

district court agreed and found no substantial controversy between the parties, dismissing the case for lack of subject matter jurisdiction.<sup>859</sup>

The Federal Circuit reversed. Under *MedImmune*, the test for whether a controversy exists is “whether the facts alleged, under all the circumstances, show that there is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.”<sup>860</sup> The court specifically requires “conduct that can be reasonably inferred as demonstrating intent to enforce a patent.”<sup>861</sup>

The court found sufficient evidence that Asetek demonstrated intent to enforce its patents, particularly given the volatile relationship between the parties and through Asetek’s accusation that AVC was “likely selling other infringing products in the United States.”<sup>862</sup> Asetek also allegedly threatened legal action to AVC’s customers regarding continued use of AVC’s products.<sup>863</sup> Asetek maintained that it never mentioned the K7 or K9 products in its communications with AVC or knew those products existed.<sup>864</sup> The court held that such specific facts are not required to find jurisdiction and that the totality of Asetek actions can still be reasonably inferred as demonstrating intent.<sup>865</sup> The court also found that the threat of patent infringement suit was real and immediate because “AVC provided undisputed allegations that it has manufactured prototypes [of K7 and K9], has potential customers, and has a sufficiently immediate interest to request a license to clear the path for its intended entrance into the U.S. market.”<sup>866</sup>

## Personal Jurisdiction

### ***Xilinx, Inc. v. Papst Licensing GmbH & Co. KG*, 2017 WL 605307 (Fed. Cir. Feb. 15, 2017)**

In this appeal from the Northern District of California, the Federal Circuit held that personal jurisdiction over Papst was proper.<sup>867</sup>

Papst is a nonpracticing entity that monetizes and licenses patent rights.<sup>868</sup> It is the assignee of the ‘759 and ‘891 patents, which “are directed to methods for generating and verifying memory tests in electronics.”<sup>869</sup> Papst is organized under the laws of Germany and has its principal place of business there.<sup>870</sup> Between 1994 to 2007, Papst filed patent infringement suits in California at least seven times.<sup>871</sup>

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<sup>859</sup> *Id.*

<sup>860</sup> *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 127 (2007).

<sup>861</sup> *Hewlett-Packard Co. v. Acceleron LLC*, 587 F.3d 1358, 1363 (Fed. Cir. 2009).

<sup>862</sup> *Asia Vital*, 2016 WL 4698960, at \*3.

<sup>863</sup> *Id.*

<sup>864</sup> *Id.* at \*4.

<sup>865</sup> *Id.*

<sup>866</sup> *Id.*

<sup>867</sup> *Xilinx, Inc. v. Papst Licensing GmbH & Co. KG*, 2017 WL 605307, at \*8 (Fed. Cir. Feb. 15, 2017).

<sup>868</sup> *Id.* at \*1.

<sup>869</sup> *Id.*

<sup>870</sup> *Id.*

<sup>871</sup> *Id.*

In January 2014, Papst sent a notice to Xilinx, alleging that Xilinx was infringing on the ‘759 and ‘891 patents.<sup>872</sup> In October 2014, three representatives of Papst traveled to California to meet with Xilinx about the licensing of the asserted patents, but they did not reach an agreement.<sup>873</sup> In November 2014, Xilinx filed a declaratory judgment action asking the court to hold that it was not infringing the asserted patents.<sup>874</sup> The district court dismissed the action for lack of personal jurisdiction.<sup>875</sup>

The Federal Circuit reversed, finding personal jurisdiction. **The court applies a three-factor test to determine whether jurisdiction comports with due process: “(1) whether the defendant ‘purposefully directed’ its activities at residents of the forum; (2) whether the claim ‘arises out of or relates to’ the defendant’s activities with the forum; and (3) whether assertion of personal jurisdiction is ‘reasonable and fair.’”<sup>876</sup> The third prong is presumptively satisfied when the first two are satisfied.<sup>877</sup>**

On the first prong, the court held that Papst “purposefully directed its activities to California when it sent multiple notice letters to Xilinx and traveled there to discuss Xilinx’s alleged patent infringement and potential licensing arrangements.”<sup>878</sup> On the second prong, the court found that the declaratory judgment action “certainly relates” to Papst’s notice letters and visit to California in order to license the patents at issue.<sup>879</sup> On the third prong, the court discussed how the exercise of jurisdiction is presumptively reasonable and found no “compelling case” to decide otherwise.<sup>880</sup> In particular, the court highlighted that “by the very nature of its business, Papst must litigate its patents in the United States in fora far from its home office.”<sup>881</sup> It also noted Papst’s prior litigations in California itself, which demonstrates the lack of undue burden.<sup>882</sup>

## Venue

### ***In re TC Heartland LLC*, 2016 WL 1709433 (Fed. Cir. Apr. 29, 2016), certiorari granted 2017**

Defendant Heartland petitioned for a mandamus order to transfer the case from the District of Delaware to the Southern District of Indiana, where Heartland is

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<sup>872</sup> *Id.* at \*2.

<sup>873</sup> *Id.*

<sup>874</sup> *Id.*

<sup>875</sup> *Id.*

<sup>876</sup> *Id.* at \*4 (quoting *Inamed Corp. v. Kuzmak*, 249 F.3d 1356, 1360 (Fed. Cir. 2001)). To determine what is reasonable or fair in the third prong, the court considers the burden on defendant, the forum state’s interest in adjudicating the dispute, the plaintiff’s interest in obtaining convenient and effective relief, the interstate judicial system’s interest in obtaining the most efficient resolution of controversies, and shared interest of the several states in furthering fundamental substantive social policies. *See Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 477 (1985).

<sup>877</sup> *Id.* at \*6.

<sup>878</sup> *Id.* at \*5.

<sup>879</sup> *Id.*

<sup>880</sup> *Id.* at \*8.

<sup>881</sup> *Id.* at \*7.

<sup>882</sup> *Id.*