No. 24-

IN THE
Supreme Court of the United States

LIGHTING DEFENSE GROUP LLC,
Petitioner,

v.

SNAPRAYS, LLC, DBA SNAPPOWER,
Respondent.

On Petition for Writ of Certiorari to the
United States Court of Appeals
for the Federal Circuit

PETITION FOR WRIT OF CERTIORARI

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November 5, 2024

QUESTION PRESENTED

In *Calder* v. *Jones*, this Court held that California courts could exercise personal jurisdiction over Florida defendants "because of their intentional conduct in Florida calculated to cause injury to [plaintiff] in California." 465 U.S. 783, 787-91 (1984). This Court observed that the defendants "expressly aimed" their "intentional, and allegedly tortious" conduct at the forum and "knew that the brunt of that injury would be felt" there. *Id.* at 789-90.

This Court appeared to refine and cabin *Calder* in *Walden* v. *Fiore*, 571 U.S. 277 (2014). It explained that the forum connections in *Calder* largely turned on the "nature of the libel tort." *Id.* at 286-88. Then, this Court held that a defendant does not have "sufficient contacts with [the forum] simply because he allegedly directed his conduct at plaintiffs whom he knew had [forum] connections." *Id.* at 289-90.

The question presented is:

Whether a defendant subjects itself to personal jurisdiction anywhere a plaintiff operates simply because the defendant knows its out-of-forum conduct "would necessarily affect marketing, sales, and other activities" within the forum, Pet.App.11a—even though the defendant has no contacts with the plaintiff or the forum whatsoever.

PARTIES TO THE PROCEEDINGS BELOW

Petitioner Lighting Defense Group LLC ("LDG") was the defendant in the district court and the appellee in the court of appeals.

Respondent SnapRays, LLC d/b/a SnapPower ("SnapPower") was the plaintiff in the district court and the appellant in the court of appeals.

CORPORATE DISCLOSURE STATEMENT

LDG is a limited liability company and has no parent corporation. No publicly held company owns 10% or more of LDG's stock.

STATEMENT OF RELATED PROCEEDINGS

SnapRays, LLC, dba SnapPower v. *Lighting Defense Group LLC*, Case No. 2:22-CV-403-DAK-DAO, U.S. District Court for the District of Utah, memorandum decision and order entered Nov. 4, 2022.

SnapRays, LLC, dba SnapPower v. *Lighting Defense Group*, No. 2023-1184, U.S. Court of Appeals for the Federal Circuit, judgment entered May 2, 2024.

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The Federal Circuit's opinion in this appeal is reported at 100 F.4th 1371 (and reprinted in the Appendix ("Pet.App.") at 1a-13a). The order denying rehearing and rehearing en banc is not reported but is reprinted at Pet.App.28a-29a.

The district court's opinion has yet to be published but is reported at 2022 WL 16712899 and reprinted at Pet.App.14a-27a.

STATEMENT OF JURISDICTION

The judgment of the court of appeals was entered on May 2, 2024. A petition for rehearing and rehearing en banc was denied on August 7, 2024. Pet.App.28a-29a. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254.

FEDERAL RULE AND CONSTITUTIONAL PROVISION INVOLVED

Federal Rule of Civil Procedure 4(k)(1)(A) provides:

> Serving a summons or filing a waiver of service establishes personal jurisdiction over a defendant . . . who is subject to the jurisdiction of a court of general jurisdiction in the state where the district court is located . . . .

The Due Process Clause of the Fourteenth Amendment, U.S. Const. amend XIV, § 1, provides:

> [N]or shall any State deprive any person of life, liberty, or property, without due process of law.

INTRODUCTION

The Federal Circuit's decision has been aptly described as a "bombshell ruling" permitting patentees to be sued anywhere "a targeted seller operates."[1] LDG has never had any contact with Utah. Yet, the Federal Circuit held that LDG was subject to personal jurisdiction there in conflict with bedrock personal jurisdiction principles.

All LDG did was send a communication to a third party, Amazon, in Washington asking Amazon to stop selling products infringing LDG's patent. That is it. Because LDG's communication to Washington "aimed to affect marketing, sales, and other activities in Utah," the Federal Circuit concluded that LDG had sufficient "activities with the forum." Pet.App.11a.

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[1] See Geno Cheng, *Initiating an Informal Dispute on Amazon's Platform Was Sufficient to Subject a Patentee to Personal Jurisdiction in Accused Infringer's Home State!*, Winston & Strawn LLP (May 7, 2024), https://rb.gy/njdtvi (last visited Nov. 4, 2024); York Faulkner, *The Personal Jurisdiction Pitfall When Unleashing Amazon's "APEX" Patent Predator*, Mondaq (May 16, 2024), https://rb.gy/rly2ah (last visited Nov. 4, 2024); Dennis Crouch, *Amazon Patent Enforcement Process Can Create Personal Jurisdiction*, Patentlyo (May 3, 2024), https://rb.gy/cmwf4f (last visited Nov. 4, 2024); see also Dennis Crouch, *The Long Arm of APEX: When (and Where) does Amazon's Private Enforcement Mechanism Create Personal Jurisdiction*, Patentlyo (July 10, 2024), https://rb.gy/q2yyvn (last visited Nov. 4, 2024) ("The Federal Circuit erred here"); Dennis Crouch, *Lovevery Argues that APEX Jurisdiction Holding Undermines Anti-Counterfeiting Efforts*, Patentlyo (July 28, 2024), https://rb.gy/piou4c (last visited Nov. 4, 2024).

The Federal Circuit's broad approach conflicts with this Court's decisions. This Court explained that due process requires that a defendant have "minimum contacts" with the forum. *Int'l Shoe Co.* v. *Washington*, 326 U.S. 310, 316 (1945). *Walden* reinforced that this analysis "looks to the defendant's contacts with the forum State itself, not the defendant's contacts with persons who reside there." 571 U.S. at 285-86. So, knowledge of a plaintiff's location or "mere injury to a forum resident is not a sufficient connection to the forum." *Id.* at 290.

The Federal Circuit's conclusion to the contrary deepened an intractable split between courts applying *Walden*'s defendant-focused minimum-contacts test and courts still embracing *Calder*'s so-called "effects test." Notably, the Utah Supreme Court correctly applies *Walden* and almost certainly would not have permitted the exercise of personal jurisdiction in this case. Personal jurisdiction should not turn on whether a defendant is sued in federal or state court.

This Court should grant this petition, resolve the split over the proper application of *Walden* and *Calder*, and correct the Federal Circuit's deeply flawed decision.

STATEMENT OF THE CASE

LDG is a Delaware limited liability company with its principal place of business in Arizona. Pet.App.2a. LDG owns U.S. Patent No. 8,668,347 (the '347 Patent). Pet.App.2a.

SnapPower is a Utah company selling products that LDG contends infringe the '347 patent. Pet.App.3a. SnapPower sells those products on Amazon.com. Pet App.2a.

Seeking to stop the sale of infringing products on Amazon.com, LDG sent a communication to Amazon in Washington. Pet.App.3a. As a result of this communication to Washington, LDG has been sued in federal district court in Utah. Pet.App.3a, 16a.

LDG's communication invoked Amazon's low-cost, private procedure for resolving claims of patent infringement, known as the Amazon Patent Evaluation Express (APEX). Pet.App.2a-3a. Under APEX, a third-party determines whether a product sold on Amazon.com likely infringes a patent, and if so, Amazon removes the listing from its website. Pet.App.2a. Upon a patentee's invoking the procedure, Amazon contacts the identified sellers of infringing products. Pet.App.2a-3a. The seller can opt into the APEX procedure, resolve the claim directly with the patentee, or file a lawsuit. Pet.App.3a. If the seller does nothing in response, Amazon may remove the relevant listings from its website after three weeks. Pet.App.3a.

In response to LDG's communication to Amazon in Washington asking it to remove SnapPower's allegedly infringing products from Amazon.com, SnapPower sued LDG in Utah. Pet.App.3a. It sought a declaratory judgment of noninfringement. Pet.App.3a.

LDG has never had any contact with Utah whatsoever. As the district court correctly recited:

> LDG has never conducted business in Utah, never owned real property in Utah, never maintained any office in Utah, never offered or sold any products or services in Utah, never had officers or employees in Utah, and never had any employees or officers visit Utah for business reasons or reside [in Utah]. LDG has never been registered to do business in Utah, never paid taxes in Utah, and never had a registered agent for service of process in Utah.
>
> LDG has never sent a notice of infringement letter or cease-and-desist letter into Utah. LDG has never threatened to sue anyone located in Utah. The only communication LDG has had with anyone in Utah was in response to communication initiated by Kevin O'Barr, the general counsel of SnapPower's investor . . . .

Pet.App.16a-17a.

Given the lack of any contacts with Utah, LDG moved to dismiss for lack of personal jurisdiction. Applying Federal Circuit precedent, the district court correctly concluded that LDG lacked sufficient contacts with Utah for it to exercise personal jurisdiction. Pet.App.17a-26a. It further

concluded that the exercise of personal jurisdiction in Utah would not comport with principles of fair play and substantial justice. Pet.App.26a. The district court agreed with LDG that "a finding that LDG is subject to personal jurisdiction in Utah on these facts would be akin to a rule that every party attempting to utilize Amazon's APEX program would be subject to personal jurisdiction everywhere in the United States." Pet.App.26a. The district court granted the motion to dismiss. Pet.App.27a.

The Federal Circuit erroneously reversed. Pet.App.2a, 13a. It applied its three-factor test for personal jurisdiction: "(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.'" Pet.App.5a (emphases added). This test ultimately stems from a 1995 Federal Circuit case predating *Walden* by nearly 20 years.[2]

The Federal Circuit explained that the first prong of the test was satisfied merely because LDG "purposefully directed its activities at SnapPower in Utah, intending effects which would be felt in Utah." Pet.App.6a. *Calder* applied because "the intended effect would necessarily affect marketing, sales, and other activities within Utah." Pet.App.11a.

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[2] Pet.App.5a (quoting *Xilinx, Inc.* v. *Papst Licensing GmbH & Co. KG*, 848 F.3d 1346, 1353 (Fed. Cir. 2017) (quoting *Inamed Corp.* v. *Kuzmak*, 249 F.3d 1356, 1360 (Fed. Cir. 2001) (summarizing *Akro Corp.* v. *Luker*, 45 F.3d 1541, 1545 (Fed. Cir. 1995)))).

On the second prong, the Federal Circuit's cursory analysis elided the distinction between contacts with a resident and contacts with a forum state itself. Pet.App.11a. In a single paragraph, the Federal Circuit concluded that this lawsuit arises out of LDG's "activities with the forum" *because* LDG's out-of-forum conduct "was directed towards SnapPower in Utah and aimed to affect marketing, sales, and other activities in Utah." Pet.App.11a. Again, LDG has never had any contact or engaged in any "activities" with Utah whatsoever.

