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17 UNITED STATES DISTRICT COURT  
18 NORTHERN DISTRICT OF CALIFORNIA  
19 SAN FRANCISCO DIVISION

21 CALIX NETWORKS, INC., a Delaware  
Corporation,

22 Plaintiff,

23 v.

24 WI-LAN INC., a Canadian Corporation,

25 Defendant.

Case No. CV 09 6038 CRB

**DEFENDANT WI-LAN, INC.'S  
NOTICE OF MOTION AND  
MEMORANDUM OF POINTS AND  
AUTHORITIES IN SUPPORT OF ITS  
MOTION TO DISMISS FOR LACK  
OF PERSONAL JURISDICTION  
AND/OR MOTION TO TRANSFER**

Date: April 30, 2010  
Time: 10:00 a.m., Courtroom 8,  
19th Floor

Judge: Hon. Charles R. Breyer

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**NOTICE OF MOTION AND MOTION**

PLEASE TAKE NOTICE that on Friday, April 30, 2010, at 10:00 a.m., or as soon thereafter as the matter may be heard, before the Honorable Charles R. Breyer, Judge of the United States District Court, 450 Golden Gate Ave., San Francisco 94102 in Courtroom 8, 19th Floor, Defendant Wi-LAN Inc. (“Wi-LAN”) will move this Court to dismiss for lack of personal jurisdiction, or in the alternative, to transfer this case to the Eastern District of Texas, Marshall Division, pursuant to Federal Rule of Civil Procedure 12(b)(2) and 28 U.S.C. 1406.

The Motion will be based on this Notice of Motion, the Memorandum of Points and Authorities in Support, the Declaration of William R. Middleton, the Declaration of Michael G. McManus, the [Proposed] Order filed herewith, all of the files and records of this action, and on any additional material that may be filed by Plaintiff, Calix Networks, Inc. (“Calix”) or be elicited at the hearing on this Motion.

**MEMORANDUM OF POINTS AND AUTHORITIES**

**I. INTRODUCTION**

In this case, Calix seeks a declaratory judgment that two of Wi-LAN’s patents, U.S. Patent No. 5,956,323 (the ‘323 patent) and U.S. Patent No. 6,763,019 (the ‘019 patent), are invalid, that Calix has not infringed either of these patents and that Wi-LAN has breached agreements entered into between Nokia and the ITU, a standard setting organization of the United Nations, in which Nokia (Wi-LAN’s predecessor in interest in the ‘323 and ‘019 patents) agreed to license the ‘323 patent on reasonable and non-discriminatory terms.

Notwithstanding these allegations, the Court lacks personal jurisdiction over Wi-LAN in the Northern District of California. Wi-LAN is not present in California for purposes of general jurisdiction since it has none of the indicia of a resident of the State and its only contacts with California have been sporadic and infrequent, not continuous and systematic. Wi-LAN has a website, but it is entirely passive.

Furthermore, none of Wi-LAN’s contacts with California that relate to the claims in this case are sufficient for specific jurisdiction. Wi-LAN’s employees have had no meetings with

1 Calix in California, no telephone conferences, and the correspondence between Wi-LAN and  
2 Calix has consisted entirely of letters and emails suggesting possible practice of the patents by  
3 Calix products, Calix's denial of such practice and Wi-LAN's unsuccessful efforts to open  
4 licensing discussions with Calix. None of this correspondence is sufficient for jurisdiction.

5 Wi-LAN has licensees of the '323 patent who may sell products in California, but all of  
6 those licenses are nonexclusive. (Declaration of William R. Middleton (hereafter "Middleton  
7 Decl.") ¶ 3). Wi-LAN employees have traveled to California approximately four (4) times for  
8 business relating to the patents-in-suit during the relevant time period (January 22, 2008 to  
9 December 28, 2009), but none of these trips related to Calix or its practice of the patents at issue.  
10 *Id.* at ¶16. While Wi-LAN is presently engaged in litigation with Intel in California, such  
11 litigation relates to patents and technology not involved in this suit. Wi-LAN is in that suit  
12 involuntarily as a defendant, did not choose that forum and has not sought any affirmative relief  
13 in that litigation. *Id.* at ¶15. Such a third party suit in which Wi-LAN is a defendant cannot  
14 confer jurisdiction in the forum state. *See Pieczenik v. Cambridge Antibody Technology Group*,  
15 2004 U.S. Dist. LEXIS 4127, at \*27 (S.D.N.Y. Mar. 16, 2004). Accordingly, there is no  
16 jurisdiction over Wi-LAN in California.

