

Exhibit A

2022 WL 1132169

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United States Court of Appeals, Federal Circuit.

APPLE INC., Plaintiff-Appellant

v.

ZIPIT WIRELESS, INC., Defendant-Appellee

2021-1760

|

Decided: April 18, 2022

Synopsis

Background: Alleged infringer filed suit seeking declaratory judgment of noninfringement of assignee's patents directed to wireless instant messaging device. The United States District Court for the Northern District of California, [Edward J. Davila, J., 2021 WL 533754](#), granted assignee's motion to dismiss for lack of personal jurisdiction. Alleged infringer appealed.

Holdings: The Court of Appeals, [Stoll](#), Circuit Judge, held that:

[1] assignee was subject to specific personal jurisdiction, and

[2] exercise of personal jurisdiction over assignee would not be unreasonable.

Reversed and remanded.

Procedural Posture(s): On Appeal; Motion to Dismiss for Lack of Personal Jurisdiction.

West Headnotes (22)

[1] **Federal Courts** 🔑 Personal jurisdiction
Personal jurisdiction is question of law that Court of Appeals reviews de novo.

[2] **Federal Courts** 🔑 Dismissal for lack of jurisdiction

In reviewing a dismissal for lack of personal jurisdiction, Court of Appeals accepts uncontroverted allegations in the complaint as true and resolves any factual conflicts in the affidavits in plaintiff's favor. [Fed. R. Civ. P. 12\(b\) \(2\)](#).

[3] **Constitutional Law** 🔑 Non-residents in general

Federal Courts 🔑 Actions by or Against Nonresidents; "Long-Arm" Jurisdiction

Federal Courts 🔑 Personal jurisdiction

Determining whether personal jurisdiction exists over an out-of-state defendant in the Northern District of California involves two inquiries: whether California's long-arm statute permits service of process, and whether assertion of personal jurisdiction comports with due process. [U.S. Const. Amend. 14](#); [Cal. Civ. Proc. Code § 410.10](#).

[4] **Courts** 🔑 Actions by or Against Nonresidents, Personal Jurisdiction In; "Long-Arm" Jurisdiction

California's long-arm statute permits service of process to the full extent allowed by the Due Process Clause of the United States Constitution, so the two inquiries to determine whether personal jurisdiction can be exercised over an out-of-state defendant become one; that is, Court of Appeals only needs to consider whether jurisdiction comports with due process. [U.S. Const. Amend. 14](#); [Cal. Civ. Proc. Code § 410.10](#).

[5] **Constitutional Law** 🔑 Non-residents in general

Foreseeability is critical to the due process analysis in determining whether personal jurisdiction may be exercised over an out-of-state defendant, and the focus is on whether a given defendant's conduct and connection with the forum state are such that he should reasonably anticipate being haled into court there. [U.S. Const. Amend. 14](#).

presence of some other considerations would render jurisdiction unreasonable.

[6] **Federal Courts** 🔑 Related contacts and activities; specific jurisdiction

In ascertaining whether exercise of specific personal jurisdiction is appropriate in a given case, a court considers: (1) whether defendant purposefully directed its activities at residents of the forum, (2) whether the claim arises out of or relates to the defendant's activities within the forum, and (3) whether assertion of personal jurisdiction is reasonable and fair.

[7] **Federal Courts** 🔑 Related contacts and activities; specific jurisdiction

The first two factors for determining whether specific personal jurisdiction may be exercised over an out-of-state defendant comprise the minimum contacts portion of the jurisdictional framework, namely, whether defendant purposefully directed its activities at residents of the forum and whether the claim arises out of or relates to the defendant's activities within the forum.

[8] **Federal Courts** 🔑 Related contacts and activities; specific jurisdiction

The third factor for determining whether specific personal jurisdiction may be exercised over an out-of-state defendant assesses the reasonableness and fairness of exercising jurisdiction with an eye toward ensuring that the exercise of jurisdiction does not offend the traditional notions of fair play and substantial justice.

