GK World, and that the Court should not consider extrinsic evidence  
8 such as affidavits to resolve this question, nor allow Plaintiff to conduct jurisdictional discovery. (Reply 2  
9 (Dkt. No. 41).)<sup>6</sup>

## 10 **II. ANALYSIS**

### 11 **A. Whether the Complaint Should Be Dismissed Pursuant to Rule 12(b)(1)**

#### 12 **1. Standard for Dismissal Under Rule 12(b)(1)**

13 Pursuant to the Federal Rules of Civil Procedure, a defendant may move to dismiss a complaint  
14 for “lack of subject-matter jurisdiction.” FED. R. CIV. P. 12(b)(1). “On a motion to dismiss under Federal  
15 Rule of Civil Procedure 12(b)(1), [the Court] assume[s] the truth of all allegations in the complaint.”  
16 *Castaneda v. United States*, 546 F.3d 682, 684 n.1 (9th Cir. 2008). “The party asserting jurisdiction bears  
17 the burden of establishing subject matter jurisdiction on a motion to dismiss for lack of subject matter  
18 jurisdiction.” *In re Dynamic Random Access Memory (DRAM) Antitrust Litig.*, 546 F.3d 981, 984 (9th  
19 Cir. 2008). “Dismissal for lack of subject matter jurisdiction is appropriate if the complaint, considered in

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21 <sup>6</sup>Defendants also filed a Motion to Stay Discovery (Dkt. No. 46), which noted for the Court’s  
22 consideration on December 19, 2008. In it, Defendants asked the Court to stay discovery until the Court  
23 ruled on the motion to dismiss. Plaintiff opposed the motion on grounds that the request came 60 days  
24 after Plaintiff’s first set of discovery was served on BEGSA and on grounds that the motion to dismiss  
25 had no merit. The Court determined that it could not provide relief to Defendants without evaluating the  
26 merits of the motion to dismiss and therefore held the motion for consideration along with the merits of  
the motion to dismiss. Based on the Court’s ruling herein, the Court DENIES as MOOT Defendants’  
Motion to Stay (Dkt. No. 46).

1 its entirety, on its face fails to allege facts sufficient to establish subject matter jurisdiction.” *Id.* at 985.

## 2                   **2. Discussion**

3           Defendants argue that “Federal trademark registrations are not subject to the common law  
4 remedies of attachment and execution, and cannot be involuntarily assigned to another party (such as  
5 Plaintiff) without the goodwill and tangible assets those trademarks represent.” (Mot. 1 (Dkt. No. 35 at  
6 3).) As such, Defendants argue, even if Plaintiff could prove that Defendants violated the Washington  
7 Fraudulent Transfer Act as alleged in the Complaint, the ultimate relief Plaintiff seeks in this action—the  
8 judicially forced sale of the trademarks to satisfy Plaintiff’s judgment—is unavailable. (*Id.* at 9.)  
9 Defendants therefore argue that the issue is moot and the Complaint should be dismissed pursuant to  
10 Federal Rule of Civil Procedure 12(b)(1) for lack of subject matter jurisdiction.

11           The Court has already preliminarily reviewed this issue at the preliminary injunction stage and was  
12 not persuaded by Defendants’ argument. The Court recognizes that a trademark “has no existence apart  
13 from the good will of the product or service it symbolizes. Good will of a business and its symbol, a  
14 trademark, are inseparable.” 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR  
15 COMPETITION § 2:15 (2008). Accordingly, “[i]t is true that a trademark is not a property right in gross  
16 which may be sold apart from the business or goodwill with which the trademark has been associated.”  
17 *Adams Apple Distrib. Co. v. Papeleras Reunidas, S.A.*, 773 F.2d 925, 931 (7th Cir. 1985). However, the  
18 “assertion that a trademark is not subject to an involuntary judicial sale is incorrect.” *Id.* (explaining that  
19 “a trademark is an asset of a bankrupt’s estate which is saleable in bankruptcy proceedings along with the  
20 bankrupt’s goodwill or tangible business assets”). Plaintiff explained that having a judicial sale of the  
21 marks along with the goodwill represented by the marks is:

22           precisely what [Plaintiff] seeks to accomplish in this case. The principal goodwill  
23 representing the Bodog business would constitute the Domain Names and websites  
24 through which Bodog’s internet-based business is conducted, and Bodog’s customer lists.  
25 Defendants themselves admitted this in their September 2007 filings in front of Judge  
26 Erlick [in the King County Superior Court action]. . . . Judge Erlick already has appointed  
a receiver to administer the various Domain Names, and this should, as Defendants  
themselves admitted in front of Judge Erlick, constitute a significant portion of the

1 goodwill of Defendants' business. Once this Court authorizes an appointment of a receiver  
2 over the Marks (preferably Mr. Northrup, the Receiver in the King County Superior Court  
3 proceeding, who is familiar with the facts of the case and the Domain Names), even  
4 assuming Defendants are correct that marks and goodwill must be transferred together,  
5 there is no impediment to a combined sale of the Marks and goodwill in this case.

6 (P.I. Reply 6 (Dkt. No. 33).) The Court found this argument persuasive. BEGSA explained to the King  
7 County Superior Court that BEGSA:

8 provides online entertainment services. The bulk of Bodog's business is conducted on the  
9 Internet via domain names registered to Bodog, including <<bodog.com>>,  
10 <<bodog.net>>, and <<bodogmusic.com>> (the "Bodog Domains"). Bodog offers  
11 services under the BODOG trademark, and has accumulated substantial goodwill in both  
12 the BODOG trademark and Bodog Domains[.] . . . The value of any Internet business,  
13 especially one in the consumer entertainment field like Bodog, is necessarily linked to  
14 whether it has a recognizable, familiar location on the Internet, and whether consumers  
15 recognize a trademark as identifying a single source for services. Bodog has spent years  
16 developing its relationship with online consumers and has accrued a substantial amount of  
17 goodwill tied to its trademark and the Bodog Domains. Consumers know to navigate to  
18 the Bodog Domains to find Bodog's services. *If the domain names are not promptly  
19 returned to Bodog, then it will forever lose all of the goodwill established in the Bodog  
20 Domains and trademark.*

21 (Defs.' Mot. For Relief From Enforcement of Pl.'s Writ of Execution 1–2, 5 (Dkt. No. 34-3) (emphasis  
22 added).) As described by BEGSA before the King County Superior Court, then, all of the goodwill  
23 associated with the BODOG trademark is linked to the Bodog domain names. The King County Superior  
24 Court has already appointed a receiver to liquidate those domain names to satisfy Plaintiff's judgment  
25 against BEGSA. Accordingly, the Court found at the preliminary injunction stage that Plaintiff had a  
26 likelihood of success on the merits of the issue of the Court's power to appoint a receiver to liquidate the  
27 marks in conjunction with the state court receiver's liquidation of what is essentially the marks' goodwill,  
28 the domain names. Defendants now argue that a transfer of goodwill to Plaintiff would be improper  
29 because generally, a transfer of goodwill requires that the services be sufficiently similar to avoid  
30 misleading consumers and Plaintiff "has no intention of offering services 'sufficiently'—or at  
31 all—'similar' to those offered by Defendants, since one of Plaintiff's main requests for relief in [the P.I.  
32 Motion] was to prevent Defendants from 'utilizing the Marks in connection with on-line gambling  
33 services in the United States.'" (Mot. 14 (Dkt. No. 35 at 16).) In its P.I.. Motion, Plaintiff asked that

1 Defendants be enjoined from offering “illegal” gambling services. (P.I. Mot. 1 (Dkt. No. 7 at 5).) The  
2 Court finds that the type of services that Plaintiff intends to offer is a factual question and does not find it  
3 appropriate to dismiss the Complaint on this basis.

4 In addition, Defendants argue that while DEDMSA’s attorney said “it will forever lose all the  
5 goodwill established in the Bodog Domains and trademark” if the domain names were not returned to  
6 DEDMSA, Defendants are “not estopped from arguing otherwise here” because the state court judge  
7 rejected that argument. (Reply 5 (Dkt. No. 41).) Defendants concede that “the domain names make up a  
8 considerable part of the goodwill for the trademarks,” but they posit that the domain names are not the  
9 only part of the goodwill. The Court finds that the extent to which the goodwill consists of the domain  
10 names is a factual question and the Court will not dismiss the Complaint pursuant to Rule 12(b)(1) on this  
11 ground.