17 Finally, Calix alleges in its Complaint that jurisdiction can be based on the location of the  
18 inventors and former assignees of the patents-in-suit. (Complaint ¶ 7). Such facts are irrelevant  
19 to the minimum contacts requirement because they do not concern Wi-LAN's activities  
20 purposely directed to residents of California. In short, Calix has wholly failed to establish that  
21 Wi-LAN has engaged in the type of activities in California that are sufficient to establish  
22 personal jurisdiction.

23 For these reasons, this case should either be dismissed or else transferred to the Eastern  
24 District of Texas, Marshall Division, where the '323 patent is already in litigation with other  
25 parties (in fact, at least one of those parties is represented by Calix's counsel), and where this  
26 case can most efficiently be tried because of the extensive judicial familiarity of that Court with  
27 the principal patent in suit in this case.

## II. STATEMENT OF FACTS

### A. The Parties

1  
2 Wi-LAN is a foreign corporation organized and existing under the laws of Canada with  
3 its principal place of business in Ottawa, Ontario Canada. (Middleton Decl. at ¶ 2) Wi-LAN,  
4 first formed in 1992, is a public company and has been a pioneer in the design and development  
5 of broadband technologies. It originally developed the fundamental signaling technology that  
6 makes both Wi-Fi and Wi-MAX work -- wideband orthogonal frequency division multiplexing  
7 (or “W-OFDM”) (Wi-LAN Annual Report 2007 at 6, Ex. 1 to McManus Declaration) -- and has  
8 licensed this technology to such companies as Cisco, Nokia, Fujitsu, Panasonic and others.  
9 (Middleton Decl. ¶ 4). Wi-LAN is an intellectual property and research company that licenses  
10 its proprietary technologies to companies who have expertise in manufacturing and marketing.

11 In addition to revenues derived from the licensing of its technology, Wi-LAN sometimes  
12 enters into exchanges of intellectual property with its licensees and receives or purchases patents  
13 from such companies as Nokia and Fujitsu. (Middleton Decl. ¶ 5). Some of these patents cover  
14 fundamental aspects of ADSL and other telecommunications standards, including the ‘323 and  
15 ‘019 patents involved in this case, which were acquired from Nokia.

16 Calix is a corporation organized and existing under the laws of the state of Delaware,  
17 with its principal place of business located at 1035 N. McDowell Blvd., Petaluma, California  
18 95954. (Complaint at ¶ 2). Calix produces and sells DSL products. (Complaint at ¶ 5)

### B. Chronology of Relevant Events

19  
20 On January 22, 2008, Derek Nuhn, Wi-LAN's Vice President of DSL Technologies, sent  
21 an email to Carl Russo of Calix describing the nature of Wi-LAN's business and advising Mr.  
22 Russo of Wi-LAN's belief that some of the Calix products were using technology and patents  
23 that had been developed by Wi-LAN or by parties with whom Wi-LAN had exchanged  
24 telecommunications technology. (McManus Decl., Ex. 2). Wi-LAN proposed opening  
25 discussions with Calix to negotiate a reasonable license for Calix products that practiced Wi-  
26 LAN's patented technology. (*Id.*)

1 For the next two years, Wi-LAN and Calix exchanged emails and letters in which Wi-  
2 LAN unsuccessfully sought to open licensing discussions about these products and patents.  
3 (McManus Decl., Exs. 2-21) Calix denied infringement and declined to engage in licensing or  
4 settlement negotiations. (*Id.*)

5 On December 21, 2009, Wi-LAN sent Jason Dove, Calix's Director of Hardware  
6 Engineering, by letter and email a Confidential Settlement Communication that contained a copy  
7 of a draft Complaint for filing in the Eastern District of Texas seeking damages and injunctive  
8 relief for infringement of the '323 patent. (McManus Decl., Ex. 21). On December 28, 2009,  
9 Calix preemptively sued Wi-LAN for declaratory relief in this Court regarding the '323 and '019  
10 patents. In its Complaint, Calix made the following jurisdictional allegations:

11 This Court has personal jurisdiction over Wi-LAN. Wi-LAN has  
12 conducted business in and directed to California, including  
13 pertaining to the patents-in-suit, and has engaged in various acts in  
14 and directed to California. Wi-LAN is in the business of asserting  
15 patent infringement claims and suing companies for patent  
16 infringement. In connection with that business, Wi-LAN has  
17 targeted and met with companies located in the Northern District  
18 of California. Additionally, inventors and former assignees of the  
19 patents-in suit, attorneys responsible for the '323 Patent, and  
20 purported licensees of the '323 Patent are believed to be located in  
21 California.

22 (Complaint 7). During this relevant time period (January 22, 2008- December 28, 2009), no  
23 meetings or telephone calls took place between employees of Wi-LAN and employees of Calix.  
24 (Middleton Decl. ¶ 17).