Supported by an amicus, LDG filed a petition for rehearing and rehearing en banc, which was denied. Pet.App.28a-29a.

This petition follows.

REASONS FOR GRANTING THE PETITION

The question presented in this case is of critical importance to the doctrine of personal jurisdiction. The Federal Circuit improperly permitted the exercise of personal jurisdiction over any patentee whose intentional, out-of-forum conduct will "affect the marketing, sales, or other activities" in the forum. Pet.App.12a. The Federal Circuit reached that conclusion by avoiding *Walden* in favor of *Calder*.

In doing so, the Federal Circuit deepened an already substantial split among appellate courts over the meaning and continued viability of *Calder*. Contrary to the Federal Circuit's approach, numerous sister circuits and state supreme courts have held that there is no personal jurisdiction absent defendants' contacts with the forum itself. Yet the Ninth, Tenth, and Federal Circuits still apply a broad, effects-based approach to personal jurisdiction where jurisdiction is proper if a defendant's out-of-forum conduct affects plaintiffs in the forum state in some way.

For these reasons, this Court should further clarify the limits of *Calder*. This Court should explicitly rule that the approach the Federal Circuit has followed is inconsistent with bedrock personal jurisdiction principles. So, to settle any question regarding the proper application and limitations of the personal jurisdiction doctrine, this Court should grant LDG's petition and reverse the Federal Circuit's judgment.

I. THE FEDERAL CIRCUIT DECIDED AN IMPORTANT FEDERAL QUESTION IN CONFLICT WITH THE LAST DECADE OF THIS COURT'S PERSONAL JURISDICTION DECISIONS.

LDG undisputedly has no contacts with Utah whatsoever. Under *Walden* and subsequent decisions of this Court, LDG was not subject to personal jurisdiction in Utah. But the Federal Circuit incorrectly avoided that straightforward conclusion. It did so by applying *Calder*'s express-aiming framework. The Federal Circuit's reasoning conflicts with the last decade of this Court's personal jurisdiction decisions.

A. *Calder* was a unique case turning on the nature of libel.

The *Calder* "effects test" does not apply to this case—and has limited application otherwise—because this Court fashioned the test in special circumstances involving libel.

Traditionally, a "court may exercise personal jurisdiction over a nonresident defendant only so long as there exist 'minimum contacts' between the defendant and the forum State." *World-Wide Volkswagen Corp.* v. *Woodson*, 444 U.S. 286, 291 (1980). But, in 1984, *Calder* permitted the exercise of personal jurisdiction over defendants whose conduct caused "effects" in the forum state. 465 U.S. at 787.

In *Calder*, a California celebrity brought a libel suit against the author, editor, and publisher of a libelous article written about her. While the author and editor resided in Florida, the article was

published by the *National Enquirer*, a national magazine having its largest circulation in California. This Court held that there was personal jurisdiction over the Florida defendants because "California is the focal point both of the story and of the harm suffered." *Id.* at 789. "The allegedly libelous story concerned the California activities of a California resident," the "article was drawn from California sources, and the brunt of the harm, in terms both of respondent's emotional distress and the injury to her professional reputation was suffered in California." *Id.* at 788-89. So, this Court concluded that personal jurisdiction was "proper in California based on the 'effects' of the Florida conduct in California." *Id.* at 789.

Some courts understood that "*Calder*'s holding cannot be severed from its facts." *IMO Indus., Inc.* v. *Kiekert*, *AG*, 155 F.3d 254, 261 (3d Cir. 1998).

Yet some appellate courts understood *Calder* as creating an "effects test" allowing the exercise of personal jurisdiction whenever a defendant's intentional act is "targeted at a plaintiff whom the defendant knows to be a resident of the forum state," and the defendant knows "harm . . . is likely to be suffered in the forum state." See, e.g., *CollegeSource, Inc.* v. *AcademyOne, Inc.*, 653 F.3d 1066, 1077 (9th Cir. 2011).

These appellate courts included the Ninth and Tenth Circuits. Courts there held that personal jurisdiction over defendants could be exercised through a "bank-shot" theory: defendants' out-of-forum conduct affecting a plaintiff's interests in the

forum can subject defendants to jurisdiction in the forum. See, e.g., *Dudnikov* v. *Chalk & Vermilion Fine Arts, Inc.*, 514 F.3d 1063, 1075 (10th Cir. 2008); *Bancroft & Masters, Inc.* v. *Augusta Nat'l Inc.*, 223 F.3d 1082, 1087 (9th Cir. 2000); see also *Radio Sys. Corp.* v. *Accession, Inc.*, 638 F.3d 785, 792 (Fed. Cir. 2011) (discussing *Dudnikov* and *Bancroft*).

In *Dudnikov*, for example, the Tenth Circuit held that personal jurisdiction was proper in *Colorado* because the defendants sent a notice of infringement to eBay in *California* to halt plaintiffs' planned auction in Colorado. 514 F.3d at 1067-68, 1075. The Tenth Circuit explained there was jurisdiction over defendants because they intended to cancel "plaintiffs' auction in Colorado" by sending the infringement notice to eBay in California. *Id.* at 1075. In other words, defendants' notice was a "bank shot" that, though sent to eBay in California, was intended to terminate plaintiffs' sale in Colorado. *Id.*

Likewise, in *Bancroft*, a dispute over the domain name "www.masters.org" was triggered by a letter sent by a Georgia defendant to a Virginia company managing the domain name, that required the California plaintiff to sue or lose the domain name. The Ninth Circuit held that personal jurisdiction in California was appropriate because defendant's letter, although sent to *Virginia*, "was expressly aimed at California" and "would have operated automatically to prevent" plaintiff "from using its website had" plaintiff "not filed suit." *Bancroft*, 223 F.3d at 1088-89.

This confusion over the proper application of *Calder* was brought to a head in *Walden* v. *Fiore*. In

Walden, plaintiffs living in Nevada brought a lawsuit there against an officer who harmed them in Georgia while knowing they had Nevada connections. 571 U.S. at 279-81. Relying on *Bancroft* and *Dudnikov* discussed above, the Ninth Circuit held that jurisdiction was proper in Nevada because the officer acting in Georgia "expressly target[ed]" plaintiffs in Nevada as he "must have known and intended that his actions would have impacts outside" Georgia. *Fiore* v. *Walden*, 688 F.3d 558, 577-78, 580-81, 589-90 (9th Cir. 2012), *rev'd*, 571 U.S. 277 (2014). As fully explained below, this Court granted certiorari and reversed the Ninth Circuit's holding. See *Walden*, 571 U.S. at 286-89.

So, before this Court reversed the Ninth Circuit in *Walden*, federal courts of appeals were confused on how exactly *Calder* and its so-called "effects test" could be squared with traditional principles of personal jurisdiction—that personal jurisdiction could only be exercised if defendants have sufficient contacts with *the forum state* itself.

B. *Walden* instructs that jurisdiction must be based on defendant's forum contacts.

Given the confusion among the circuit courts, this Court narrowed and clarified the contours of *Calder* and reiterated that personal jurisdiction is proper in a forum only if the defendant has some contact with *the forum state* itself and not only with a forum-resident.

This Court clarified that "it is the defendant, not the plaintiff or third parties, who must create contacts with the forum State." *Walden*, 571 U.S. at 291. Because the defendant's actions in *Walden*

"occurred entirely in Georgia, the mere fact that his conduct affected plaintiffs with connections to the forum State does not suffice to authorize jurisdiction." *Id.* (cleaned up). There was no jurisdiction even if defendant "knew" plaintiffs "had Nevada connections" and targeted them. *Id.* at 289.

Walden thus reinforced and enunciated certain principles that should guide a court's personal jurisdiction inquiry:

- Personal jurisdiction must be based on "conduct by the defendant that creates the necessary contacts with the forum." *Id.* at 286.
- The "defendant's suit-related conduct must create a substantial connection with the forum State." *Id.* at 284.
- The jurisdictional analysis "looks to the defendant's contacts with the forum State itself, not the defendant's contacts with persons who reside there." *Id.* at 285.
- "[M]ere injury to a forum resident is not a sufficient connection to the forum." *Id.* at 290.
- Knowledge of a plaintiff's "forum connections" is irrelevant because this "approach to the 'minimum contacts' analysis impermissibly allows a plaintiff's contacts with the defendant and forum to drive the jurisdictional analysis." *Id.* at 289.
- Defendant's actions cannot create "sufficient contacts with [the forum] simply because he allegedly directed his conduct at plaintiffs whom he knew had [forum] connections." *Id.*

- The "proper question is not where the plaintiff experienced a particular injury or effect but whether the defendant's conduct connects him to the forum in a meaningful way." *Id.* at 290.

Importantly, this Court emphasized *Calder*'s uniqueness as a case distinctively involving libel, which meaningfully connected defendants to the forum: "The crux of *Calder* was that the reputation-based 'effects' of the alleged libel connected the defendants to California, not just to the plaintiff." *Walden*, 571 U.S. at 287-88. The "strength of that connection was largely a function of the nature of the libel tort" because however "scandalous a newspaper article might be, it can lead to a loss of reputation only if communicated to (and read and understood by) third persons." *Id.* Indeed, *Calder* involved: (1) a libelous story that impugned an actress's career centered in California; (2) the article "relied on phone calls to 'California sources' for the information in their article"; (3) the article was published in a magazine "that was widely circulated in" California; and (4) "the brunt" of the "injury" to the actress happened in California. *Id.* at 287. California was "the focal point both of the story and of the harm suffered." *Id.* (quoting *Calder*, 465 U.S. at 789). Thus, in reversing the Ninth Circuit, *Walden* clarified *Calder*'s holding as one uniquely depending on the libel tort in that case. *Id.* at 287-88.

This Court's subsequent decisions reinforced *Walden*. The "primary focus" of the jurisdictional inquiry is the "defendant's relationship to the forum State." *Bristol-Myers Squibb Co.* v. *Superior Ct. of Cal.*, 582 U.S. 255, 262 (2017). To be subject to

personal jurisdiction in a forum, a defendant "must take some act by which [it] purposefully avails itself of the privilege of conducting activities within the forum State." *Ford Motor Co.* v. *Mont. Eighth Judicial Dist. Court*, 592 U.S. 351, 359 (2021) (quotes omitted). And defendant's contacts with the forum cannot be "random, isolated, or fortuitous." *Id.* "[T]here must be an affiliation between the forum and the underlying controversy, principally, [an] activity or an occurrence that takes place in the forum State and is therefore subject to the State's regulation." *Id.* at 359-60 (quotes omitted). So, "the place of a plaintiff's injury and residence cannot create a defendant's contact with the" forum. *Id.* at 371.