12 **B. Whether the Complaint should be dismissed pursuant to Federal Rule of Civil**  
13 **Procedure 12(b)(6)**

14 **1. Standard for Dismissal Under Rule 12(b)(6)**

15 The Federal Rules of Civil Procedure permit the Court to dismiss a complaint for “failure to state  
16 a claim upon which relief can be granted.” FED. R. CIV. P. 12(b)(6). “[W]hen ruling on a defendant’s  
17 motion to dismiss, a judge must accept as true all of the factual allegations contained in the complaint.”  
18 *Erickson v. Pardus*, 551 U.S. 89, 89 (2007). To survive a motion to dismiss under Federal Rule of Civil  
19 Procedure 12(b)(6), “[f]actual allegations must be enough to raise a right to relief above the speculative  
20 level on the assumption that all the allegations in the complaint are true (even if doubtful in fact)[.]” *Bell*  
21 *Atl. Corp. v. Twombly*, 550 U.S. 544, 127 S. Ct. 1955, 1965 (2007); *see also Zucco Partners, LLC v.*  
22 *Digimarc Corp.*, \_\_\_ F.3d \_\_\_, 2009 WL 57081, at \*3 (9th Cir. Jan. 12, 2009) (explaining that the Ninth  
23 Circuit holds “dismissal inappropriate unless the plaintiffs’ complaint fails to ‘state a claim to relief that is  
24 plausible on its face.’”) (*citing Twombly*, 127 S. Ct. at 1974).

25 “If, on a motion under Rule 12(b)(6) . . . , matters outside the pleadings are presented to and not

1 excluded by the court, the motion must be treated as one for summary judgment under Rule 56” with all  
2 parties given a reasonable opportunity to present evidence pertinent to the motion. FED. R. CIV. P. 12(d).  
3 Therefore, motions to dismiss are “generally limited to the face of the complaint, materials incorporated  
4 into the complaint by reference, and matters of which we may take judicial notice.” *Zucco Partners*, 2009  
5 WL 57081, at \*3.

## 6                   2.       Discussion

7           Defendant argues that Plaintiff’s state law fraudulent transfer claims are preempted by Federal  
8 trademark law. (Mot. 15 (Dkt. No. 35 at 17).) Therefore, according to Defendants, they should be  
9 dismissed pursuant to Rule 12(b)(6).

10           The Court has already evaluated this argument for the purposes of the preliminary injunction  
11 motion. There, as here, Defendants argued that “federal trademark law makes no allowance for the  
12 reversal of a valid trademark assignment on the grounds of a fraudulent transfer, and in fact, preempts  
13 state fraudulent transfer law.” (P.I. Resp. 16 (Dkt. No. 27 at 17).) In support of this argument,  
14 Defendants argue that on its face, the Lanham Act, which governs trademarks, does not provide for the  
15 reversal of a trademark assignment based on the fact that it is a fraudulent transfer. (Mot. 16 (Dkt. No.  
16 35 at 18).) Defendants argue that Congress left no room for state law to govern the ownership of a  
17 federally registered trademark. (*Id.*)

18           “Federal preemption can be either express or implied.” *Chicanos Por La Causa, Inc. v.*  
19 *Napolitano*, 544 F.3d 976, 982 (9th Cir. 2008). Defendants argued that a type of implied preemption,  
20 field preemption, applies here. Field preemption refers to the doctrine in which “Congress’ intent to  
21 supercede state law altogether may be inferred because ‘[t]he scheme of federal regulation may be so  
22 pervasive as to make reasonable the inference that Congress left no room for the States to supplement  
23 it[.]’” *Fidelity Fed. Sav. & Loan Ass’n v. de la Cuesta*, 458 U.S. 141, 153 (1982) (quoting *Rice v. Santa*  
24 *Fe Elevator Corp.*, 331 U.S. 218, 230 (1947)).

25           Defendants argued that the Lanham Act provides procedures for assigning trademarks, and none

1 of those procedures include reversing a fraudulent transaction. (P.I. Resp. 17 (Dkt. No. 27 at 18).)  
2 Defendants also pointed to the Act’s language stating that “[n]o State . . . may require alteration of a  
3 registered mark” as an indication that Congress intended to preempt state law in this area. 15 U.S.C. §  
4 1121(b).