25 Importantly, none of these events is sufficient to confer personal jurisdiction over Wi-  
26 LAN in California. As discussed more fully below, the mere sending of infringement letters by a  
27 patentee into the forum state, even if such letters include offers to open licensing discussions  
28 and/or a draft complaint, are not sufficient for personal jurisdiction over a nonresident patentee  
like Wi-LAN. Similarly, the existence of other licensees under the patents who sell products in  
California, or inventors, assignors or attorneys responsible for the '323 patent who are located in  
California are likewise insufficient for personal jurisdiction over Wi-LAN in this Court. For  
these and other reasons discussed below, the Motion to Dismiss should be granted.

**C. Pertinent Jurisdictional Facts**

1 Wi-LAN does not market, manufacture or sell any physical products in the United States.  
2 (Middleton Decl. ¶ 6). Its principal commercial activity in the U.S. is its acquisition and  
3 licensing of patented innovations. (*Id.* ¶ 7).

4 Wi-LAN has no employees or officers who reside in California. (*Id.* ¶ 8). Wi-LAN does  
5 not own or have any interest in real property in California. (*Id.* ¶ 9). Wi-LAN has no offices or  
6 facilities of any kind in California. (*Id.* ¶ 10). Wi-LAN has no telephone listing or mailing  
7 address in California. (*Id.* ¶ 11). Wi-LAN has no registered agent for service of process in  
8 California. (*Id.* ¶ 12). Wi-LAN pays no taxes in the State of California. (*Id.* ¶ 13). Wi-LAN has  
9 not initiated or commenced any litigation in the California courts subsequent to its first contact  
10 with Calix. (*Id.* ¶ 14) Wi-LAN is a defendant in a lawsuit initiated by Intel Corporation in  
11 California. (*Id.* ¶ 15) However, Wi-LAN has not voluntarily chosen California as the forum for  
12 such litigation or sought any affirmative relief against Intel in that suit. (*Id.* ¶ 15).

13 Wi-LAN's employees do occasionally travel to California on matters relating to Wi-  
14 LAN's business. However, these trips are irregular and infrequent. Since January 22, 2008  
15 when Wi-LAN first contacted Calix about this matter, Wi-LAN employees have traveled to  
16 California on approximately four occasions relating to the '323 or '019 patents. (Middleton  
17 Decl. ¶ 16). None of those trips involved meetings with Calix employees or were related to any  
18 of Calix's claims in this case. (*Id.* ¶ 16). Wi-LAN employees have had no meetings or  
19 telephone conversations with Calix employees about the patents or technology involved in this  
20 case. (*Id.* ¶ 17).

21 Wi-LAN has licensees of the '323 and '019 patents who sell products in California using  
22 Wi-LAN's patented technology. (*Id.* ¶ 3). All such licenses, however, are nonexclusive. (*Id.* ¶  
23 3). As such, Wi-LAN exercises no control over the sales activities of any of its licensees under  
24 the patents. (*Id.* ¶ 3).

**D. The Texas Action**

25  
26 On October 31, 2007, Wi-LAN commenced an action in Texas ("The Texas Action").  
27  
28

1 (McManus Decl., ¶ 23). The '323 patent is one of several patents at issue there. (*Id.*) Calix is  
2 not a defendant in that case. While the present suit may not be consolidated with the Texas  
3 Action because the Texas Action is somewhat more advanced (jury selection is scheduled for  
4 January 2011), this action could be far more easily tried in Texas because of the extensive  
5 experience that the Texas court has with the '323 patent. Also, it would be an undue burden on  
6 Wi-LAN to have to litigate the '323 patent in two fora.

### 7 **III. CALIX CANNOT SHOW PERSONAL JURISDICTION OVER WI-LAN**

#### 8 **A. The Law of Personal Jurisdiction**

9 A court must dismiss a defendant when the court lacks jurisdiction over that person. *See*  
10 Fed. R. Civ. P. 12(b)(2); *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 291-92  
11 (1980); *Avocent Huntsville Corp. v. Aten Int'l Co., Ltd.*, 552 F.3d at 1324, 1328-29 (Fed. Cir.  
12 2008). Since personal jurisdiction is intimately involved with the substance of patent laws, the  
13 law of the Federal Circuit applies. *Avocent*, 552 F.3d at 1328. The plaintiff bears the burden of  
14 making a prima facie showing that Wi-LAN is subject to personal jurisdiction. *Id.* at 1328-29.  
15 Courts need not, however, accept as true allegations in the amended complaint that have been  
16 controverted. *See id.*; *Behagen v. Amateur Basketball Ass'n of the United States of America*, 744  
17 F.2d 731, 733 (10th Cir. 1984) (cited with approved in *Deprenyl Animal Health, Inc. v. Univ. of*  
18 *Toronto Innovations Found.*, 297 F.3d 1343, 1347 (Fed. Cir. 2002)). When, as here, allegations  
19 have been controverted, the plaintiff must then prove jurisdiction by a preponderance of the  
20 evidence, *Piecznik v. Dyan Corp.*, 265 F.3d 1329, 1334 (Fed. Cir. 2001), through the  
21 submission of affidavits, testimony or documents.

