UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF FLORIDA
Miami Division

Case Number: 17-60431-CIV-MORENO

INTERNATIONAL DESIGNS CORPORATION, LLC and HAIRTALK GMBH,

Plaintiffs,

vs.

QINGDAO SEAFOREST HAIR PRODUCTS CO., LTD.,

Defendant.
_____/

ORDER GRANTING DEFENDANT'S MOTION TO DISMISS WITHOUT PREJUDICE

This is a one-count patent infringement case brought by International Designs Corp., LLC and Hairtalk GmbH against Qingdao SeaForest Hair Products Co., Ltd. International Designs is a Florida company that manufactures hair extensions. Hairtalk is a German company that manufactures and sells wigs and toupees. It also owns the U.S. patent related to hair extensions at issue in this case, which it exclusively licenses to International Designs. SeaForest is a Chinese company that sells hair care products and accessories to U.S. businesses. Plaintiffs allege that SeaForest is importing a hair extension product that infringes Hairtalk's patent.

In May 2017, Plaintiffs moved for alternate service of process under Federal Rule of Civil Procedure 4(f)(3), and asked the Court to authorize service via email and international courier with confirmed delivery. The Court granted Plaintiffs' motion and Plaintiffs served SeaForest accordingly.

This cause comes before the Court upon SeaForest's motion to dismiss for insufficient service of process, in which SeaForest asks the Court to: (1) set aside the previous order

permitting alternate service, and (2) require Plaintiffs to serve SeaForest pursuant to the Hague Convention. SeaForest argues that Plaintiffs are required to at least make a reasonable effort to comply with the Hague Convention before seeking alternative service, particularly where Plaintiffs knew SeaForest's address.

The Court has reviewed the motion, response, and reply. As explained below, SeaForest's motion to dismiss the complaint is **GRANTED** without prejudice so that Plaintiffs may serve SeaForest pursuant to the Hague Convention. The Court's previous order permitting alternate service is **SET ASIDE**, and Plaintiffs' motion for alternate service is now **DENIED** with leave to renew if Hague Convention service is unsuccessful or if circumstances otherwise change so that alternate service becomes appropriate.

I. BACKGROUND

In June 2016, SeaForest emailed Hairtalk with information about a hair extension product SeaForest was selling. The same month, SeaForest attended a trade show in Las Vegas where it met with International Designs. Shortly after the meeting, SeaForest emailed International Designs to gauge its interest in buying the hair extension product. Believing that SeaForest's product infringed its patent, in August 2016, Hairtalk's Chinese counsel sent SeaForest a notice of infringement, to which SeaForest responded. Plaintiffs' U.S. counsel also sent SeaForest a cease-and-desist letter by mail to its Chinese address and by email. SeaForest hired U.S. counsel, who responded with two letters by mail and email in September 2016. In February 2017, SeaForest emailed International Designs to state that it believed there were differences between Hairtalk's patent and SeaForest's hair extension product. Plaintiffs then filed this suit and sent waivers of service of process to SeaForest's U.S. counsel, and also emailed the waivers to both SeaForest email addresses. SeaForest's counsel declined to waive service. Plaintiffs then filed a motion for alternate service, which this Court granted. Plaintiffs served SeaForest

via email and international courier with delivery confirmation. SeaForest then filed this motion to dismiss, challenging the method of service.

II. ANALYSIS

A. Rule 4 Service on a Foreign Corporation

"There are two rules of federal civil procedure that apply to service of process upon an international entity located outside of United States jurisdiction: Fed. R. Civ. P. 4(f) (Service Upon Individuals in a Foreign Country) and Fed. R. Civ. P. 4(h) (Service of Process Upon Corporations and Associations)." *Prewitt Enters., Inc. v. Org. of Petroleum Exporting Countries*, 353 F.3d 916, 921 (11th Cir. 2003). Rule 4(h) provides that a foreign corporation may be served "in any manner prescribed by Rule 4(f) for serving an individual, except for personal delivery...." The relevant provisions of Rule 4(f), in turn, provide:

> **(f) Serving an Individual in a Foreign Country.** Unless federal law provides otherwise, an individual—other than a minor, an incompetent person, or a person whose waiver has been filed—may be served at a place not within any judicial district of the United States:
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> **(1)** by any internationally agreed means of service that is reasonably calculated to give notice, such as those authorized by the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents; [or]
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> ...
>
> **(3)** by other means not prohibited by international agreement, as the court orders.