5 As was the case at the preliminary injunction stage, the Court is not persuaded by Defendants’  
6 arguments. This Court has authority to undo the trademark assignments to GK World and Bodog IP or  
7 otherwise rule with respect to the ownership of the trademarks pursuant to 15 U.S.C. § 1119, under  
8 which the Court:

9 may determine the right to registration, order the cancelation of registrations, in whole or  
10 in part, restore canceled registrations, and otherwise rectify the register with respect to the  
11 registrations of any party to the action. Decrees and orders shall be certified by the court  
to the Director, who shall make appropriate entry upon the records of the Patent and  
Trademark Office, and shall be controlled thereby.

12 15 U.S.C. § 1119. Defendants cited no cases holding that federal trademark law preempts state  
13 fraudulent transfer laws, and the Court has not found any. In addition, as Plaintiff highlighted, at least one  
14 other federal district court has, albeit in the context of deciding a motion for default judgment, ruled that  
15 where a trademark was transferred fraudulently as to another party, that party was entitled to an order  
16 voiding the fraudulent transfer pursuant to both 15 U.S.C. § 1119 and the Iowa Uniform Fraudulent  
17 Transfer Act. *See Panda Invs., Inc. v. Jabez Enters. Ltd.*, No. 07-CV-114-LRR, 2007 WL 4556785, at  
18 \*5 (N.D. Iowa Dec. 20, 2007). Plaintiff also identified at least one other case in which a federal district  
19 court has looked to state law to determine ownership over trademarks. *See Sonista, Inc. v. Hsieh*, 348 F.  
20 Supp. 2d 1089, 1093 (N.D. Cal. 2004) (citing California’s corporations code in determining whether the  
21 president of a company was authorized to sell a trademark, and finding that because he likely was not so  
22 authorized, the transfer of the mark was invalid and voidable).

23 Further, “the Lanham Act has not been interpreted as a statute with broad preemptive reach[.]”  
24 *JCW Invs., Inc. v. Novelty, Inc.*, 482 F.3d 910, 919 (7th Cir. 2007) (“In the area of trademark law,  
25 preemption is the exception rather than the rule.”); *see also Golden Door, Inc. v. Odisho*, 646 F.2d 347,

1 352 (9th Cir. 1980) (holding that the Lanham Act did not preempt state law where the two did not  
2 conflict); *Attrezzi, LLC v. Maytag Corp.*, 436 F.3d 32, 42 (1st Cir. 2006) (recognizing that, with the  
3 Lanham Act, “Congress has not instituted a full-scale federal regulatory scheme” and holding that “[i]f  
4 state substantive regimes are (ordinarily) not preempted by the Lanham Act, neither is New Hampshire’s  
5 tinkering with the remedial components.”); *Tonka Corp. v. Tonk-A-Phone, Inc.*, 805 F.2d 793 (8th Cir.  
6 1986) (holding that where state law did not conflict with the federal scheme of trademark regulation  
7 under the Lanham Act, state law remedies were not preempted).

8 Defendants argue that there is conflict between Washington’s fraudulent conveyance law and the  
9 Lanham Act because fraudulent transfer rules operate without regard to goodwill or other requirements  
10 of the Lanham Act. (Reply 8 (Dkt. No. 41).) However, as the Court has discussed above, Plaintiff is not  
11 attempting to unwind the allegedly fraudulent transfers of the marks for the purposes of transferring them  
12 without their attendant goodwill. Therefore, the Court is not concerned at this stage that the remedy  
13 Plaintiff seeks is barred by preemption.

14 **C. Whether the Court Should Dismiss Bodog IP and GK World Pursuant to Federal**  
15 **Rule of Civil Procedure 12(b)(2)**

16 **1. Standard for Dismissal Under Rule 12(b)(2)**

17 A defendant may challenge the existence of jurisdiction over his or her person under Federal Rule  
18 of Civil Procedure 12(b)(2). The plaintiff has the burden of showing that jurisdiction does exist. *Dole*  
19 *Food Co. v. Watts*, 303 F.3d 1104, 1108 (9th Cir. 2002). Where the district court does not hold an  
20 evidentiary hearing, the facts as alleged in the plaintiff’s complaint are taken as true, and any factual  
21 conflicts in the affidavits are resolved in the plaintiff’s favor. *CE Distribution, LLC v. New Sensor Corp.*,  
22 380 F.3d 1107, 1110 (9th Cir. 2004); *see also Schwarzenegger v. Fred Martin Motor Co.*, 374 F.3d 797,  
23 800 (9th Cir. 2004) (“Where, as here, the motion is based on written materials rather than an evidentiary  
24 hearing, ‘the plaintiff need only make a prima facie showing of jurisdictional facts.’”) (*citing Sher v.*  
25 *Johnson*, 911 F.2d 1357, 1361 (9th Cir. 1990)). “In such cases, ‘we only inquire into whether [the