22 The personal jurisdiction of a United States District Court is measured by the  
23 jurisdictional reach of the local state courts. Fed. R. Civ. P. 4(k)(1)(A). In California, that reach  
24 is coextensive with the limits of Due Process Clause. Cal. Civ. Proc. Code § 410.10.  
25 Accordingly, personal jurisdiction may only be sustained if doing so is consistent with the  
26 requirements of due process. *See Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1320 (9th  
27 Cir. 1998). The exercise of personal jurisdiction over a foreign corporation violates the  
28

1 protections created by the Due Process Clause unless the foreign corporation has sufficient  
2 “minimum contacts” with the forum state (California) such that the “maintenance of the suit does  
3 not offend traditional notions of fair play and substantial justice.” *Int’l Shoe Coe. v. State of*  
4 *Washington, Office of Unemployment*, 326 U.S. 310, 316 (1945) (internal quotation marks  
5 omitted). “[I]t is essential in each case that there be some act by which the defendant  
6 purposefully avails itself of the privilege of conducting activities within the forum State, thus  
7 invoking the benefits and protections of its laws.” *Avocent*, 552 F.3d at 1329 (quoting *Hanson v.*  
8 *Denckla*, 357 U.S. 235, 253 (1958)).

9 **B. The Relevant Time Period Is 2008 and 2009**

10 The applicable time period in evaluating personal jurisdiction is when the events that  
11 created the cause of action occurred. Thus, the relevant period begins January 28, 2008, at the  
12 time of the first contact with Calix. *See, e.g., Johnson v. Woodcock*, 444 F.3d 953, 955-56 (8th  
13 Cir. 2006) (“Minimum contacts must exist either at the time the cause of action arose, the time  
14 the suit was filed, or within a reasonable period of time immediately prior to the filing of the  
15 lawsuit.”); *Steel v. United States*, 813 F.2d 1545, 1549 (9th Cir. 1987) (noting that “courts must  
16 examine the defendant's contacts with the forum at the time of the events underlying the dispute  
17 when determining whether they have jurisdiction”).

18 **C. Calix Has Not Alleged and Cannot Show Sufficient Minimum Contacts**  
19 **Between Wi-LAN and the State of California to Justify Personal Jurisdiction**

20 The “minimum contacts” requirement may be met in either of two ways: through  
21 continuous and systematic contacts between the defendant and the jurisdiction, justifying the  
22 court’s exercise of general jurisdiction over the defendant, or through purposeful activities  
23 directed into the forum from which the claims arise, justifying the court’s exercise of specific  
24 jurisdiction over these claims. *Autogenomics, Inc. v. Oxford Gene Technology, Ltd.*, 566 F.3d  
25 1012, 1017 (Fed. Cir. 2009). In this case, Calix is unable to offer evidence of either.  
26  
27  
28

1                   **1. Calix Cannot Show General Jurisdiction Because Wi-LAN Does Not**  
2                   **Maintain Continuous and Systematic Contacts With California**

3                   Plaintiffs bear a higher burden to establish the minimum contacts for general jurisdiction.  
4                   *Avocent*, 552 F.3d at 1330. For general jurisdiction to exist over a foreign defendant, the  
5                   defendant must have “continuous corporate operations” in California that are “so substantial and  
6                   of such a nature as to justify suit against it on causes of action arising from dealings entirely  
7                   distinct from those activities.” *Int’l Shoe*, 326 U.S. at 318. Having a few commercial activities  
8                   over time is insufficient to establish general jurisdiction. *Helicopteros Nacionales de Colombia,*  
9                   *S.A. v. Hall*, 466 U.S. 408, 416 (1984). Nor does hosting a passive website warrant general  
10                  jurisdiction. *Trintec Indus., Inc. v. Pedre Promotional Prods., Inc.*, 395 F.3d 1275, 1281 (Fed.  
11                  Cir. 2005).

12                  Wi-LAN does not have continuous and systematic contacts with California to warrant  
13                  exercise of general jurisdiction. Nothing in the amended complaint suggests continuous and  
14                  systematic contacts with California. Wi-LAN has no contacts with California to rise to the level  
15                  of continuous and systematic corporate operations. Wi-LAN does not have any office or  
16                  employees in California. (Middleton Decl. ¶ 8). Wi-LAN does not have real or personal  
17                  property in California. (*Id.* ¶ 9). Wi-LAN does not sell any products in California. (*Id.* 6).