Practically, this means that there is no jurisdiction over a defendant that had "never traveled to, conducted activities within, contacted anyone in, or sent anything or anyone to" the forum. *Id.* at 370 (discussing *Walden*). Thus, under *Walden*, *Bristol-Myers Squibb*, and *Ford Motor*, courts cannot exercise personal jurisdiction over a defendant that undisputedly has no contacts with the forum state.

C. The Federal Circuit avoided *Walden* and misapplied *Calder*.

The Federal Circuit discussed *Walden* but did not actually apply it. Instead, it misapplied *Calder* and concluded that there is personal jurisdiction over LDG in Utah despite the fact that LDG has absolutely no contacts with Utah whatsoever.

Because LDG had *zero* contacts with the forum state itself, Utah courts could not exercise personal jurisdiction over LDG. *Walden*, 571 U.S. at

284-86. That should have been the end of the analysis.

But the Federal Circuit, in unclear, unexplained, and cursory terms, applied a broad approach to personal jurisdiction based on *Calder*. The Federal Circuit mentioned, but did not apply, this Court's standards enunciated in *Walden*. Specifically, the Federal Circuit held that LDG's communication to Washington established jurisdiction in Utah because LDG "expressly aimed" at SnapPower, foreseeing that "the effects" of its actions "would be felt" in Utah. Pet.App.6a, 8a-9a. The "intended effect would necessarily affect marketing, sales, and other activities within Utah," giving rise to jurisdiction there. Pet.App.11a.

To start, the Federal Circuit improperly did not distinguish between LDG's actions indirectly aimed at SnapPower (the "forum resident") versus LDG's lack of contacts with Utah (the "forum state"). The Federal Circuit incorrectly stated that personal jurisdiction comports with due process if a defendant "purposefully directed its activities at residents of the forum." Pet.App.5a. But *Walden* teaches that the personal jurisdiction analysis "looks to the defendant's contacts with the forum State itself, not the defendant's contacts with persons who reside there." 571 U.S. at 285. And "mere injury to a forum resident is not a sufficient connection to the forum." *Id.* at 290.

Next, the Federal Circuit erroneously conflated LDG's sending communication to Washington asking Amazon to take SnapPower's products off Amazon.com with sufficient contacts

with the State of Utah. The Federal Circuit stated that "LDG purposefully directed its activities at SnapPower," and so LDG "undertook intentional actions that were expressly aimed at the forum state and foresaw (or knew the effects of its action would be felt in the forum state." Pet.App.6a (quotes omitted). But, again, *Walden* counsels that knowledge of a plaintiff's "forum connections" is irrelevant and a defendant's actions cannot create "sufficient contacts with [the forum] simply because he allegedly directed his conduct at plaintiffs whom he knew had [forum] connections." 571 U.S. at 289.

Next, in conclusory fashion, the Federal Circuit analogized this case to *Calder* without explanation. In four sentences, the Federal Circuit merely provided a brief summary of the facts in *Calder* and *Walden*, stated that *Walden* "distinguished" *Calder*, and held that this case was more similar to *Calder* because "the intended effect" of LDG's actions "would necessarily affect marketing, sales, and other activities within Utah." Pet.App.11a. So, said the Federal Circuit, "LDG's actions were purposefully directed at residents of Utah." *Id.*

This was wrong. *Walden* explained that the *Calder* defendants' connections to the forum turned largely on the distinctive nature of libel. *Walden*, 571 U.S. at 287. The "various contacts . . . with California (and not just with the plaintiff) by writing the allegedly libelous story" constituted "ample" contacts sufficient for jurisdiction. *Id.* (explaining *Calder*). This action has none of *Calder*'s facts or legal theory. LDG's request was directed to Amazon to remove Amazon's listings of SnapPower products

accessible worldwide. See Pet.App.15a-16a. LDG's actions had no focus on Utah—it did not go there, initiate contact with anyone there, publish anything there, or do anything in connection with Utah itself. *Ford Motor*, 592 U.S. at 370 (no jurisdiction where defendant "never traveled to, conducted activities within, contacted anyone in, or sent anything or anyone to" the forum (quoting *Walden*, 571 U.S. at 289)).

Last, the Federal Circuit offered a cursory, conclusory, single paragraph on the most important issue: whether this suit arises out of or relates to LDG's contacts with Utah. Pet.App.11a. The Federal Circuit's analysis again elided the distinction between contacts with a resident and contacts with a forum state itself. Pet.App.11a. It concluded that this lawsuit arises out of LDG's "activities with the forum" *because* LDG's out-of-forum conduct "was *directed towards SnapPower* in Utah and *aimed to affect* marketing, sales, and other activities in Utah." Pet.App.11a (emphases added). LDG has never had any contact or engaged in any "activities" with Utah whatsoever. Sending a communication to Washington aiming to stop SnapPower from selling infringing products is simply not a contact with the State of Utah, regardless of LDG's intent or knowledge. See *Walden*, 571 U.S. at 289 (defendant's conduct cannot create "sufficient contacts with [the forum] simply because he allegedly directed his conduct at plaintiffs whom he knew had [forum] connections").

In sum, the Federal Circuit's decision conflicted with the last decade of this Court's personal jurisdiction decisions, beginning with

Walden. Because LDG has no contacts with the forum state Utah, the Federal Circuit should have affirmed the district court and held that personal jurisdiction was lacking. But the Federal Circuit failed to do so and instead entrenched an erroneously broad approach to personal jurisdiction for patent cases.

II. THE FEDERAL CIRCUIT DEEPENED A SPLIT BETWEEN APPELLATE COURTS' APPROACHES TO PERSONAL JURISDICTION.

The Federal Circuit has deepened the confusion and split among federal courts of appeals and state supreme courts as to which approach to personal jurisdiction should be followed. In one camp, many courts have properly followed the approach espoused by *Walden*: no personal jurisdiction unless a defendant has contacts with the forum state.

In another camp, courts have adopted a broad, effects-based approach to jurisdiction: if a defendant intends for its out-of-forum conduct to affect a plaintiff in the forum, then personal jurisdiction in that forum is proper. Still other courts view the *Calder* test as a parallel, alternative test to the traditional "minimum contacts" test required by *International Shoe* and *Walden*.

In sum, appellate courts around the country have created a deep split over how and when to apply *Calder*. Both state supreme courts and federal courts of appeals cannot agree on *Calder*'s meaning and continuing viability, and this Court's intervention would provide helpful guidance on this critical federal question.

A. One group of courts correctly applies *Walden*'s narrow approach to personal jurisdiction and declines to apply a *Calder*-derived "effects test."

Multiple courts have explicitly followed *Walden*'s narrow approach to the personal jurisdiction inquiry. In those circuits, courts exercise no jurisdiction absent defendants' contacts with the forum itself.

In the Seventh Circuit, "when a plaintiff is injured by acts that a defendant commits entirely within one forum . . . the fact that the plaintiff suffers the negative effects of those acts in his home forum . . . does not confer personal jurisdiction over the defendant." *In re Sheehan*, 48 F.4th 513, 524 (7th Cir. 2022). The Seventh Circuit refused to agree with the broad view that "a defendant should be subject to personal jurisdiction in any state at which it 'aimed its actions.'" *Ariel Invs.* v. *Ariel Capital Partners LLC*, 881 F.3d 520, 522 (7th Cir. 2018) (Easterbrook, J.). Such an approach to personal jurisdiction would be "incompatible with *Walden*; it is exactly what [the Ninth Circuit] had held, and not a single Justice accepted the position." *Id.* The Seventh Circuit further disagreed with the proposition that, under *Calder*, personal jurisdiction may be invoked if defendants have knowledge that their conduct harms plaintiffs in the forum state. *Id.* at 522-523.

The Eighth Circuit held that there was no jurisdiction in Missouri because defendant did not "specifically target[ ]" and "uniquely or expressly" aim its sales of infringing products at Missouri

through its nationally accessible website. *Bros. & Sisters in Christ, LLC* v. *Zazzle*, *Inc.*, 42 F.4th 948, 954 (8th Cir. 2022). In that case, a trademark owner brought an action against a nonresident internet-based seller alleging, among other claims, trademark infringement and unfair competition. To allege personal jurisdiction in the forum state Missouri, the plaintiff claimed that the defendant sold an infringing t-shirt to a Missouri customer and sued a website available to customers in Missouri. The Eighth Circuit held that such conduct was insufficient to confer jurisdiction. Selling one shirt in the forum state and having a website available to people living in the forum state were insufficient to show that the defendant "reached out beyond its home" or that defendant's contacts were anything more than "random, isolated, or fortuitous." *Id.* at 953 (cleaned up). Thus, the Eighth Circuit concluded, as in *Walden*, that the "mere fact" that defendant's "conduct affected plaintiffs with connections to the forum State does not suffice to authorize jurisdiction." *Id.* (quoting *Walden*, 571 U.S. at 291).

The Sixth Circuit has also noted that *Walden* "forecloses" a plaintiff's argument that the "alleged willful copyright infringement, which occurred in England, qualifies as purposeful activity in Tennessee because he intentionally harmed Tennessee residents." *Parker* v. *Winwood*, 938 F.3d 833, 840 (6th Cir. 2019). Following *Parker*, a district court in that circuit observed that the "Supreme Court and Sixth Circuit have applied the *Calder*-effects test narrowly." *LeafFilter N., LLC* v.

Home Craft Builders, Inc., 487 F. Supp. 3d 643, 648 (N.D. Ohio 2020).

The Second Circuit likewise has applied *Walden*'s narrow view of personal jurisdiction and the "effects test" when it held that a district court did not have personal jurisdiction over certain foreign defendants because, while the "killings and related acts of terrorism" at issue in that case "are the kind of activities that the" Anti-Terrorism Act "proscribes, those acts were unconnected to the forum and were not expressly aimed at the United States." *Waldman* v. *Palestine Liberation Org.*, 835 F.3d 317, 337 (2d Cir. 2016).[3]

The Fifth Circuit agreed—simply being "aware" that the effects of one's tortious conduct would be "felt in [the forum]" does not establish

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[3] Indeed, even the Federal Circuit, prior to its incorrect decision here, had precedent consistent with the principles *Walden* enunciates. It had held that "enforcement activities taking place outside the forum state do not give rise to personal jurisdiction in the forum." *Radio Sys.*, 638 F.3d at 792. Indeed, when faced with the prospect of a pre-*Walden* circuit split on similar issues, the Federal Circuit remarked that while some have argued that "foreseeability of causing injury in another State" may sometimes be sufficient to establish minimum contacts, "the Court has consistently held that this kind of for[e]seeability is not a 'sufficient benchmark' for exercising personal jurisdiction." *Avocent Huntsville Corp.* v. *Aten Int'l Co.*, 552 F.3d 1324, 1329-30 (Fed. Cir. 2008) (quoting *Burger King Corp.* v. *Rudzewicz*, 471 U.S. 462, 474 (1985)). And following *Walden*, the Federal Circuit in 2018 held that it "is not enough that" defendant's conduct "might have 'effects' in" the forum to exercise personal jurisdiction. *Maxchief Invs. Ltd.* v. *Wok & Pan, Indus., Inc.*, 909 F.3d 1134, 1138 (Fed. Cir. 2018).

personal jurisdiction. *Sangha* v. *Navig8 ShipManagement Priv. Ltd.*, 882 F.3d 96, 104 n.3 (5th Cir. 2018) (citing *Walden*, 571 U.S. at 289-290). And at least one judge on the Fifth Circuit has acknowledged what is clear from the cases—that "effects" jurisdiction is "rare" and that this Court has "moved away from an effects-based analysis." *Defense Distrib.* v. *Grewal*, 971 F.3d 485, 498 (5th Cir. 2020) (Higginson, J., concurring).