1 plaintiff's] pleadings and affidavits make a prima facie showing of personal jurisdiction.”  
2 *Schwarzenegger*, 374 F.3d at 800 (citing *Caruth Int'l Psychoanalytical Ass'n*, 59 F.3d 126, 128 (9th Cir.  
3 1995)). In addition, “[w]here, as here, there is no applicable federal statute governing personal  
4 jurisdiction, the district court applies the law of the state in which the district court sits.” *Id.*

## 5 2. Discussion

6 Defendants do not “dispute the availability of *in rem* jurisdiction over the disputed registered  
7 marks[.]” (Mot. 18 (Dkt. No. 35 at 20).) However, they argue that the requested relief regarding the *res*  
8 is not available as a matter of law and also that the Court does not have personal jurisdiction over Bodog  
9 IP or GK World. (*Id.* at 17–19.) As such, they argue, the Complaint should be dismissed as to those  
10 Defendants. As discussed above, the Court does not agree at this stage with Defendants’ argument that  
11 the requested relief regarding the *res* is unavailable as a matter of law. Therefore, the Court will not  
12 dismiss the Complaint on this ground.

13 The Court is also persuaded that Plaintiff has made a prima facie showing of personal jurisdiction  
14 as to Bodog IP and GK World. The exercise of personal jurisdiction may be general or specific, but,  
15 under either theory, due process requires that the defendant have “minimum contacts” with the forum  
16 such that the exercise of jurisdiction does not offend “traditional notions of fair play and substantial  
17 justice.” *Int'l Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945). The parties agree that general personal  
18 jurisdiction does not exist here. The Court will therefore address only specific personal jurisdiction, which  
19 is “jurisdiction based on the relationship between the defendant’s forum contacts and plaintiff’s claims.”  
20 *Menken v. Emm*, 503 F.3d 1050, 1057 (9th Cir. 2007). Plaintiff asserts that Bodog IP and GK World are  
21 subject to specific jurisdiction relating to claims arising out of transfers of the trademarks. (Resp. 7 (Dkt.  
22 No. 39 at 7).)

23 In the Ninth Circuit, specific jurisdiction is analyzed using a three-prong test:

24 (1) The non-resident must purposefully direct his activities or consummate some  
25 transaction with the forum or resident thereof; or perform some act by which he  
purposefully avails himself of the privilege of conducting activities in the forum, thereby

1 invoking the benefits and protections of its laws;

2 (2) the claim must be one which arises out of or relates to the defendant’s forum-related  
3 activities; and

4 (3) the exercise of jurisdiction must comport with fair play and substantial justice, i.e., it  
5 must be reasonable.

6 *Menken*, 503 F.3d at 1057 (quoting *Schwartzenegger*, 374 F.3d at 802). “The plaintiff bears the burden  
7 of satisfying the first two prongs of the test.” *Id.* However, “if the plaintiff succeeds in satisfying both of  
8 the first two prongs, the burden then shifts to the defendant to ‘present a compelling case’ that the  
9 exercise of jurisdiction would not be reasonable.” *Id.* (internal quotation and citation omitted).

10 The Court must therefore elaborate on the three prongs of the specific personal jurisdiction test.

11 **i. Purposeful Availment and Direction**

12 Plaintiff alleges that Defendants GK World and Bodog IP are liable as non-good faith transferees  
13 of fraudulent transfers of property. (Compl. ¶¶ 42–46 (Dkt. No. 1 at 11).)

14 In tort cases, we typically inquire whether a defendant “purposefully directs his activities”  
15 at the forum state, applying an “effects” test that focuses on the forum in which the  
16 defendant’s actions were felt, whether or not the actions themselves occurred within the  
17 forum.

