



For Purposes of Evaluating Personal Jurisdiction in the Context of a Declaratory Judgment, Defendant's Activities Must Relate to the Defense of Validity or Enforcement of the Asserted Patents

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By: Daniel L. Moffett

In response to licensing letters from defendant, plaintiff filed a declaratory judgment that it did not infringe the asserted patents, a declaratory judgment that the patents were unenforceable, a claim to correct inventorship, and several state law claims including breach of contract, unjust enrichment, and conversion. Plaintiff alleged that defendant obtained confidential and proprietary information concerning high-performance computing technology and subsequently filed and obtained the asserted patents. According to plaintiff, defendant's employees intentionally acquired substantial amounts of proprietary information from plaintiff's employees located in Washington. In analyzing defendant's motion to dismiss the declaratory judgment claims of non-infringement and unenforceability, the court noted that the relevant inquiry for specific personal jurisdiction is to ascertain the extent to which defendant purposefully directed its patent enforcement activities at residents of the forum. The court reasoned that although cease-and-desist letters and licensing negotiations directed at the forum may relate to enforcement activities, without more, such activities are insufficient to confer personal jurisdiction under the "fair play and substantial justice" prong of the due process analysis. These activities must be combined with "other activities" related to the defense or enforcement of the patents. Such "other activities," the court noted, include initiating judicial or extra-judicial enforcement within the forum, entering into an exclusive license agreement, or other undertaking which imposes enforcement obligations with a party residing or regularly doing business in the forum. The court further found that defendant's alleged solicitation of proprietary information from plaintiff's employees did not

relate to “enforcement and defense activities” and therefore could not be considered as part of the analysis. The court thus granted defendant’s motion to dismiss the declaratory judgment claims.

The court, however, denied defendant’s motion to dismiss the inventorship claims because plaintiff adequately alleged that defendant purposefully directed its activities at plaintiff’s employees located in Washington. The court reasoned that plaintiff’s claims arose out of or related to defendant’s alleged solicitation of plaintiff’s employees and misappropriation of plaintiff’s technology. Regarding the remaining state law claims, the court found that pendant personal jurisdiction was applicable because the state law claims “arise out of a common nucleus of operative facts” with plaintiff’s inventorship claims.

Cray Inc. v. Raytheon Company, 2-15-cv-01127 (W.D. Wash. April 5, 2016, Order) (Robart, J.).

Categories

District Court

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