The Texas Supreme Court has held that mere knowledge that the brunt of harm would have effects in the forum is insufficient to create jurisdiction. *Searcy* v. *Parex Res., Inc.*, 496 S.W.3d 58, 68-69 (Tex. 2016). In that case, a Texas-based company brought an action against a Canadian company and its Bermudian subsidiary, alleging fraud. The court held there was no jurisdiction over the Canadian company or its Bermudian subsidiary. Like in *Walden*, "the fortuitous and attenuated nature" of the Canadian company's contacts "with *Texas*" the forum state and the company's "lack of any desire to launch or maintain operations *in Texas*" were insufficient to exercise jurisdiction. *Id.* at 73 (emphases added). Indeed, the fact that the Canadian company had "many interactions" with plaintiffs and that the Canadian company's executives knew that they were dealing with employees who worked for plaintiffs' Texas operations "simply does not decide [the] case" because "the minimum-contacts analysis is focused on the quality and nature of the defendant's contacts, rather than their number." *Id.* at 74. Following *Searcy*, the Texas Supreme Court explained that it has "explicitly rejected" a broad,

"directed a tort" approach to personal jurisdiction and accordingly rejected the idea that an "effects test" approach is an "alternative" to the traditional "minimum contacts" analysis. *Old Republic Nat'l Title Ins. Co.* v. *Bell*, 549 S.W.3d 550, 565 (Tex. 2018).

The Alaska Supreme Court likewise held that it could not exercise jurisdiction where defendant's "publication appears to be entirely out-of-state conduct that happened to affect a person with connections to Alaska." *Harper* v. *BioLife Energy Sys., Inc.*, 426 P.3d 1067, 1076 (Alaska 2018). The court there remarked that "specific jurisdiction must rest on contacts *with Alaska* that relate to these claims." *Id.* at 1074 (emphasis added).

In sum, *Walden* caused lower courts to apply personal jurisdiction in a restricted, narrow manner consistent with the principle that a forum state may exercise jurisdiction solely based on "defendant's contacts with the forum State itself," and not simply because of "the defendant's contacts with persons who reside there." *Walden*, 571 U.S. at 285.

B. Another group of courts has improperly embraced a *Calder*-based "effects test" to permit the exercise of jurisdiction despite a lack of contacts with the forum.

Instead of following its sister courts' post-*Walden* approach, the Federal Circuit deepened an irreconcilable circuit split by applying the broad "effects"-based approach of the Ninth and Tenth Circuits based on an incorrect reading of *Calder*.

Their approach is irreconcilable with the approach of the courts discussed above.

In *Dudnikov*, as explained above, the Tenth Circuit held that Colorado courts could exercise jurisdiction through a "bank-shot" theory: jurisdiction over defendants was proper because defendants sent a notice of infringement to California with the intention of stopping plaintiffs' planned auction in Colorado. *Dudnikov*, 514 F.3d at 1067-68, 1075.

The Tenth Circuit's confusion persists. Although it has recognized that "effects . . . intended to be felt in" and having the "brunt of the harm" in the forum are insufficient to support jurisdiction, it has kept *Dudnikov* alive. *C5 Med. Werks, LLC* v. *CeramTec GMBH*, 937 F.3d 1319, 1324 (10th Cir. 2019). Rather than recognizing *Dudnikov*'s clear abrogation by *Walden*, the Tenth Circuit merely limited *Dudnikov* to situations where defendants have intentionally affected not just *general* sales but a "particular sale or transaction in" the forum "that was disrupted by" their actions elsewhere. *Id.* at 1324. In another recent decision, the Tenth Circuit devotes much of its analysis to a *Calder*-derived effects test with barely any citation to *Walden*. See *XMission, L.C.* v. *PureHealth Rsch.*, 105 F.4th 1300, 1309 (10th Cir. 2024). Applying this *Calder*-derived test, the Tenth Circuit in *XMission* held there was personal jurisdiction over defendant in Utah simply because it sent marketing emails to plaintiff's customers residing in the forum state. *Id.* at 1310-12.

The Ninth Circuit likewise has embraced a similarly erroneous approach. In *Bancroft*, as noted

earlier, personal jurisdiction in California was proper because defendant's out-of-forum action—e.g., sending a letter to Virginia to dispute the use of a domain name—would have prevented plaintiff from using the domain name and website in California. 223 F.3d at 1088-89. The Ninth Circuit has not recognized *Bancroft*'s abrogation, and it continues to apply a *Calder*-based express-aiming test to permit the exercise of personal jurisdiction over nonresident defendants in tort cases and cases sounding in tort. See *Doe* v. *WebGroup Czech Republic, A.S.*, 93 F.4th 442, 452-57 (9th Cir. 2024).

The Federal Circuit relied heavily on the Ninth Circuit's and Tenth Circuit's decisions in *Bancroft* and *Dudnikov* in reaching the erroneous conclusion here. Pet.App.6a-7a. In doing so, the Federal Circuit solidified and deepened an already-irreconcilable split between those courts properly applying *Walden* and those clinging onto a *Calder*-derived effects test.

C. Yet another group of courts mistakenly concluded that there are two parallel tests for personal jurisdiction.

In yet another twist, the Third Circuit and Eleventh Circuit mistakenly concluded that this Court has recognized two parallel, equally viable paths for exercising personal jurisdiction.

The Third Circuit stated that this Court "has articulated two tests for specific jurisdiction: (1) the 'traditional' test—also called the 'minimum contacts'" test of *International Shoe*, "and (2) the 'effects' test" of *Calder*. See *Hasson* v. *FullStory, Inc.*, 114 F.4th 181, 186-87 (3d Cir. 2024). For the

Third Circuit, *Calder* is simply an alternative to the minimum-contacts framework required by this Court since *International Shoe*. It applies to an "intentional tortfeasor whose contacts with the forum otherwise do not satisfy the requirements of due process under the traditional test." *Id.* at 187 (cleaned up).

The Eleventh Circuit has also reached the same erroneous conclusion that *Calder* simply reflects an alternative path to personal jurisdiction when there are not sufficient minimum contacts. See *Louis Vuitton Malletier, S.A.* v. *Mosseri*, 736 F.3d 1339, 1357 (11th Cir. 2013); *Moore* v. *Cecil*, 109 F.4th 1352, 1362 n.9 (11th Cir. 2024) (citing *Louis Vuitton* as still viable along with *Walden*'s narrow approach).

* * *

Walden has rejected the "bank shot" theory that *Dudnikov*, *Bancroft*, and the Federal Circuit espouse. It is defendant "who must create contacts with the forum State." *Walden*, 571 U.S. at 291. *Walden* also rejected any insinuation that a *Calder*-derived "effects-test" is generally a parallel path to exercise jurisdiction: as *Walden* explains, the distinctive, unique nature of the libel tort in *Calder*—along with the actions of the defendants that intentionally targeted the celebrity plaintiff's reputation and profession in California—was the unique crux of personal jurisdiction there. *Walden*, 571 U.S. at 287-89.

This Court's intervention here is thus necessary to provide guidance on *Calder*'s meaning

and applicability after *Walden* and to correct the Federal Circuit's embrace of flawed precedent at the expense of *Walden*. This petition should be granted so that this Court can resolve the split here.

III. THE FEDERAL CIRCUIT CREATED A FEDERAL-STATE SPLIT BETWEEN FEDERAL AND UTAH COURTS.

There is another significant anomaly with the Federal Circuit's decision: the state courts of Utah, the forum state, would not even exercise jurisdiction here if they were asked to do so. The Utah Supreme Court has emphasized "that allegations of out-of-state conduct that happen to have effects that ripple into Utah cannot, by themselves, establish specific jurisdiction." *Raser Techs., Inc.* v. *Morgan Stanley & Co.*, 449 P.3d 150, 162 (Utah 2019). The reason, again, is *Walden*. "For a State to exercise jurisdiction consistent with due process, the defendant's suit-related conduct must create a substantial connection with the forum State." *Id.* at 159 (quoting *Walden*, 571 U.S. at 284).

So, in *Raser Technologies*, the Utah Supreme Court held that allegations of "price manipulation on a national exchange do not, standing alone, describe conduct that connects any individual defendant to Utah in a meaningful way." *Id.* at 163. Utah courts would not exercise personal jurisdiction despite plaintiffs' allegations that (1) defendants "knew" plaintiffs' headquarters were in Utah and that "a large number of insiders were located in Utah" and (2) defendants' "scheme was intended to drive" plaintiffs "into bankruptcy" which "resulted in injuries suffered in Utah." *Id.* at 164. The Utah

Supreme Court explained that *Walden* "makes clear that a defendant's knowledge of a plaintiff's connections to the forum state coupled with the plaintiff's suffering a foreseeable harm, cannot, by themselves, satisfy the minimum contacts analysis." *Id.*

Because Utah courts split with the Federal Circuit, the exercise of personal jurisdiction in that state will conclusively depend on whether a plaintiff brings a lawsuit in Utah state court or a patent-based suit in federal court. Coupled with the Tenth Circuit's ongoing acceptance of its flawed *Dudnikov* decision, personal jurisdiction in Utah would largely depend on which court system a case is brought and whether a plaintiff brings a patent-based suit or not. The plaintiff's choice of federal or state court systems within a forum should not determine conclusively whether personal jurisdiction exists in that forum.

Given the inconsistent personal jurisdiction principles at play in Utah state courts, the Federal Circuit, and the Tenth Circuit, this Court should intervene and provide much-needed guidance. Specifically, this Court should reiterate that *Walden* states the applicable principles and that a defendant cannot be hailed into a forum state without the defendant's having the necessary contacts with the forum state itself.