B. Hague Convention

The United States and China are both signatories to the Hague Convention, which applies "in all cases, in civil or commercial matters, where there is occasion to transmit a judicial or extrajudicial document for service abroad." Hague Convention for the Service Abroad of Judicial and Extrajudicial Documents, Nov. 15, 1965, 20 U.S.T. 361, art. 1. The Convention

"shall not apply where the address of the person to be served with the document is not known." *Id.* Here, this civil case involves service abroad on a known address; thus, the Hague Convention applies. To effect service of process abroad, the Hague Convention provides that signatories "shall designate a Central Authority which will undertake to receive requests for service coming from other Contracting States." *Id.* at art. 2. The Convention then sets forth the procedure for effecting service through the Central Authority. *See id.* at arts. 3-6.

C. **Rule 4 Does Not Mandate Compliance With the Hague Convention**

SeaForest argues that although the language of Rule 4(f) appears discretionary, case law and the Hague Convention itself mandate compliance with the Convention for service in a signatory country. This Court disagrees. Compliance with the Convention is not required under Rule 4(f) because Subsection (3) authorizes courts to grant alternate service, and as Plaintiffs correctly assert, Rule 4 uses the disjunctive "or." However, the relevant case law appears to mandate compliance with the Hague Convention because courts are reluctant to use their discretion to authorize alternate service when Hague Convention service is available.

Courts have clearly stated that Rule 4(f)(3) is not merely a "last resort" to be used only after other methods of service have failed; rather, Rule 4(f)(3) stands on equal footing with the other service methods enumerated in Rule 4(f). *Brookshire Bros., Ltd. v. Chiquita Brands Int'l, Inc.*, No. 05-21962, 2007 WL 1577771, at *2 (S.D. Fla. May 31, 2007) (Cooke, J.) (quoting *Rio Props., Inc. v. Rio Int'l Interlink*, 284 F.3d 1007, 1015 (9th Cir. 2002)); *accord AngioDynamics, Inc. v. Biolitec AG*, 780 F.3d 420, 429 (1st Cir. 2015) ("By its plain terms, Rule 4(f)(3) does not require exhaustion of all possible methods of service before a court may authorize service by 'other means.'").[1] Thus, "[s]ervice may be accomplished under Rule 4(f)(3) as long as it is (i)

[1] Many other courts are in accord. *See Rio Props.*, 284 F.3d at 1015 (Rule 4(f)(3) is "neither a last resort nor extraordinary relief…It is merely one means among several which enables service of process on an international

ordered by the court, and (ii) not prohibited by an international agreement." *U.S. Commodity Futures Trading Comm'n v. Aliaga*, 272 F.R.D. 617, 619 (S.D. Fla. 2011) (Cooke, J.). "No other limitations are evident from the text." *Id.* "In fact, as long as court-directed and not prohibited by an international agreement, service of process ordered under Rule 4(f)(3) may be accomplished in contravention of the laws of the foreign country." *Fru Veg Mktg., Inc. v. Vegfruitworld Corp.*, 896 F. Supp. 2d 1175, 1182 (S.D. Fla. 2012) (Ungaro, J.); *see also Freedom Watch, Inc. v. Org. of Petroleum Exporting Countries*, 766 F.3d 74, 84 (D.C. Cir. 2014) (holding that the "district court retains discretion under Rule 4(f)(3) to authorize service even if the alternate means would contravene foreign law"). But, if an alternate method does not comply with foreign law, the district court should make "an earnest effort…to devise a method of communication that…minimizes offense to foreign law." *Prewitt*, 353 F.3d at 927 (quoting Fed. R. Civ. P. 4 advisory committee's note to 1993 amendment).

Here, the Hague Convention applies. But, this does not prohibit the Court from granting alternate service under Rule 4(f)(3) ***if appropriate***.

