

CLIENT ALERT

Clarifying *Red Wing*: Infringement Notice Letters Sent To A Forum And Other Factors May Establish Personal Jurisdiction For Declaratory Judgment Action

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Trimble Inc., et al. v. PerDiemCo LLC, No. 19-2164 (Fed. Cir. May 12, 2021)

Appeal of a Northern District of California opinion finding no personal jurisdiction for a non-infringement declaratory judgment action. The district court relied upon *Red Wing Shoe Co. v. Hockerson-Halberstadt, Inc.*, 148 F.3d 1355 (Fed. Cir. 1998) to find that the patent owner's twenty-two communications sent to Trimble, including letters, emails and phone calls, alleging patent infringement was not enough to exercise jurisdiction. *Red Wing* in relevant part stated: a "patentee should not subject itself to personal jurisdiction in a forum solely by informing a party who happens to be located there of suspected infringement" because "[g]rounding personal jurisdiction on such contacts alone would not comport with principles of fairness."

The Federal Circuit reversed the district court's order. The panel noted three developments occurring after *Red Wing* as relevant, where the Supreme Court:

- "made clear that the analysis of personal jurisdiction cannot rest on special patent policies;"
- "held that communications sent into a state may create specific personal jurisdiction, depending on the nature and scope of such communications;" and
- "established that a broad set of a defendant's contacts with a forum are relevant to the minimum contacts analysis."

The panel also observed other relevant contacts beyond sending communications into a forum:

- hiring an attorney or agent in the forum to prosecute the relevant patent application;
- physically entering a forum to discuss the relevant patent or underlying technology;
- the presence of an exclusive licensee in the forum;
- · extra-judicial patent enforcement targeting business activities in the forum; and
- · non-exclusive licenses in a forum.

Given this analysis, the panel found that exercise of jurisdiction is appropriate in the present case. PerDiemCo exchanged at least twenty-two communications with Trimble over three months. That these communications were sent to Trimble's counsel in Colorado was no impediment, because precedent treats these communications as if sent to California where Trimble is headquartered. These communications alleged infringement of specific patents, sought mediation and even included a draft complaint. PerDiemCo also "had negotiated some ten other nonexclusive licenses, including several with large firms operating nationwide." The panel contrasted *Red Wing* in stating that PerDiemCo's actions went far beyond solely "informing a party who happens to be located [in California] of suspected infringement." Instead, PerDiemCo amplified its threats over time by asserting additional patents and identifying the counsel it retained to bring suit.

Read the full decision here.

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