IV. THIS CASE PRESENTS A GOOD VEHICLE FOR CLARIFYING THE CONFUSION ON THIS IMPORTANT FEDERAL QUESTION.

This case presents a good vehicle for resolving the lingering confusion over the proper application of *Calder* after *Walden*. The relevant facts are undisputed: LDG has no contacts with Utah, and all it did was ask Amazon in Washington to stop selling the infringing products of a Utah company. The Federal Circuit's error is clear and egregious.

Walden instructs that personal jurisdiction could not be exercised over LDG in Utah because LDG has no contacts with that state. Given the straightforward facts, this Court should grant LDG's petition and correct the Federal Circuit's erroneous holding. And this Court's intervention is most important in this substantial case because the Federal Circuit's opinion impermissibly broadens personal jurisdiction at the expense of "severely disrupt[ing] the efficacy of the" APEX program "and other similar affordable patent infringement notification programs" for small and mid-sized businesses and patent holders while subjecting these potential defendants to "personal jurisdiction anywhere in the country" if they opt to proceed with an APEX-type process. Brief for Lovevery, Inc. as Amicus Curiae in Support of LDG's Pet. for Panel Reh'g or Reh'g En Banc, *SnapRays, LLC* v. *Lighting Defense Group*, No. 2023-1184, 2024 WL 3565557, at *8 (Fed. Cir. July 22, 2024); Pet.App.26a (A "finding that LDG is subject to personal jurisdiction in Utah on these facts would be akin to a rule that every party attempting to utilize Amazon's APEX program

would be subject to personal jurisdiction everywhere in the United States."). See also *supra* n.1.

Multiple federal courts of appeals and state supreme courts would agree. Notably, the Utah Supreme Court would agree. Indeed, in a case identical to this one, a district court held that jurisdiction "must be based on intentional conduct directed at the forum state, and enforcement action directed at Amazon in Washington simply does not give rise to personal jurisdiction" in Illinois. See Appellee's Pet. for Panel Reh'g and Reh'g En Banc, 28, *SnapRays, LLC* v. *Lighting Defense Group*, No. 2023-1184 (Fed. Cir. July 3, 2024) (citing *Wuhu Fashang Trading Co.* v. *Tim Mei Trade & Invs.*, No. 23-cv-3226 (N.D. Ill. 2023)).

Yet the Federal Circuit chose to follow the broad effects-based approach in *Dudnikov* and *Bancroft*. In doing so, it has deepened a split among the circuits and between state and federal courts despite this case's straightforward, undisputed facts.

There has been a lingering tension based on the interplay between *Walden* and *Calder*—and this tension has been percolating among the circuits. See, e.g., Lee Goldman, *From* Calder *to* Walden *and Beyond: The Proper Application of the "Effects Test" in Personal Jurisdiction Cases*, 52 San Diego L. Rev. 357, 370 (2015) ("In *Walden* v. *Fiore*, the Supreme Court had the opportunity to clarify the proper approach for applying *Calder*'s 'effects test,' but chose to issue a narrow opinion that fails to provide a framework for analysis under *Calder*."); Allison Marie Isaak, *Picking Fights in Missouri:* Baldwin*'s Non-Rule Embraces the Minority Approach to*

Internet Libel Jurisdiction, 76 Mo. L. Rev. 1265, 1274 (2011) (observing that the *Calder* "effects" test, "[u]nfortunately, . . . has proven difficult to apply, thus giving way to a variety of interpretations by the lower courts."); Richard C. Godfrey, et al., *Personal Jurisdiction and Service,* 1 BUS. & COM. LITIG. FED. CTS. § 2.24 (5th ed. 2022) (collecting cases and observing that "Courts differ on the extent to which *Walden* overruled or merely modified the 'effects test' derived from *Calder* v. *Jones*").

Indeed, there have been multiple petitions for writ of certiorari questioning the contours of *Walden*'s confinement and clarification of *Calder*.[4] This time, the consequences of upholding the Federal Circuit's broad-based approach to personal jurisdiction would be "untenable": the implication of the Federal Circuit's opinion illustrates that "APEX complainants could be subject to personal jurisdiction nationwide," an outcome "incongruent with basic principles of due process and personal jurisdiction law." See Brief for Lovevery Inc., 2024 WL 3565557, at *9-11. Practically, the Federal Circuit's holding—if allowed to stand—kills "e-commerce retailers' ability to maintain market integrity and honor the patent rights of small businesses." *Id.* at *2.

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[4] See, e.g., Pet. for Writ of Cert., *Photoplaza Inc.,* v. *Herbal Brands, Inc.*, No. 23-504, 2023 WL 8652988 (U.S. Dec. 8, 2023); Pet. for Writ of Cert., *Lewis* v. *Power Rsch. Inc.*, No. 21-494, 2021 WL 4553681 (U.S. Sept. 2, 2021); Pet. for Writ of Cert., *Teck Metals Ltd.* v. *Confederated Tribes of the Colville Reservation*, No. 18-1160, 2019 WL 1080892 (U.S. Mar. 4, 2019); Pet. for Writ of Cert., *Groo* v. *Mont. Eleventh Judicial Dist. Court*, No. 23-774, 2024 WL 209963 (U.S. Jan. 5, 2024).

Thus, because of the confusion among appellate courts on how to approach personal jurisdiction, because of the substantial stakes at issue in this case for small and mid-sized businesses and patent holders, and because of the straightforward facts in this matter, this case is an ideal vehicle for this Court to correct the Federal Circuit's erroneous holding and to provide guidance to all courts on this important federal question.

CONCLUSION

This Court should grant the Petition for Writ of Certiorari.

Dated: November 5, 2024

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UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

2023-1184

SNAPRAYS, DBA SNAPPOWER,

Plaintiff-Appellant

v.

LIGHTING DEFENSE GROUP,

Defendant-Appellee

Appeal from the United States District Court for the District of Utah in No. 2:22-cv-00403-DAK, Senior Judge Dale A. Kimball.

Decided: May 2, 2024

Before MOORE, *Chief Judge*, LOURIE and DYK, *Circuit Judges*.

MOORE, *Chief Judge*.

SnapRays, d/b/a SnapPower (SnapPower) appeals a judgment of the United States District Court for the District of Utah dismissing its complaint for declaratory

judgment of noninfringement against Lighting Defense Group (LDG) for lack of personal jurisdiction. Because we conclude LDG purposefully directed extra-judicial patent enforcement activities at SnapPower in Utah, we reverse and remand for further proceedings.

Background

LDG is a Delaware limited liability company with its principal place of business in Arizona. LDG owns U.S. Patent No. 8,668,347. The '347 patent relates to a cover for an electrical receptacle including a faceplate and a transmission tab configured to be electrically connected to the receptacle. '347 patent at Abstract.

SnapPower is a Utah company with its principal place of business in Utah. SnapPower designs, markets, and sells electrical outlet covers with integrated guide lights, safety lights, motion sensor lights, and USB charging technology. These activities take place in Utah. J.A. 144.

SnapPower sells its products on Amazon.com. Amazon offers a low-cost procedure called the Amazon Patent Evaluation Express (APEX) "[t]o efficiently resolve claims that third-party product listings infringe utility patents." J.A. 160. Under APEX, a third-party determines whether a product sold on Amazon.com likely infringes a utility patent, and if so, Amazon removes the listing from Amazon.com. J.A. 163. To initiate an evaluation under APEX, a patent owner submits an APEX Agreement to Amazon which identifies one claim of a patent and up to 20 allegedly infringing listings. J.A. 161. Amazon then

sends the APEX Agreement to all identified sellers. J.A. 160. Each seller has three options to avoid automatic removal of their accused listings: (1) opt into the APEX program and proceed with the third-party evaluation; (2) resolve the claim directly with the patent owner; or (3) file a lawsuit for declaratory judgment of noninfringement. J.A. 66-67. If the seller takes no action in response to the APEX Agreement, the accused listings are removed from Amazon.com after three weeks. J.A. 160.

In May 2022, LDG submitted an APEX Agreement alleging certain SnapPower products sold on Amazon.com infringed the '347 patent. Amazon notified SnapPower of the APEX Agreement and the available options. J.A. 66-67. After receiving the notification, SnapPower and LDG exchanged emails regarding the notice. J.A. 95. The parties also held a conference call, but no agreement was reached.

SnapPower subsequently filed an action for declaratory judgment of noninfringement. LDG moved to dismiss for lack of personal jurisdiction under Federal Rule of Civil Procedure 12(b)(2). The district court granted LDG's motion, holding it lacked specific personal jurisdiction over LDG. *SnapRays, LLC v. Lighting Def. Grp. LLC*, No. 2:22-CV-403-DAK-DAO, 2022 U.S. Dist. LEXIS 202794, 2022 WL 16712899 (D. Utah Nov. 4, 2022) (*Decision*).

The district court concluded LDG lacked sufficient contacts with Utah for it to exercise specific personal jurisdiction. *Id.* at *5. Specifically, the district court found SnapPower did not demonstrate LDG purposefully

directed activities at SnapPower in Utah, or that the action arose out of or related to any LDG activities in Utah. *Id.* Instead, the district court found LDG's allegations of infringement were directed toward Amazon in Washington, where the APEX Agreement was sent. *Id.* at *4. The district court found that while there may have been foreseeable effects in Utah, there was no evidence that LDG reached out to Utah except in response to SnapPower's communications. *Id.* The district court also noted that under Federal Circuit law, principles of fair play and substantial justice support a finding that LDG is not subject to specific personal jurisdiction in Utah. *Id.* at *5 (citing *Red Wing Shoe Co. v. Hockerson-Halberstadt, Inc.*, 148 F.3d 1355, 1360-61 (Fed. Cir. 1998)). SnapPower appeals. We have jurisdiction under 28 U.S.C. § 1295(a)(1).

Discussion

Personal jurisdiction is a question of law that we review de novo. *Autogenomics, Inc. v. Oxford Gene Tech. Ltd.*, 566 F.3d 1012, 1016 (Fed. Cir. 2009). This appeal involves only claims of patent noninfringement, so "we apply Federal Circuit law because the jurisdictional issue is intimately involved with the substance of the patent laws." *Id.* (internal quotation marks omitted) (quoting *Avocent Huntsville Corp. v. Aten Intern. Co., Ltd.*, 552 F.3d 1324, 1328 (Fed. Cir. 2008)).

"Determining whether personal jurisdiction exists over an out-of-state defendant involves two inquiries: whether a forum state's long-arm statute permits service of

process, and whether the assertion of personal jurisdiction would violate due process." *Inamed Corp. v. Kuzmak*, 249 F.3d 1356, 1359 (Fed. Cir. 2001). Utah's long-arm statute is "extended to the fullest extent allowed by due process of law." *Starways, Inc. v. Curry*, 1999 UT 50, 980 P.2d 204, 206 (Utah 1999). Therefore, "the two inquiries collapse into a single inquiry: whether jurisdiction comports with due process." *Inamed*, 249 F.3d at 1360.