D. **The Court Declines Alternate Service Under Present Circumstances**

Although Rule 4(f) does not mandate compliance with the Hague Convention, under the circumstances of this case, Plaintiffs should make an effort to effect Hague Convention service before seeking alternate service. A district court has the sound discretion to determine "when the particularities and necessities of a given case require alternate service of process under Rule

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defendant."); *TracFone Wireless, Inc. v. Bitton*, 278 F.R.D. 687, 691-92 (S.D. Fla. 2012) (Scola, J.) ("Despite coming last in the list of available methods of service in Rule 4(f), there is no indication from the plain language of the Rule that the three subsections, separated by the disjunctive 'or,' are meant to be read as a hierarchy."); *Codigo Music, LLC v. Televisa S.A. de C.V.*, No. 15-21737, 2017 WL 4346968, at *7 (S.D. Fla. Sept. 29, 2017) (Simonton, C.M.J.) (no express requirement that plaintiffs demonstrate Hague Convention service is not possible before court may authorize alternate service under Rule 4(f)(3) as long as alternate method is not expressly prohibited by Hague Convention or objected to); *but see Chanel, Inc. v. Zhixian*, No. 10-60585, 2010 WL 1740695 (S.D. Fla. Apr. 29, 2010) (Cohn, J.) ("If the Hague Service Convention applies, the parties must first attempt to effectuate service by the means designated in the Convention.").

4(f)(3)." *Aliaga*, 272 F.R.D. at 619 (quoting *Rio Props.*, 284 F.3d at 1016). Thus, before permitting alternate service, "a district court, in exercising the discretionary power permitted by Rule 4(f)(3), may require the plaintiff to show that they have 'reasonably attempted to effectuate service on defendant and that the circumstances are such that the district court's intervention is necessary to obviate the need to undertake methods of service that are unduly burdensome or that are untried but likely futile.'" *FMAC Loan Receivables v. Dagra*, 228 F.R.D. 531, 534 (E.D. Va. 2005) (quoting *Ryan v. Brunswick Corp.*, No. 02-0133E(F), 2002 WL 1628933, at *2 (W.D.N.Y. May 31, 2002)).

In applying Rule 4(f)(3), this District has previously authorized several different methods of service on foreign defendants: (1) service through FedEx and email, *Bitton*, 278 F.R.D. at 692-93; *Stat Med. Devices, Inc. v. HTL-Strefa, Inc.*, No. 15-20590, 2015 WL 5320947, at *3 (S.D. Fla. Sept. 14, 2015) (O'Sullivan M.J.); (2) service by Internet publication, *Abercrombie & Fitch Trading Co. v. 7starzone.com*, No. 14-60087, 2014 WL 11721486, at *2 (S.D. Fla. Mar. 11, 2014) (Turnoff, M.J.); and (3) service to a foreign defendant's U.S. counsel via FedEx, U.S. mail, or email, *Fru Veg*, 896 F. Supp. 2d at 1183; *Aliaga*, 272 F.R.D. at 621. But typically, courts permit such alternate service only where the defendant's foreign address is unknown; the defendant has successfully evaded service; failure to permit alternate service will result in unduly long delays in litigation; or where attempted Hague Convention service has failed. *See, e.g.*, *Codigo Music*, 2017 WL 4346968 (denying motion for alternate service without prejudice to renew, even after one unsuccessful attempt to serve Mexican defendant pursuant to Hague Convention, where plaintiffs knew defendant's address, there was no urgency, and defendant was not evading service); *In re Takata Prods. Liab. Litig.*, No. 15-2599, 2017 U.S. Dist. LEXIS 71816 (S.D. Fla. Mar. 24, 2017) (Stumphauzer, S.M.) (alternate service granted after plaintiffs

had attempted Hague Convention service for more than six months while spending more than $25,000); *Abercrombie & Fitch*, 2014 U.S. Dist. LEXIS 188948 (defendants operated anonymously using false physical address information to conceal their location and avoid liability; plaintiff unable to ascertain address after investigation); *Zhixian*, 2010 WL 1740695 (defendant's addresses were false, incomplete or invalid, and its phone numbers were invalid, disconnected, or went unanswered, despite plaintiff's investigations).

The case law is heavily influenced by the 1993 Advisory Committee Notes to Rule 4. First, the Committee states: "[u]se of the Convention procedures, when available, is mandatory if documents must be transmitted abroad to effect service." Fed. R. Civ. P. 4 advisory committee's note to 1993 amendment (citing *Volkswagenwerk Aktiengesellschaft v. Schlunk*, 486 U.S. 694 (1988) (noting that voluntary use of these procedures may be desirable even when service could constitutionally be effected in another manner)). The Notes continue:

> The Hague Convention does not specify a time within which a foreign country's Central Authority must effect service, but Article 15 does provide that alternate methods may be used if a Central Authority does not respond within six months. Generally, a Central Authority can be expected to respond much more quickly than that limit might permit, but there have been occasions when the signatory state was dilatory or refused to cooperate for substantive reasons. In such cases, resort may be had to the provision set forth in subdivision (f)(3).