18                  Calix alleges that Wi-LAN is “in the business of asserting patent infringement claims and  
19                  suing companies for patent infringement.” (Complaint ¶ 7) Calix also alleges that “[n]  
20                  connection with that business, Wi-LAN has targeted and met with companies located in the  
21                  Northern District of California.” (*Id.*) However, this effort to define Wi-LAN’s business as the  
22                  business of asserting patent infringement claims and suing companies for patent infringement  
23                  and trying to establish general jurisdiction on that basis is of no avail. A similar argument was  
24                  made and rejected in *Nordica USA Corp. Tecnica USA Corp. v. Sorenson*, 475 F. Supp. 2d 128,  
25                  137 (D.N.H. 2007) (where plaintiff alleged that “Defendants are in the business of licensing  
26                  technology and have created ‘systemic and continuous’ contacts with New Hampshire by  
27                  entering into so many licensing agreements with corporations which do business here”). *In*  
28                  *Nordica*, the court noted that the product sold in the licensing agreements is a “covenant not to

1 sue.” See *Nordica*, 475 F. Supp. 2d at 138, citing *Red Wing Shoe Co. v. Hockerson-Halberstadt*,  
2 *Inc.*, 148 F.3d 1355, 1362 (Fed. Cir. 1998). Such a license cannot confer general jurisdiction in  
3 the forum state because it is not a product sold in the stream of commerce and the licensees’  
4 commercialization activities cannot be attributed to Wi-LAN as the patentee. See *id.* (“Since the  
5 ‘covenant not to sue,’ which is the product defendants are selling, is not a product sold in the  
6 stream of commerce, the plaintiffs’ reliance on that theory of jurisdiction is misplaced.”) Thus,  
7 the location of licensees in California does not confer jurisdiction over Wi-LAN. See, e.g.,  
8 *Advice Co. v. Novak*, 2009 U.S. Dist. LEXIS 4641, at \* 19-20 (N.D. Cal., Jan. 23, 2009), citing  
9 *Bancroft & Masters, Inc. v. Augusta National Inc.*, 223 F.3d 1082, 1086 (9th Cir. 2000) (where  
10 “the Ninth Circuit found insufficient contacts to establish general jurisdiction over the defendant  
11 where the defendant had several license agreements with California businesses; made occasional,  
12 unsolicited sales of tickets and merchandise to California residents; and operated a passive  
13 website containing an allegedly infringing trademark.”). Further, notwithstanding Calix’s  
14 allegation that Wi-LAN is in the business of “suing companies for patent infringement,” Calix  
15 cannot show that Wi-LAN has sued any company for patent infringement in the State of  
16 California.<sup>1</sup>

17 Nor can occasional, or even regular, business trips to California by Wi-LAN executives  
18 subject Wi-LAN to the general jurisdiction of the California courts. See *Helicopteros*  
19 *Nacionales de Columbia v. Hall*, 466 U.S. 408, 411 (1984), citing and reaffirming *Rosenberg*

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21 <sup>1</sup> In the context of specific jurisdiction, the Federal Circuit has made it very clear that licensing activity by the  
22 patentee within the forum state, even to “multiple non-exclusive licensees,” cannot establish specific personal  
23 jurisdiction over the patentee in the forum so long as the licenses are non-exclusive. *Avocent*, 552 F.3d at 1336.  
24 Indeed, in *Red Wing*, the Federal Circuit declined to find specific personal jurisdiction over a patentee with thirty-  
25 four non-exclusive licensees selling the patented product in the forum State . . .”. In *Red Wing*, the Court rejected  
26 the notion that this extensive licensing program amounted to a “34-licensee distribution channel.” *Red Wing*, 148  
27 F.3d at 1359. It would be a strange rule indeed that held that an extensive licensing program would not be deemed  
28 “other activities” for purposes of *specific* personal jurisdiction, but would be found sufficient for *general* personal  
jurisdiction. Such a holding would completely undermine the *Avocent* rule which protects those patentees who have  
extensive licensing programs from subjecting themselves to the personal jurisdiction of forums where they are not  
domiciled. Notwithstanding the perception that such a rule permits foreign patentees to engage in “significant  
commercialization and licensing efforts in a state while benefiting from the shelter of the *Avocent* rule.” the Federal  
Circuit is fully committed to the *Avocent* rule for important policy reasons having to do with the nature of patent  
rights. See *Autogenics, Inc.*, 566 F.3d at 1021.