Here, where the parties agree there is no general jurisdiction over LDG, we have set forth a three-factor test for whether specific personal 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.'" *Xilinx, Inc. v. Papst Licensing GmbH & Co. KG*, 848 F.3d 1346, 1353 (Fed. Cir. 2017) (citing *Inamed*, 249 F.3d at 1360). "The first two factors comprise the 'minimum contacts' portion of the jurisdictional framework. . . ." *Jack Henry & Assocs., Inc. v. Plano Encryption Techs. LLC*, 910 F.3d 1199, 1204 (Fed. Cir. 2018). Where the first two factors are satisfied, specific jurisdiction is "presumptively reasonable." *Xilinx*, 848 F.3d at 1356. The burden then shifts to the defendant to present "a compelling case that the presence of some other considerations would render jurisdiction unreasonable." *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 477, 105 S. Ct. 2174, 85 L. Ed. 2d 528 (1985).

Appendix A

I

SnapPower argues that LDG purposefully directed enforcement activities at Utah when it initiated the APEX program. We agree LDG purposefully directed its activities at SnapPower in Utah, intending effects which would be felt in Utah, and conclude this satisfies the first element of our test for specific personal jurisdiction. LDG intentionally submitted the APEX Agreement to Amazon. The APEX Agreement identified SnapPower listings as allegedly infringing. LDG knew, by the terms of APEX, Amazon would notify SnapPower of the APEX Agreement and inform SnapPower of the options available to it under APEX. J.A. 160. If SnapPower took no action, its listings would be removed, which would necessarily affect sales and activities in Utah. SnapPower therefore sufficiently alleged LDG "undertook intentional actions that were expressly aimed at th[e] forum state," and "foresaw (or knew) the effects of its action would be felt in the forum state." *Dudnikov*, 514 F.3d at 1077. This satisfies the first factor.

This decision is consistent with our sister circuits which held extra-judicial enforcement activities, even when routed through a third-party, satisfy purposeful direction. *Dudnikov v. Chalk & Vermilion Fine Arts, Inc.*, 514 F.3d 1063 (10th Cir. 2008); *Bancroft & Masters, Inc. v. August National Inc.*, 223 F.3d 1082 (9th Cir. 2000), *overruled in part on other grounds by Yahoo! Inc. v. La Ligue Contre Le Racisme Et L'Antisemitisme*, 433 F.3d 1199, 1207 (9th Cir. 2006) (holding that "the 'brunt' of the harm need not be suffered in the forum state" and "[i]f a

jurisdictionally sufficient amount of harm is suffered in the forum state, it does not matter that even more harm might have been suffered in another state").

In *Dudnikov*, the Tenth Circuit concluded a Colorado court had specific personal jurisdiction over a copyright owner where that owner submitted a notice of claimed infringement (NOCI) to eBay's Verified Rights Owner (VeRO) program. *Dudnikov*, 514 F.3d at 1068. Under the VeRO program, eBay automatically terminated the plaintiffs' auction when a NOCI was submitted. *Id.* The court reasoned that while the defendants' NOCI was technically directed at California, where eBay was located, defendants' "express aim in acting was to halt a Colorado-based sale by a Colorado resident, and neither the lack of defendants' physical presence in Colorado nor the fact that they used a California-based entity to effectuate this purpose diminish this fact." *Id.* at 1076.

The Ninth Circuit reached a similar conclusion in *Bancroft*. There, the court concluded a California district court had specific personal jurisdiction over a defendant who sent a letter to Network Solutions, Inc. (NSI), the sole registrar of domain names in the United States at the time, challenging plaintiff's use of a domain name. *Bancroft*, 223 F.3d at 1084-85. Like *Dudnikov*, defendant's letter automatically triggered NSI's dispute resolution process, which would result in the plaintiff losing the domain name unless a declaratory judgment action was filed. *Id.* at 1085. The court reasoned the defendant acted intentionally when it sent the letter, and even though the letter was sent to NSI in Virginia, it was expressly

aimed at the plaintiff in California because it individually targeted the plaintiff, a California corporation, and the effects would foreseeably be felt primarily in California. *Id.* at 1088.

LDG argues our precedent requires a different outcome. In *Avocent*, Avocent argued the purposeful direction element was satisfied by letters sent by the defendant to Amazon and Avocent because "the intended effect of the letters was to slow the sale of Avocent's allegedly infringing products." 552 F.3d at 1340. We held sending the letters did not constitute purposefully directed activities because "a patent owner may, without *more*, send cease and desist letters to a suspected infringer, or its customers, without being subjected to personal jurisdiction in the suspected infringer's home state." *Id.* (emphasis added) (quoting *Breckenridge Pharm., Inc. v. Metabolite Lab'ys, Inc.*, 444 F.3d 1356, 1362 (Fed. Cir. 2006)). Importantly, the letters sent by Aten did not have any automatic effect. In other words, the letters could be ignored without automatic consequences to Avocent and Avocent's business activities. The APEX Agreement goes beyond a cease and desist letter because, absent action by SnapPower in response to the APEX Agreement, SnapPower's listings would have been removed from Amazon.com. J.A. 67. The automatic takedown process, which would affect sales and activities in the forum state, is the "more" *Avocent* envisioned. Second, LDG argues we are bound by *Radio Systems Corp. v. Accession, Inc.*, 638 F.3d 785 (Fed. Cir. 2011), where we rejected the logic of *Dudnikov* and *Bancroft*. We do not agree. In *Radio Systems*, we held interactions between the defendant's

counsel and the Patent and Trademark Office (PTO) did not give rise to personal jurisdiction. 638 F.3d at 792. The defendant in *Radio Systems* alerted the PTO to the existence of the patent in question during examination of plaintiff's patent. *Id.* at 788. The defendant did not initiate extra-judicial patent enforcement or reach into the forum state to affect allegedly infringing sales. To the extent LDG argues *Radio Systems* stands for the idea that *in personam* patent enforcement within the forum state is necessary to create specific personal jurisdiction, courts have held otherwise. *See, e.g.*, *Trimble Inc. v. PerDiem Co. LLC*, 997 F.3d 1147, 1155-56 (Fed. Cir. 2021) (describing relevant contacts such as sending communications into the forum state); *see also Burger King*, 471 U.S. at 467 ("So long as a commercial actor's efforts are 'purposefully directed' toward residents of another State, we have consistently rejected the notion that an absence of physical contacts can defeat personal jurisdiction there.").

Third, LDG argues we also rejected *Dudnikov* and *Bancroft* in *Maxchief Investments, Ltd. v. Wok & Pan Industry, Inc.*, 909 F.3d 1134 (Fed. Cir. 2018). We do not agree. In *Maxchief*, we held a patentee's suit against a company in California did not give rise to specific personal jurisdiction over the patentee in Tennessee, the home state of a downstream distributor of the California company. 909 F.3d at 1138. "[I]t is not enough that [the patentee's] lawsuit might have 'effects' in Tennessee. Rather, jurisdiction 'must be based on intentional conduct by the defendant' directed at the forum." *Id.* (quoting *Walden v. Fiore*, 571 U.S. 277, 286, 134 S. Ct. 1115, 188 L. Ed. 2d 12 (2014)). The lawsuit filed in California was

directed at California, not Tennessee, and any effects that might be felt in Tennessee were too attenuated to satisfy minimum contacts. *Id.* at 1139. There was no enforcement action, or any action at all, taken against the Tennessee distributor or directed at Tennessee. Here, however, LDG purposefully directed the APEX Agreement, through Amazon in Washington, at SnapPower in Utah. LDG's express aim was the removal of SnapPower's Amazon.com listings, which would necessarily affect sales, marketing, and other activities in Utah.

Fourth, LDG argues *Walden v. Fiore*, 571 U.S. 277, 134 S. Ct. 1115, 188 L. Ed. 2d 12, (2014), requires affirmance. The Supreme Court in *Walden* held Nevada did not have specific personal jurisdiction over a Drug Enforcement Agency (DEA) officer in a suit seeking money damages under *Bivens v. Six Unknown Fed. Narcotics Agents*, 403 U.S. 388, 91 S. Ct. 1999, 29 L. Ed. 2d 619 (1971). *Walden*, 571 U.S. at 281. The Court explained "the plaintiff cannot be the only link between the defendant and the forum. Rather, it is the defendant's conduct that must form the necessary connection with the forum State that is the basis for its jurisdiction over him." *Id.* at 285 (citing *Burger King*, 471 U.S. at 478). The Court concluded that the defendant's actions of approaching, questioning, searching, and seizing the money of plaintiffs in the Atlanta airport was not directed at Nevada, the home state of the plaintiffs. *Id.* at 288. The Court also concluded that drafting a "false probable cause affidavit" in Georgia, sent to the United States Attorney's Office in Georgia, did not connect the defendant to Nevada. *Id.* The plaintiffs' connections to Nevada did not satisfy minimum contacts of the defendant with Nevada. *Id.* at 289.

The *Walden* Court distinguished the result in *Calder v. Jones*, 465 U.S. 783, 104 S. Ct. 1482, 79 L. Ed. 2d 804 (1984), where the out-of-state action "connected the defendants' conduct to *California*, not just to a plaintiff who lived there." *Id.* at 288 (emphasis in original). In *Calder*, the Court found specific personal jurisdiction where an out-of-state defendant wrote an allegedly libelous article about a resident of California. *Calder*, 465 U.S. at 791. The *Walden* Court explained that the effects of the alleged libel, loss of reputation through communication to third persons, connected the defendant to California and not just the resident of California. *Walden*, 465 U.S. at 287. Here as well, the intended effect would necessarily affect marketing, sales, and other activities within Utah. We therefore conclude LDG's actions were purposefully directed at residents of Utah.

II.

The second factor in the test for whether specific personal jurisdiction comports with due process asks whether the claim arises out of or relates to the defendant's activities with the forum. *Xilinx*, 848 F.3d at 1353. LDG argues SnapPower's action for declaratory judgment of noninfringement does not arise from or relate to any activity by LDG in Utah because the APEX Agreement was sent to Washington, not Utah. Because we hold LDG's action of submitting the APEX Agreement was directed towards SnapPower in Utah and aimed to affect marketing, sales, and other activities in Utah, we also conclude SnapPower's suit arises out of defendant's activities with the forum.

III.