18 *Yahoo! Inc. v. La Ligue Contre Le Racisme Et L’Antisemitisme*, 433 F.3d 1199, 1206 (9th Cir. 2006).

19 The “effects” test requires three elements: “the defendant must allegedly have (1) committed an  
20 intentional act, (2) expressly aimed at the forum state, (3) causing harm that the defendant knows is likely  
21 to be suffered in the forum state.” *Menken*, 503 F.3d at 1058 (quoting *Yahoo! Inc.*, 433 F.3d at 1206).

22 Further:

23 we consider the extent of the defendant’s contacts with the forum and the degree to which  
24 the plaintiff’s suit is related to those contacts. A strong showing on one axis will permit a  
25 lesser showing on the other. A single forum state contact can support jurisdiction if the  
26 cause of action arises out of that particular purposeful contact of the defendant with the  
forum state.

*Id.* (internal citation and quotation omitted).

Plaintiff alleges in its Complaint that Bodog IP and GK World purposefully, not in good faith,  
received property originally from Defendant BEGSA in order to frustrate Plaintiff’s efforts to collect on a

1 Washington judgment. (Compl. ¶¶ 42–46 (Dkt. No. 1 at 11).) Defendants allegedly were aware of  
2 Plaintiff’s ongoing collections efforts, including Plaintiff’s action in the King County Superior Court to  
3 enforce the judgment against Defendants’ Washington property. (*Id.* ¶ 31.) The Court finds that this is an  
4 intentional act that is expressly aimed at the forum state that causes harm that Defendants knew was  
5 likely to be suffered in the forum state. Therefore, Plaintiff has sufficiently alleged the requirements of the  
6 “effects” test and has met its burden as to the first prong of the specific personal jurisdiction test.

7 **ii. Forum-Related Conduct**

8 Under the second prong of the specific personal jurisdiction analysis, “the plaintiff’s claim must be  
9 one which arises out of or relates to the defendant’s forum-related activities.” *Id.* In determining whether  
10 Plaintiff’s claims arise out of Defendants Bodog IP and GK World’s forum-related conduct, “the Ninth  
11 Circuit follows the ‘but for’ test.” *Id.* (*quoting Myers v. Bennett Law Offices*, 238 F.3d 1068, 1075 (9th  
12 Cir. 2001)). In other words, Plaintiff must show that it would not have suffered an injury “but for” Bodog  
13 IP and GK World’s forum-related conduct. *Id.* If GK World and Bodog IP had not in bad faith received  
14 property originally from BEGSA in order to frustrate Plaintiff’s efforts to collect on a Washington  
15 judgment, as Plaintiff alleges, then Plaintiff would not now be seeking to avoid those transfers. Plaintiff’s  
16 claims arise from the allegedly fraudulent transfers of BEGSA’s property to GK World and Bodog IP,  
17 which have allegedly hindered Plaintiff’s ability to collect on its Washington judgment.

18 Even if Bodog IP and GK World’s alleged contacts with Washington are not extensive, “a single  
19 forum state contact can support jurisdiction if the cause of action arises out of that particular purposeful  
20 contact of the defendant with the forum state.” *Id.* at 1060 (*quoting Yahoo! Inc.*, 433 F.3d at 1210). The  
21 Court finds that Plaintiff has therefore satisfied the second prong of the specific jurisdiction test.

22 **iii. Reasonableness**

23 The burden now shifts to Defendants to show that the exercise of jurisdiction over Bodog IP and  
24 GK World would not be reasonable. This third prong examines whether the exercise of the jurisdiction  
25 would be reasonable, balancing the following seven factors:

- 1 (1) the extent of the defendant's purposeful interjection into the forum state's affairs;
- 2 (2) the burden on the defendant of defending in the forum;
- 3 (3) the extent of conflict with the sovereignty of the defendants' state;
- 4 (4) the forum state's interest in adjudicating the dispute;
- 5 (5) the most efficient judicial resolution of the controversy;
- 6 (6) the importance of the forum to the plaintiff's interest in convenient and effective relief;
- 7 and
- 8 (7) the existence of an alternative forum.

9 *Id.* at 1058 (quoting *CE Distribution*, 380 F.3d at 1112).