1 *Bros. & Co. v. Curtis Brown Co.*, 260 U.S. 516 (1923) (“The only business alleged to have been  
2 transacted by the company in New York . . . related to such purchases of goods by officers of a  
3 foreign corporation. Visits on such business, *even if occurring at regular intervals*, would not  
4 warrant the inference that the corporation was present within the jurisdiction of the state”)  
5 (emphasis added); *Landoil Resources Corp. v. Alexander & Alexander Services, Inc.*, 918 F.2d  
6 1039, 1045-46 (2nd Cir. 1990) (thirteen business trips by employees of insurance broker over  
7 eighteen month period insufficient); *Hoffritz For Cutlery, Inc., Inc. v. Anjac, Ltd.*, 763 F.2d 55,  
8 57 (2nd Cir. 1985) (fifty-four visits to New York to discuss business with plaintiff insufficient);  
9 *Rocawear Licensing LLC v. Pacesetter Apparel Group*, 2007 U.S. Dist. Lexis 98894, at \*6-8  
10 (C.D. Cal. Sept. 12, 2007) (buyers sent to California several times a year who purchased  
11 \$10,000,000 worth of merchandise, held insufficient under *Helicopteros* and *Rosenberg*);  
12 *Cornelison v. Cheney*, 16 Cal. 3d 143, 149, 127 Cal. Rptr. 352, 545 P.2d 264 (1976) (twenty trips  
13 a year into state over previous seven years held insufficient).

14 Calix also asserts in its Complaint that the “inventors and former assignees of the patents-  
15 in-suit, attorneys responsible for the prosecution, and purported licensees of the patent are  
16 believed to be located in California.” (Complaint ¶ 7). However, these allegations are  
17 insufficient to establish that Wi-LAN has had “continuous or systematic contacts with the forum  
18 state,” *Autogenomics*, 566 F.3d at 1017, or that Wi-LAN purposely “directed its activities at  
19 residents of the forum.” *Id.* at 1018.

20 That the inventors of the patents-in-issue may be located in California is of no  
21 significance to personal jurisdiction absent more specific and substantive allegations regarding  
22 Wi-LAN’s relationship to and activities with such inventors in the forum. *See Centre One v.*  
23 *Vonage Holdings Corp.*, 2009 U.S. Dist. LEXIS 69683, at \* 12-13 (E.D. Tex. Aug. 10, 2009)  
24 (alleged negotiations with inventor in forum state did not provide a basis for either general or  
25 specific jurisdiction). Likewise, the location and activities of Wi-LAN’s licensees cannot be  
26 attributed to Wi-LAN for purposes of establishing Wi-LAN’s contacts with the forum. *Red*  
27 *Wing*, 148 F.3d at 1361; *Nordica*, 478 F. Supp. 2d at 138.

1 Similarly, the location of the attorneys who prosecuted the '323 and '019 patents is  
2 irrelevant to determining personal jurisdiction over Wi-LAN since the patents issued well prior  
3 to any contact between Calix and Wi-LAN. *See Rosenberg Bros. & Co.*, 260 U.S. at 517 (“The  
4 sole question for decision is whether, *at the time of the service of process*, defendant was doing  
5 business within the State of New York and to such an extent as to warrant the inference that it  
6 was present there.”) (emphasis added). The '323 patent is dated September 21, 1999 (Complaint,  
7 Ex. “A.”) The '019 patent is dated July 13, 2004. (Complaint, Ex. “B.”) Hence, Wi-LAN’s  
8 relationship with the attorneys who prepared or prosecuted these patents, if any, is well outside  
9 the relevant time period for establishing personal jurisdiction.

10 Finally, as previously noted, having a passive website is insufficient to establish general  
11 jurisdiction. *Indus., Inc. v. Pedre Promotional Prods., Inc.*, 395 F.3d 1275, 1281 (Fed. Cir.  
12 2005). Thus, there is no basis for the exercise of general jurisdiction over Wi-LAN in California.

## 13 **2. Calix Cannot Show Specific Jurisdiction Because Letters Are an** 14 **Insufficient Basis for Jurisdiction**

15 Calix likewise cannot show that specific personal jurisdiction is warranted here. Federal  
16 Circuit precedent is unambiguous that mere letters informing a party of one’s patent rights are an  
17 insufficient basis for specific personal jurisdiction. Nor has Wi-LAN engaged in any other  
18 activity that gives rise to personal jurisdiction.

### 19 **a. Wi-LAN’s Correspondence with Calix Is Insufficient to Create** 20 **Jurisdiction in This Case**

21 Federal Circuit law is clear that correspondence like that between Wi-LAN and Calix,  
22 does not establish specific jurisdiction. Threats of infringement through an “infringement letter”  
23 or a “cease-and-desist letter” to a forum resident are not sufficient to establish specific  
24 jurisdiction. *Red Wing*, 148 F.3d at 1360-61. In *Red Wing*, the Federal Circuit summarized the  
25 law regarding infringement letters as follows:

26 Principles of fair play and substantial justice afford a patentee  
27 sufficient latitude to inform others of its patent rights without  
28 subjecting itself to jurisdiction in a foreign forum. A patentee  
should not subject itself to personal jurisdiction in a forum solely

1 by informing a party who happens to be located there of suspected  
 2 infringement. Grounding personal jurisdiction on such contacts  
 3 alone would not comport with principles of fairness.