Having satisfied the first two factors, specific jurisdiction is "presumptively reasonable." *Xilinx*, 848 F.3d at 1356. LDG argues, under the third factor, the assertion of specific personal jurisdiction over it in Utah would be unfair and unreasonable. The "crux" of LDG's argument is "based on concerns about how ruling for SnapPower in this matter opens the floodgates of personal jurisdiction and allow lawsuits against any APEX participant anywhere in the country." Response Br. at 51. The district court agreed with LDG, noting under our case law, "principles of fair play and substantial justice afford a patentee sufficient latitude to inform others of its patent rights without subjecting itself to jurisdiction in a foreign forum." *Decision* at *5 (quoting *Red Wing Shoe*, 148 F.3d at 1360-61)). We conclude LDG did not meet its burden to present "a compelling case that the presence of some other considerations would render jurisdiction unreasonable." *Burger King*, 471 U.S. at 477.

First, we are unpersuaded that our holding will open the floodgates of personal jurisdiction, or that such a result is inherently unreasonable. Parties who participate in APEX by submitting an Agreement will only be subject to specific personal jurisdiction where they have targeted a forum state by identifying listings for removal that, if removed, affect the marketing, sales, or other activities in that state. LDG has not presented any compelling argument for why this result is unreasonable.

Second, our holding does not disturb the policy of *Red Wing Shoe*. *Red Wing Shoe* held principles of fair play and substantial justice protected a patentee from being subject to specific personal jurisdiction in a forum where the only contact with the forum is sending a cease and desist letter. 148 F.3d at 1361. We explained that 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." *Id.* Here, LDG did more than send a cease and desist letter. LDG initiated a process that, if SnapPower took no action, would result in Snap-Power's listings being removed from Amazon.com, necessarily affecting sales activities in Utah. LDG has not articulated a compelling argument why it would be unfair or unreasonable for it to be subject to specific personal jurisdiction in Utah under these circumstances.

Conclusion

We have considered LDG's other arguments and find them unpersuasive. Because LDG's actions satisfy the three-factor test for specific personal jurisdiction, we reverse and remand for further proceedings.

REVERSED AND REMANDED

Costs

No costs.

APPENDIX B — MEMORANDUM DECISION AND ORDER OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH, FILED NOVEMBER 4, 2022

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH

Case No. 2:22-CV-403-DAK-DAO

SNAPRAYS, LLC, DBA SNAPPOWER,

Plaintiff,

vs.

LIGHTING DEFENSE GROUP LLC,

Defendant.

Judge Dale A. Kimball
Magistrate Judge Daphne A. Oberg

November 4, 2022, Decided;
November 4, 2022, Filed

MEMORANDUM DECISION AND ORDER

This matter is before the court on Defendant Lighting Defense Group LLC's Motion to Dismiss for Lack of Personal Jurisdiction [ECF No. 10]. On October 5, 2022, the court held a hearing on the motion via Zoom videoconferencing due to the Covid-19 pandemic. At the hearing, Elliott Williams represented Plaintiff

SnapRays LLC ("SnapPower"), and Jeffrey A. Andrews, Christopher R. Johnson, and Ryan Marshall represented Defendant. The court took the motion under advisement. After carefully considering the memoranda filed by the parties and the law and facts relevant to the pending motion, the court issues the following Memorandum Decision and Order.

BACKGROUND

Defendant Lighting Defense Group ("LDG") contends that SnapPower is selling products on Amazon that infringe its patent, U.S. Patent No. 8,668,347. In May 2022, LDG notified Amazon that SnapPower products being sold on its platform appeared to infringe LDG's patent. Amazon has a private dispute resolution procedure to address claims of patent infringement, known as Amazon's Patent Evaluation Express ("APEX") program. Under the APEX program, a patent holder can inform Amazon of potential infringement and have an independent third-party determine if the product being sold is likely infringing. If the third-party finds that there has been infringement, Amazon stops the sale of the infringing goods. The process is generally faster and less costly than a lawsuit.

Following Amazon's review and acceptance of LDG's patent into its APEX program, LDG initiated APEX review against the allegedly infringing SnapPower products. On May 26, 2022, Amazon notified SnapPower of its option to participate in the APEX review process. The Amazon notice told SnapPower that it could resolve the claims with the patent owner within three weeks or

participate in Amazon's evaluation process. Otherwise, Amazon would remove the disputed listings from Amazon's website. The notice also stated that if SnapPower filed a lawsuit against the patent owner for declaratory judgment of non-infringement, it could continue selling the disputed items while the lawsuit proceeded.

Prior to confirming its participation to Amazon, SnapPower emailed LDG on June 3, 2022. This was the first contact between SnapPower and LDG. LDG responded to SnapPower's email, and the parties arranged for a conference call that included high-level discussions of potential licensing or other ways to moot Amazon's APEX process. Those discussions are the only contacts LDG has had with SnapPower.

Rather than participating in Amazon's APEX program, SnapPower filed this lawsuit seeking a declaratory judgment of noninfringement. On June 17, 2022, LDG received notice from Amazon that it was pausing its APEX evaluation as a result of this lawsuit. Amazon will follow any court order regarding the enforceability of the patent.

SnapPower is a Utah company with its principal place of business in Vineyard, Utah. LDG is a Delaware limited liability company with its principal place of business in Arizona. LDG has never conducted business in Utah, never owned real property in Utah, never maintained any office in Utah, never offered or sold any products or services in Utah, never had officers or employees in Utah, and never had any employees or officers visit Utah

for business reasons or reside here. LDG has never been registered to do business in Utah, never paid taxes in Utah, and never had a registered agent for service of process in Utah.

LDG has never sent a notice of infringement letter or cease-and-desist letter into Utah. LDG has never threatened to sue anyone located in Utah. The only communication LDG has had with anyone in Utah was in response to communication initiated by Kevin O'Barr, the general counsel of SnapPower's investor, as mentioned above.

DISCUSSION

LDG's Motion to Dismiss

LDG moves to dismiss this case for lack of personal jurisdiction. "The law of the forum state and constitutional due process limitations govern personal jurisdiction in federal court." *Old Republic Ins. Co. v. Cont'l Motors, Inc.*, 877 F.3d 895, 903 (10th Cir. 2017). However, the law of the Federal Circuit rather than the Tenth Circuit governs personal jurisdiction in patent cases, such as this one. *Red Wing Shoe Co. v. Hockerson-Halberstadt, Inc.*, 148 F.3d 1355, 1358 (Fed. Cir. 1998). Plaintiff "bears the burden to establish minimum contacts." *Elecs. for Imaging, Inc. v. Coyle*, 340 F.3d 1344, 1350 (Fed. Cir. 2003). The court considers the well-pleaded allegations in the complaint as true, and plaintiff is entitled to reasonable inferences in making out a prima facie case of personal jurisdiction. *Id.* at 1349.

Appendix B

SnapPower does not claim there is general jurisdiction over LDG in Utah. LDG is not "at home" in Utah and has no property, assets, or other substantial and continuous presence in Utah. *Daimler AG v. Bauman*, 571 U.S. 117, 134 S. Ct. 746, 187 L. Ed. 2d 624 (2014). Therefore, the only issue is whether there is specific personal jurisdiction over LDG in Utah with respect to the dispute at issue in this lawsuit.

Under Federal Circuit law, there is a three-factor test for specific jurisdiction: "(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.'" *Xilinx, Inc. v. Papst Licensing GmbH & Co.* KG, 848 F.3d 1346, 1353 (Fed. Cir. 2017). "The first two factors correspond with the 'minimum contacts' prong of the *International Shoe Co. v. Washington* analysis, and the third factor corresponds with the 'fair play and substantial justice' prong." *Id.*

LDG argues that is has not purposefully directed any activities to Utah. LDG responded to an email from SnapPower that came from Utah, accepted an invitation for a telephone conference from SnapPower in Utah. LDG responded to inquiries from SnapPower, and none of those responses included a cease-and-desist letter. However, LDG initiated the review of SnapPower's products through Amazon's APEX program. In doing so, LDG did not know that SnapPower is located in Utah, but Amazon, on LDG's behalf, reached out to SnapPower in Utah.

SnapPower focuses on the Federal Circuit's decision in *Campbell Pet Co. v. Miale*, to assert that LDG purposefully directed its activities to Utah. 542 F.3d 879, 881-82 (Fed. Cir. 2008). In Campbell, the patentee traveled from California to attend a three-day convention in Washington, where she confronted several of the alleged infringer's employees at the convention, accused them of infringement, and asked the convention manager to remove their display from the convention. *Id.* The alleged infringer sued for declaratory judgment of non-infringement in Washington, and the Federal Circuit found that the patentee's infringement allegations and attempt to have the display removed was "extra-judicial patent enforcement" that went "beyond simply informing the accused infringer of the patentee's allegations of infringement." *Id.* The court noted that the patentee "took steps to interfere with the plaintiff's business by enlisting a third party to take action against the plaintiff." *Id.* at 887.

In making its decision, the *Campbell* court cited with approval the Tenth Circuit decision in *Dudnikov v. Chalk & Vermilion Fine Arts, Inc.*, 514 F.3d 1063, 1069 (10th Cir. 2008). *Campbell*, 542 F.3d at 886. In *Dudnikov*, the Colorado plaintiffs sold products on eBay that the defendant copyright owner believed infringed his copyrights. 514 F.3d at 1068-69. The defendant contacted eBay in California, which resulted in plaintiff's eBay auction being suspended. *Id.* at 1069. The plaintiff sued for declaratory judgment in Colorado, and the Tenth Circuit held that the defendants' conduct was purposefully directed at plaintiffs in Colorado because defendants

committed an intentional act of sending notice of copyright infringement to eBay specifically designed to terminate plaintiff's eBay auction. *Id.* at 1075. The court analogized sending the notice of copyright infringement to eBay as a bank shot in basketball that, while directed to the backboard, is also aimed at the net with the intention of putting the ball in the net. *Id.* "Their 'express aim' thus can be said to have reached into Colorado in much the same way that a basketball player's express aim in shooting off of the backboard is not simply to hit the backboard, but to make a basket." *Id.* The *Dudnikov* court also found that plaintiff's claim arose out of defendants' activities because plaintiffs would have had no reason to seek a declaratory judgment if defendants had not sent the notice of copyright infringement to eBay. *Id.* at 1079. Finally, the court found that exercising personal jurisdiction was reasonable and fair because, rather than sending a cease-and-desist letter directly to plaintiffs, defendants "communicated their complaint to a third party with the intent that the third party take action directly against plaintiffs' business interests." *Id.* at 1082. "Defendants did not merely inform plaintiffs of their rights and invite settlement discussions prior to potential litigation, but took affirmative steps with third parties that suspended plaintiffs' ongoing business operations." *Id.*

Relying on *Dudnikov*, the Federal Circuit in *Campbell* reasoned that it was irrelevant whether defendants' efforts to remove plaintiffs from the convention were ultimately unsuccessful. 542 F.3d at 887. "[T]he pertinent step taken by [the defendant] was the request that action be taken." *Id.* However, the Federal Circuit also recognized that,

unlike the situation in *Dudnikov*, the defendant's "efforts at private enforcement occurred within the forum state and while she was personally present there." *Id.* Thus personal jurisdiction within that forum was even more clear than in *Dudnikov*.