[9] **Federal Courts** 🔑 Presumptions and burden of proof

Federal Courts 🔑 Weight and sufficiency

Where minimum contacts are satisfied, the exercise of specific personal jurisdiction over an out-of-state defendant is presumptively reasonable; thus, the burden is placed on the defendant to present a compelling case that the

[10] **Patents** 🔑 Tortious act, conduct, or injury

Out-of-state assignee of patents directed to wireless instant messaging device was subject to exercise of specific personal jurisdiction, in alleged infringer's action seeking declaratory judgment of noninfringement, since assignee had minimum contacts with forum state of California sufficient to satisfy due process, as assignee purposefully directed its activities at forum, and claim arose out of or related to assignee's activities within forum, including sending multiple letters and claim charts accusing alleged infringer of patent infringement and also traveling to alleged infringer's offices in forum state to discuss those accusations. *U.S. Const. Amend. 14.*

[11] **Federal Courts** 🔑 Related contacts and activities; specific jurisdiction

There is no general rule that demand letters can never create specific personal jurisdiction over an out-of-state defendant.

[12] **Patents** 🔑 Residence and Place of Infringement; Long-Arm Jurisdiction

Principles of fair play and substantial justice afford a patentee sufficient latitude to inform others of its patent rights without subjecting itself to personal jurisdiction in a foreign forum.

[13] **Federal Courts** 🔑 Contacts with Forum

A right holder should be permitted to send a notice letter to a party in a particular forum to try to settle disputes without being haled into court in that forum; this policy must be considered in determining whether the exercise of personal jurisdiction over the out-of-state defendant would be reasonable and fair.

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- [14] **Compromise, Settlement, and Release** 🔑 Status as favored or disfavored; public policy
 The policy favoring settlement of cases is manifest in the Federal Rules of Evidence, as well as Supreme Court precedent directing courts to consider the interstate judicial system's interest in obtaining the most efficient resolution of controversies.

- [15] **Federal Courts** 🔑 Related contacts and activities; specific jurisdiction
 The sending of a notice letter can provide specific personal jurisdiction over an out-of-state defendant.

- [16] **Patents** 🔑 Residence and Place of Infringement; Long-Arm Jurisdiction
 Communications directed to attempted resolution of patent dispute do not trump all other considerations of fairness and reasonableness of exercise of personal jurisdiction over a nonresident defendant. *U.S. Const. Amend. 14.*

- [17] **Federal Courts** 🔑 Personal Jurisdiction
 Inquiries into personal jurisdiction cannot rest on bright-line rules; there are no talismanic jurisdictional formulas.

- [18] **Federal Courts** 🔑 Factors Considered in General
 The facts of each case must always be weighed in determining whether exercise of personal jurisdiction would comport with fair play and substantial justice.

- [19] **Federal Courts** 🔑 Factors Considered in General
 In determining whether exercise of personal jurisdiction over an out-of-state defendant would be unreasonable, the following factors are

considered: (1) the burden on the defendant, (2) the forum state's interest in adjudicating the dispute, (3) the plaintiff's interest in obtaining convenient and effective relief, (4) the interstate judicial system's interest in obtaining the most efficient resolution of controversies, and (5) the shared interest of the several states in furthering fundamental substantive social policies.

- [20] **Constitutional Law** 🔑 Business, business organizations, and corporations in general
Patents 🔑 Personal jurisdiction in general
 Exercise of specific personal jurisdiction over out-of-state assignee of patents directed to wireless instant messaging devices was not unreasonable under due process requirements, in alleged infringer's action seeking declaratory judgment of noninfringement; general allegations of inconvenience of litigating in forum state of California did not demonstrate unreasonable burden to assignee whose headquarters and employees were in South Carolina but could have foreseen being haled into court in California, both California and alleged infringer that was headquartered in California had substantial interest in litigating in California, those interests did not pale in comparison to interest of judicial system and society at large, and interests of California and South Carolina did not conflict. *U.S. Const. Amend. 14.*

- [21] **Constitutional Law** 🔑 Non-residents in general
Federal Courts 🔑 Contacts with Forum
 In determining whether personal jurisdiction may be exercised over an out-of-state defendant, territorial presence frequently will enhance a potential defendant's affiliation with a state and reinforce the reasonable foreseeability of suit there; this foreseeability is critical to the due process analysis. *U.S. Const. Amend. 14.*

- [22] **Patents** 🔑 In general; utility

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US Patent 7,292,870, US Patent 7,894,837.