4 *Id.*

5 Offers to license also are not sufficient to establish specific jurisdiction in the forum state.  
 6 *Id.* at 1361. *In Red Wing*, defendant's sole business was to license its patent portfolio and  
 7 enforce the patents. Defendant had thirty-four non-exclusive licensees, all of which sold  
 8 products in Minnesota and six of which maintained retail stores in Minnesota or possessed a  
 9 Minnesota business registration. *Id.* at 1357-58. The defendant sent Red Wing Shoe in  
 10 Minnesota a series of letters alleging infringement and offering a non-exclusive license and  
 11 received royalty payments from its licenses for sale in Minnesota. *Id.* The district court held, and  
 12 the Federal Circuit affirmed, that there was no specific jurisdiction. The appellate court reasoned  
 13 that "[a]n offer to license is more closely akin to an offer for settlement of a disputed claim rather  
 14 than an arms-length negotiation in anticipation of a long-term continuing business relationship."  
 15 *Id.* at 1361. As such, in supporting one of the considerations of due process which is to obtain  
 16 the most efficient resolution of controversies, the Federal Circuit held: "Standards of fairness  
 17 demand that [the patentee] be insulated from personal jurisdiction in a distant foreign forum  
 18 when its only contacts with that forum were efforts to give proper notice of its patent rights."  
 19 (*Id.*). Moreover, inclusion of a draft complaint in a cease and desist letter (with a caption in  
 20 another forum) does not confer jurisdiction over the defendant in the forum state. *See Peco*  
*Energy Co. v. Peco, Inc.*, 1995 U.S. Dist. LEXIS 818, at \*3 (E.D. Pa. Jan. 18, 1995).

21 **b. Wi-LAN Did Not Conduct Any Other Activity In California**  
 22 **That Would Warrant Exercise of Personal Jurisdiction**

23 Wi-LAN has not conducted any other activity in California that would warrant exercise  
 24 of specific personal jurisdiction. For there to be specific jurisdiction, the Federal Circuit has  
 25 required the foreign defendant to have engaged in "other activities" beyond sending letters that  
 26 relate to enforcement of the defense of the validity of the relevant patents. *Avocent*, 552 F.3d at  
 27 1334. Examples of such "other activities" that suffice to establish jurisdiction include: (i)  
 28 entering into an exclusive license agreement, *see, e.g., Breckenridge Pharmaceutical, Inc. v.*

1 *Metabolite Laboratories, Inc.*, 444 F.3d 1356, 1366 (Fed. Cir. 2006); *Silent Drive*, 326 F.3d  
2 1194, 1202; (Fed. Cir. 2003) (ii) entering into an exclusive distributor agreement with a third  
3 party, *see, e.g., Genetic Implant Sys., Inc. v. Core-Vent Corp.*, 123 F.3d 1455, 1458 (Fed. Cir.  
4 1997); and (iii) initiating judicial enforcement or other activities to remove the competitor's  
5 products within the forum, *see, e.g., Campbell Pet Co. v. Miale*, 542 F.3d at 879, 886 (Fed. Cir.  
6 2008); *Viam Corp. v. Iowa Export-Import Trading Co.*, 84 F.3d 424, 430 (Fed. Cir. 1996).

7 First, Wi-LAN has never entered into an exclusive license with a California company or  
8 person regarding any of the patents at issue. (Middleton Decl. ¶ 3). (Indeed, had it done so, it  
9 could not have offered a license to Calix.). Wi-LAN's licensees in California are non-exclusive.  
10 For some licensees, Wi-LAN has no ongoing contact. With respect to others, Wi-LAN's only  
11 interaction is the receipt of royalties. On identical facts, the Federal Circuit has rejected specific  
12 personal jurisdiction: "[S]pecific personal jurisdiction is not proper where the patentee has  
13 successfully licensed the patent in the forum state, even to multiple non-exclusive licensees, but  
14 has no dealings with those licensees beyond the receipt of royalty income." *Avocent*, 552 F.3d at  
15 1336 (internal ellipses and quotation marks omitted); *see also Rano v. Sipa Press, Inc.*, 987 F.2d  
16 580, 588 (9th Cir. 1993)(same).

17 Second, Wi-LAN has not entered into an exclusive distributor agreement with a third  
18 party during the relevant time period. *Genetic Implant Sys.*, 123 F.3d at 1458.