Id. Specifically regarding Rule 4(f)(3), the Advisory Committee states:

> Other circumstances that might justify the use of additional methods include the failure of the foreign country's Central Authority to effect service within the six-month period provided by the Convention, or the refusal of the Central Authority to serve a complaint seeking punitive damages or to enforce the antitrust laws of the United States. In such cases, the court may direct a special method of service not explicitly authorized by international agreement if not prohibited by the agreement.

Id.

Here, there is no evidence that SeaForest's address is unknown, that SeaForest is evading service, or that any great urgency exists. Further, Plaintiffs have not shown that service is particularly difficult. Rather, although Plaintiffs have known SeaForest's Chinese address since at least August 2016, they have not indicated that they have attempted to submit a request for service to the Chinese Central Authority, even during the nearly six-month pendency of this motion. This strategy is curious, as compliance with the Hague Convention likely would ease enforcement of any potential judgment. Indeed, the Supreme Court has stated:

> Nothing we say today prevents compliance with the Convention even when the internal law of the forum does not so require. The Convention provides simple and certain means by which to serve process on a foreign national.
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> ...
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> In addition, parties that comply with the Convention ultimately may find it easier to enforce their judgments abroad. For these reasons, we anticipate that parties may resort to the Convention voluntarily, even in cases that fall outside the scope of its mandatory application.

Schlunk, 486 U.S. at 706 (internal citations omitted).

Given the circumstances in this case, and being heavily influenced by the Advisory Committee Notes and persuasive case law, the Court declines to authorize alternate service at this time, as Plaintiffs have not yet attempted to serve SeaForest through China's Central Authority as contemplated by the Hague Convention. The Court is not satisfied that alternate service is warranted under these facts. Plaintiffs have simply not reasonably attempted to effectuate service on SeaForest through internationally agreed methods or shown that such methods are unduly burdensome or futile. This Court is wary of circumventing the Hague

Convention without Plaintiffs first attempting to comply with it, especially in light of the Advisory Committee Notes on Rule 4(f)(3).[2]

III. CONCLUSION

Based on the foregoing, it is

ORDERED AND ADJUDGED that SeaForest's motion to dismiss is **GRANTED** without prejudice so that Plaintiffs may serve SeaForest pursuant to the Hague Convention. The Court's previous order permitting alternate service is **SET ASIDE**, and with the benefit of fully briefed issues, Plaintiffs' motion for alternate service is now **DENIED** with leave to renew if Hague Convention service is unsuccessful or if circumstances otherwise change so that alternate service becomes appropriate.[3]

DONE AND ORDERED in Chambers at Miami, Florida, this 4th of January 2018.

FEDERICO A. MORENO
UNITED STATES DISTRICT JUDGE

Copies furnished to:

Counsel of Record

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[2] Further, the Eleventh Circuit has stressed the need for formal service of process despite actual notice of an action by a defendant. *See De Gazelle Grp., Inc. v. Tamaz Trading Establishment*, 817 F.3d 747 (11th Cir. 2016).

[3] The Court notes that any renewed motion for alternate service by Plaintiffs should exclude service by mail. Rule 4(f)(3) authorizes alternate service "not prohibited by international agreement." In cases governed by the Hague Convention, service by mail is permissible only if the receiving state has not objected to service by mail. *See Water Splash, Inc. v. Menon*, 137 S. Ct. 1504, 1513 (2017). Article 10(a) of the Hague Convention states that "[p]rovided the State of destination does not object, the present Convention shall not interfere with…the freedom to send judicial documents, by postal channels, directly to persons abroad." 20 U.S.T. 361, art. 10. China has specifically objected to Article 10, declaring that it "oppose[s] the service of documents in the territory of the People's Republic of China by the methods provided by Article 10 of the Convention." *See* Hague Convention public website, https://www.hcch.net/en/instruments/conventions/status-table/notifications/?csid=393&disp=resdn (last visited January 4, 2018). Thus, the Hague Convention prohibits service by mail to Chinese defendants. Because service by mail on a Chinese defendant is prohibited by an international agreement, the Court is not permitted to authorize alternate service by mail under Rule 4(f)(3). Of course, this does not foreclose Plaintiffs from filing a renewed motion for other types of alternate service, including email, as appropriate.