10 Defendants make no explicit argument that the exercise of jurisdiction over Bodog IP and GK  
11 World would be unreasonable. Moreover, based on the alleged facts, the Court is not persuaded that  
12 Defendants have a "compelling case" that the Court's exercise of personal jurisdiction would be  
13 unreasonable. The Court considers it significant that both Bodog IP and GK World, though foreign  
14 entities, chose to appoint the Seed Intellectual Property Law Group, PLLC ("Seed"), a Seattle-based  
15 firm, as their domestic representative. (Compl. ¶ 6.8 (Dkt. No. 1 at 5).) Plaintiff alleges that Defendants  
16 were in contact with Seed in the course of making the allegedly fraudulent transfers which are the subject  
17 of this lawsuit. (*Id.* ¶ 6.8; Resp. 7 (Dkt. No. 39).) Defendants argue that Plaintiff has not alleged that  
18 Seed actually effected the allegedly fraudulent conveyance; rather, it was a Canadian law firm that  
19 submitted the trademark assignment to the United States Patent and Trademark Office. (Reply 10 (Dkt.  
20 No. 41).) In fact, Plaintiff does allege that Seed submitted the trademark assignment. (Compl. ¶ 18 (Dkt.  
21 No. 1 at 7).) It appears from the trademark assignments attached to the Complaint that Catherine Mutala  
22 at Oyen Wiggs Green & Mutala LLP, was listed as the "Submitter" and Seed was listed as the "Domestic  
23 Representative." (Dkt. No. 1 at 25, 33.) It is not entirely clear to the Court what role Seed played in the  
24 allegedly fraudulent transfers, but at this stage, as noted above, factual disputes are resolved in favor of  
25 Plaintiff.

26 Plaintiff has also alleged that GK World is the operator of the website accessible through  
27 bodoglife.com, and that that domain name is registered through a Washington-based registrar whose  
28 terms of registration provide that the registration agreement is subject to Washington law. (Compl. ¶ 6.5

1 (Dkt. No. 1 at 4.) In addition, Plaintiff asserts that Defendants marketed products and services to  
2 Washington residents via the internet using the trademarks at issue. (*Id.* ¶ 6.7.) Plaintiff cites the example  
3 that the trademark “BODOG BATTLE OF THE BANDS” has been used numerous times in Seattle in  
4 connection with a music concert/contest series held at Seattle night clubs. (*Id.*) Given all of these  
5 allegations, which at this stage the Court must accept as true, the Court finds that Defendants have not  
6 made a compelling showing that the extent of their interjection into the forum state’s affairs is minimal or  
7 that the burden in defending in this forum weighs in their favor.

8         Given that Bodog IP is a corporation organized under the laws of Antigua and Barbuda, GK  
9 World is a Costa Rican entity, and the judgment sought to be enforced is a judgment domesticated in  
10 Washington, there does not appear to be one alternative forum that would be more efficient for the  
11 resolution of this controversy. All of the parties have chosen representation here in the Western District  
12 of Washington and this litigation is already underway. While the Court is mindful of “[t]he unique  
13 burdens placed upon one who must defend oneself in a foreign legal system,” *Asahi Metal Indus. v.*  
14 *Superior Court*, 480 U.S. 102, 114 (1987), the Ninth Circuit has repeatedly observed that “modern  
15 advances in communications and transportation have significantly reduced the burden of litigating in  
16 another country.” *Harris Rutsky & Co. Ins. Servs., Inc. v. Bell & Clements Ltd.*, 328 F.3d 1122, 1132–33  
17 (9th Cir. 2003) (*quoting Sinatra v. Nat’l Enquirer*, 854 F.2d 1191, 1199 (9th Cir.1988)). The Court finds  
18 that, on balance, Defendants do not show a compelling case for unreasonableness. Therefore, the Court  
19 will not dismiss the Complaint as to Bodog IP and GK World for lack of personal jurisdiction.

#### 20 **IV. CONCLUSION**

21         For the foregoing reasons, the Court hereby DENIES the Motion to Dismiss (Dkt. No. 35) filed  
22 by Defendants Defendant Data Entry and Domain Management S.A., Bodog IP Holdings Ltd., and GK  
23 Worldlink. In addition, the Court DENIES as MOOT Defendant’s Motion to Stay Discovery (Dkt. No.  
24 46).

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1 SO ORDERED this 6th day of February, 2009.

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5 John C. Coughenour  
6 UNITED STATES DISTRICT JUDGE  
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