

CAFC Expands Personal Jurisdiction Beyond *Red Wing*

***Trimble Inc. v. PerDiemCo LLC*,
2021 WL 1898127 (Fed. Cir. May 12, 2021)**

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The Court of Appeals for the Federal Circuit (CAFC) recently clarified that communications sent into a forum from without—threatening suit, or proposing settlement or licenses—can be sufficient to establish personal jurisdiction. In *Trimble Inc. v. PerDiemCo LLC*, the CAFC reversed the Northern District of California’s (N.D. Cal.) dismissal of Trimble’s declaratory judgment action, clarifying that its *Red Wing* decision did not, by default, preclude personal jurisdiction, where a party deliberately reaching out beyond its home and into another forum twenty-two times over three months passed personal jurisdiction muster.

In deciding *Red Wing Shoe Co. v. Hockerson-Halbertstadt, Inc.*, 148 F.3d 1355 (Fed. Cir. 1998), the CAFC stated that personal jurisdiction did not arise “solely by informing a party” located there of infringement, indicating such contacts failed to meet due process. PerDiemCo. successfully argued via *Red Wing* that demand letters and related communications did not support jurisdiction. Reversing on appeal, the CAFC, citing *Ford Motor Co. v. Mont. Eighth Jud. Dist. Ct.*, 141 S. Ct. 1017, 1024 (2021), focused the analysis on the nature and extent of the relationship between defendant and the forum state.

PerDiemCo holds a number of patents generally related to geofencing. It has a single employee, based out of Washington D.C., and an office in the Eastern District of Texas. In October 2018, PerDiemCo sent a demand letter to a wholly owned Trimble subsidiary in Iowa, attaching an unfiled Northern District of Iowa complaint asserting infringement and proposing negotiations. The subsidiary forwarded the materials to Trimble’s Chief IP Counsel, a Colorado resident, who identified himself as the negotiation lead and accepted the offer to enter into licensing discussions. Notably, Trimble is headquartered in the N.D. Cal.. Negotiations continued over three months, with PerDiemCo sending at least twenty-two communications to Trimble. After Trimble filed for declaratory judgment in the N.D. Cal., PerDiemCo successfully moved to dismiss, arguing *Red Wing* precluded personal jurisdiction based on demand letters.

The CAFC reversed the district court’s decision, finding that PerDiemCo’s acts demonstrated purposeful availment by deliberately reaching out beyond its home and the claims were related to such contacts. Stepping through the Supreme Court’s five fairness considerations identified in *Burger King Corp. v. Rudzewicz*, 471 U.S. 462 (1985) and *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286 (1980), the court determined that the burden on the Washington D.C. defendant was slight to litigate in California versus Texas, that California had a significant interest in protecting residents from infringement claims, that California-resident Trimble had an interest in the convenient nearby federal court, that interstate judicial efficiency did not counsel against jurisdiction, and that social policy differences were not implicated where federal patent law governed. In distinguishing *Red Wing*’s facts and applying Supreme Court precedent, the CAFC (a) confirmed that patent infringement personal jurisdiction analysis is the same as other civil cases and that there is no special personal jurisdiction analysis for patent cases; and (b) rejected a rule that demand letters could never give rise to personal jurisdiction.