SnapPower argues that *Campbell* and *Dudnikov* demonstrate that the defendant's personal presence in the forum state is not required to exercise personal jurisdiction over defendant. SnapPower appears to be correct with respect to Tenth Circuit law under *Dudknikov*. But Tenth Circuit law is not binding in this matter, and the Federal Circuit, while citing *Dudnikov* favorably in *Campbell*, does not appear to have fully adopted *Dudnikov*'s bank shot theory of personal jurisdiction in subsequent cases.

In *Radio Systems Corp. v. Accession, Inc.*, 638 F.3d 785 (Fed. Cir. 2011), the Federal Circuit specifically declined to follow *Dudnikov*'s "bank shot" theory because it found that "runs afoul of our decision in *Avocent*." *Radio Systems*, 638 F.3d at 792 (citing *Avocent Huntsville Corp. v. Aten Inern. Co.*, 552 F.3d 1324, 1334 (Fed. Cir. 2008)). In *Radio Systems*, the plaintiff contended that the interactions between the defendant's counsel in New Jersey and the U.S. Patent and Trademark Office ("PTO") in Virginia gave rise to personal jurisdiction over the defendant in the plaintiff's home state of Tennessee. *Id.* The PTO had issued a notice of allowance for the plaintiff's patent application that the defendant believed ignored his own patent rights. *Id.* at 788. In addition to contacting the plaintiff directly, the defendant's counsel had a conversation with the PTO examiner for the plaintiff's

patent application that resulted in the PTO withdrawing the notice of allowance previously issued for the plaintiff's patent application. *Id.* The defendant then sent letters to the plaintiff outlining its infringement allegations and suggesting that the dispute be settled through a licensing agreement. *Id.* The plaintiff then brought suit seeking a declaratory judgment of noninfringement in Tennessee. *Id.*

The plaintiff in *Radio Systems* contended that the defendant's counsel's contacts with the PTO were extra-judicial enforcement efforts that would give rise to personal jurisdiction under *Campbell* and *Dudnikov*. *Id.* at 791-92. The *Radio Systems* court reviewed its prior decision in *Campbell* and noted that in its subsequent case in *Avocent*, it "distinguished *Campbell Pet* on the ground that in that case, the extrajudicial enforcement activities occurred within the forum state." *Id.* Whereas, in the *Radio Systems* case, "the district court held that [the defense counsel's] contacts with the PTO did not support Radio System's jurisdictional argument because those contacts were directed at Virginia (the site of the PTO) rather than Tennessee [plaintiff's home state]. In doing so, the district court correctly followed our holding in *Avocent*." *Id.* at 792. The *Radio Systems* court then specifically declined to follow *Dudnikov*: "Radio Systems argues that *Dudnikov* and *Bancroft & Masters* support its argument that [the defense counsel's] contacts with the PTO support personal jurisdiction in the district court in Tennessee [plaintiff's home state], but that argument runs afoul of our decision in *Avocent*. We made clear in *Avocent* that enforcement activities taking place outside the forum

state do not give rise to personal jurisdiction in the forum, and that decision is controlling here." *Id.* at 792.

Radio Systems and *Avocent* are controlling here, not *Dudnikov*. The Federal Circuit's reliance on *Dudnikov* in *Campbell* was specifically limited to "in forum" extra-judicial enforcement activities by the Federal Circuit's subsequent cases in *Avocent* and *Radio Systems*. *Id.* Under Federal Circuit law, "enforcement activities taking place outside the forum state do not give rise to personal jurisdiction in the forum." *Id.* Accordingly, LDG's contact with Amazon, from Arizona to Washington, is not an extra-judicial enforcement activity in Utah that can give rise to personal jurisdiction in Utah. In fact, the contacts in this case are even less than the contacts in *Radio Systems*. In *Radio Systems*, the defendant had more conversation with the alleged infringer and sent a cease-and-desist letter to the forum. In this case, LDG responded to SnapPower's request to talk and never sent a cease-and-desist letter.[1]

LDG contends that another case from the Federal Circuit also supports its position that personal jurisdiction is lacking in this forum. In *Maxchief Investments, Ltd v. Wok & Pan Industries, Inc.*, 909 F.3d 1134 (Fed. Cir. 2018), Maxchief, the plaintiff in a declaratory judgment action for noninfringement, with its principal place

1. Under Federal Circuit law, although cease-and-desist demands directed to the putative forum state support a finding of minimum contacts, they are, without more, insufficient to establish personal jurisdiction. *New World*, 859 F.3d at 1037-38. There is not a cease-and-desist letter in this case and there are no in forum extra-judicial actions.

of business in China, failed to demonstrate personal jurisdiction in Tennessee, the location of its exclusive U.S. distributor, in a dispute with one of its competitors in the plastic folding table market, Wok. *Id.* at 1136-37. Wok had filed suit in California against Staples, one of the main retailers of Maxchief's tables, alleging that Maxchief's tables infringed Wok's patents and asking for a nationwide injunction. *Id.* at 1136. In turn, Staples asked the Tennessee distributor to defend and indemnify it, and the Tennessee distributor asked Maxchief to defend and indemnify it. *Id.* Maxchief then filed the noninfringement action in Tennessee. *Id.*

The Federal Circuit affirmed the district court's dismissal for lack of personal jurisdiction, holding that Wok's patent enforcement lawsuit was directed to California, despite foreseeable effects in Tennessee, and such actions did not support a finding of minimum contacts in Tennessee because Wok did not seek to enforce its patents in Tennessee. *Id.* at 1138-39. Maxchief argued that Wok's California lawsuit against Staples had "effects" in Tennessee because Wok's requested injunction would extend to the Tennessee distributor, and Maxchief would respond to any injunction by changing its Tennessee activities. *Id.* at 1138. But the Federal Circuit held that "it is not enough that Wok's lawsuit might have 'effects' in Tennessee. Rather, jurisdiction 'must be based on intentional conduct by the defendant' directed at the forum." *Id.* "Wok's lawsuit against Staples—filed in California against a California resident—was directed at California, not Tennessee." *Id.* at 1139.

Similarly, LDG's allegations of infringement were directed to Amazon in Washington, not SnapPower in Utah. Those enforcement actions may have foreseeable effects in Utah, but that is not a basis for personal jurisdiction over LDG in Utah. As explained in *Maxchief*, jurisdiction must be based on the defendant's intentional conduct directed at the forum. LDG never sent a cease-and-desist letter to SnapPower in Utah. Even if LDG had sent such a letter, that would still not be enough to support personal jurisdiction over LDG under the Federal Circuit's *Red Wing Shoe Co. v. Hockerson-Halberstadt, Inc.*, 148 F.3d 1355 (Fed. Cir. 1998) line of cases, which recognize that merely sending notice letters of patent infringement is not enough because principles of fair play "afford a patentee sufficient latitude to inform others of its patent rights without subjecting itself to jurisdiction in a foreign forum." *Id.* at 1360-61. Here, there is no evidence of LDG reaching out to Utah except in response to SnapPower's communications. Those communications do not reflect any directed activity towards Utah.

SnapPower also argues a type of "reverse stream of commerce" theory based on *Beverly Hills Fan Co. v. Royal Sovereign Corp.*, 21 F.3d 1558, 1566 (Fed. Cir. 1994). But that line of case law is distinguishable because LDG has not sold anything. Moreover, at least one other Federal Circuit case has stated that "*Beverly Hills Fan*, with its unfettered reliance on a 'stream of commerce' theory, is now shaky precedent to the extent that it runs counter to the *McIntyre* decision." *AFTG-TG, LLC v. Nuvoton Tech. Co.*, 689 F.3d 1358, 1368 (Fed. Cir. 2012) (Rader, J. concurring).

In addition, while the Patent Act's venue provisions appear to favor SnapPower, they are irrelevant because LDG has not filed a lawsuit against SnapPower under the Patent Act. Therefore, those venue provisions do not apply to the court's determination of jurisdiction in the instant action.

The court concludes that the contacts between LDG and the State of Utah are insufficient to give this court jurisdiction over LDG. SnapPower has not demonstrated that LDG purposely directed its activities at SnapPower in Utah or that this action arises out of or relates to any LDG activities in Utah. Moreover, exercising personal jurisdiction over LDG in Utah would not be reasonable or fair. Under Federal Circuit law, "principles of fair play and substantial justice afford a patentee sufficient latitude to inform others of its patent rights without subjecting itself to jurisdiction in a foreign forum. 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." *Red Wing Shoe*, 148 F.3d at 1360-61. The court agrees with LDG that a finding that LDG is subject to personal jurisdiction in Utah on these facts would be akin to a rule that every party attempting to utilize Amazon's APEX program would be subject to personal jurisdiction everywhere in the United States. Such a rule would be inconsistent with the Federal Circuit's decisions in *Avocent*, *Radio Systems*, and *Maxchief*. Accordingly, the court grants LDG's Motion to Dismiss for Lack of Personal Jurisdiction.

Appendix B

CONCLUSION

Based on the above reasoning, Defendant Lighting Defense Group LLC's Motion to Dismiss for Lack of Personal Jurisdiction [ECF No. 10] is GRANTED.

DATED this 4th day of November, 2022.

BY THE COURT:

/s/ Dale A. Kimball
DALE A. KIMBALL
UNITED STATES DISTRICT JUDGE

APPENDIX C — ORDER DENYING REHEARING AND REHEARING EN BANC OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT, FILED AUGUST 7, 2024

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

2023-1184

SNAPRAYS, DBA SNAPPOWER,

Plaintiff-Appellant

v.

LIGHTING DEFENSE GROUP,

Defendant-Appellee

Appeal from the United States District Court for the District of Utah in No. 2:22-cv-00403-DAK, Senior Judge Dale A. Kimball.

ON PETITION FOR PANEL REHEARING AND REHEARING EN BANC

Before Moore, *Chief Judge*, Lourie, Dyk, Prost, Reyna, Taranto, Chen, Hughes, Stoll, Cunningham, and Stark, *Circuit Judges*.[1]

Per Curiam.

1. Circuit Judge Newman did not participate.

Appendix C

ORDER

Lighting Defense Group filed a combined petition for panel rehearing and rehearing en banc. Lovevery, Inc. requested leave to file a brief as amicus curiae, which the court granted.

The petition was referred to the panel that heard the appeal, and thereafter the petition was referred to the circuit judges who are in regular active service.

Upon consideration thereof,

It Is Ordered That:

The petition for panel rehearing is denied.

The petition for rehearing en banc is denied.

The mandate of the court will issue August 14, 2024.

August 7, 2024
Date

For the Court

/s/ Jarrett B. Perlow
Jarrett B. Perlow
Clerk of Court