Cited.

BACKGROUND

I

Appeal from the United States District Court for the Northern District of California in No. 5:20-cv-04448-EJD, Judge Edward J. Davila.

Attorneys and Law Firms

Lauren Ann Degnan, Fish & Richardson PC, Washington, DC, argued for plaintiff-appellant. Also represented by Ashley Bolt, Eda Stark, Benjamin Thompson, Atlanta, GA; Benjamin Elacqua, Houston, TX.

Cortney Alexander, Kent & Risley LLC, Alpharetta, GA, argued for defendant-appellee. Also represented by Stephen Robert Risley.

Before Hughes, Mayer, and Stoll, Circuit Judges.

Opinion

Stoll, Circuit Judge.

*1 Apple Inc. appeals from a judgment of the U.S. District Court for the Northern District of California dismissing its complaint for declaratory judgment of noninfringement against Zipit Wireless, Inc. for lack of personal jurisdiction. The district court held that it would be unreasonable to exercise personal jurisdiction over Zipit based on the nature of Zipit's communications with Apple in the Northern District. Specifically, the district court read our precedent as applying a bright-line rule that patent infringement notice letters and related communications can never form the basis for personal jurisdiction. We agree with Apple that the district court erred in this regard.

Guided by the Supreme Court and our own precedent, we conclude, as the district court likely would have absent its erroneous interpretation of our precedent, that Zipit is subject to specific personal jurisdiction in the Northern District of California for purposes of Apple's declaratory judgment action. We therefore reverse the judgment dismissing Apple's declaratory judgment complaint and remand for further proceedings.

Zipit is a Delaware corporation with a principal place of business in Greenville, South Carolina, and with each of its fourteen employees located in South Carolina. Zipit is the assignee of U.S. Patent Nos. 7,292,870 and 7,894,837 (collectively, the "patents-in-suit"), which are generally directed to wireless instant messaging devices that use Wi-Fi to send and receive instant messages.

The parties' communications regarding the patents-in-suit and the instant lawsuit date back to at least 2013, when Zipit first contacted Apple in the Northern District of California. Over the course of three years, the parties exchanged several rounds of correspondence and met in person at Apple's Cupertino headquarters located in the Northern District. The parties discussed, among other things, the possibility of Apple buying or licensing the patents-in-suit from Zipit; the status and perceived strength of ongoing inter partes review proceedings involving the patents-in-suit; and technical details regarding potential infringement (and allegations of willful infringement). Ultimately, these discussions led to Zipit filing a patent infringement action against Apple.

The record before the district court¹ indicates that Zipit first traveled to Apple's Cupertino headquarters on December 3, 2013. J.A. 146. Following this in-person meeting, the parties had "at least" four "detailed calls" in December 2013, February 2014, and March 2014. *Id.* During these meetings and calls, Apple and Zipit discussed licensing the patents-in-suit and Apple's contentions that it "does not practice any Zipit patent claims" and that the "patents[-in-suit] are invalid." *Id.* Indeed, the parties went so far as to exchange competing drafts of a license agreement in August and September 2014 but ultimately did not reach any agreement. Zipit traveled to Apple's Cupertino offices for a second in-person meeting to continue discussions on January 13, 2015. *Id.*

¹ On January 25, 2022, we granted Apple's opposed motion to file a supplemental appendix. *See* Order, *Apple Inc. v. Zipit Wireless, Inc.*, No. 21-1760, ECF No. 38 (Fed. Cir. Jan. 25, 2022). The supplemental appendix includes a portion of a letter from Zipit's outside counsel to Apple's general counsel that was

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