19 Third, Wi-LAN's passive website that is accessible in California cannot subject Wi-LAN  
20 to specific jurisdiction. *See Trintec.*, 395 F.3d at 1281; *Campbell Pet*, 542 F.3d at 883. Wi-  
21 LAN's website purely provides information about the company.

22 Finally, jurisdiction over a dispute between the patentee and one party cannot rest upon  
23 discussions in-state between the patentee and completely different parties. *Cf. Autogenomics,*  
24 *Inc. v. Oxford Gene Tech. Ltd.*, 2008 WL 7071464, \*5 (C.D. Ca. Jan. 17, 2008). Wi-LAN has  
25 not initiated any legal action in California subsequent to April 2004, which is well before the  
26 relevant time period (January 22, 2008 to December 28, 2009). (Middleton Decl. ¶ 14). While  
27 Wi-LAN is presently engaged in litigation with Intel in California, Wi-LAN is a defendant in  
28

1 that case and did not choose California as a forum and seeks no affirmative relief in that case.  
 2 (*Id.* at ¶ 15).

3 **D. Asserting Personal Jurisdiction Over Wi-LAN Would Be Unreasonable**

4 Even if Calix could show purposeful direction and nexus between Wi-LAN's conduct  
 5 and Calix's declaratory relief claims, it still must be shown that it is reasonable to subject Wi-  
 6 LAN to personal jurisdiction in California. Here, precedent is firmly contrary to Calix.

7 "Principles of fair play and substantial justice afford a patentee sufficient latitude to  
 8 inform others of its patent rights without subjecting itself to jurisdiction in a foreign forum."  
 9 *Smugmug, Inc. v. Virtual Photo Store*, 2009 WL 3833969, \*3 (N.D. Cal. Nov. 16, 2009) (quoting  
 10 *Autogenomics*, 566 F.3d at 1020)<sup>2</sup>; *Breckenridge Pharmaceutical, Inc. v. Metabolite*  
 11 *Laboratories, Inc.*, 444 F.3d 1356, 1363 (Fed. Cir. 2006) ("The district court correctly stated this  
 12 court's law that personal jurisdiction may not be exercised constitutionally when the defendant's  
 13 contact with the forum state is limited to cease and desist letters"). Thus, the exact conduct upon  
 14 which Calix predicates its claim of personal jurisdiction, Wi-LAN's having informed Calix of its  
 15 patent rights, has been repeatedly held not to be a reasonable basis for the assertion of  
 16 jurisdiction.

17 **IV. IF THE COURT FINDS THERE IS NO JURISDICTION IN THE NORTHERN**  
 18 **DISTRICT OF CALIFORNIA, THIS CASE SHOULD EITHER BE DISMISSED,**  
 19 **OR IN THE ALTERNATIVE, TRANSFERRED TO THE EASTERN DISTRICT**  
 20 **OF TEXAS**

21 Federal law provides that "[t]he district court of a district in which is filed a case laying  
 22 venue in the wrong division or district shall dismiss, or if it be in the interest of justice, transfer  
 23 such case to any district or division in which it could have been brought." 28 U.S.C. § 1406(a).  
 24 Thus, where a court lacks personal jurisdiction over a defendant, it has discretion to dismiss or  
 25 transfer the case "in the interest of justice" to a jurisdiction where personal jurisdiction exists.  
 26 *See Semanic v. Express Car Rental*, 2010 U.S. Dist. Lexis 24706 (E.D. Pa. Mar. 17, 2010);  
 27 *Nordica*, 475 F. Supp. 2d at 139; *Itel Fl, Inc. v. Container Land Assocs.*, 1997 U.S. Dist. Lexis

28 <sup>2</sup> The *Autogenomics* case further cites *Red Wing Shoe, Inc. v. Hockerson-Halberstadt, Inc.*, 148 F.3d 1355, 1360-61 (Fed. Cir. 1998) for the same proposition.

1 14889 (N.D. Cal. Apr. 22, 1997). In *Nordica*, a declaratory judgment in a patent case that had  
2 been filed in a district court in New Hampshire that lacked jurisdiction over the patentee was  
3 transferred to the Southern District of California "where several related cases . . . are pending."  
4 *Id.* at \* 29. If this Court determines that it lacks personal jurisdiction over Wi-LAN in the  
5 Northern District of California, then it should either dismiss this case, or transfer it to the Eastern  
6 District of Texas.

7 Calix could have filed the instant suit in the Eastern District of Texas as it has significant  
8 ties to Texas. *See, e.g.*, McManus Decl. ¶ 24 (April 28, 2008 Press Release: "Calix FTTP  
9 Solutions Deployed Widely across Texas"). Further, Wi-LAN is liable to personal jurisdiction  
10 there. Wi-LAN has filed four affirmative patent infringement actions in that district including  
11 two actions involving DSL technology and the '323 patent (*Wi-LAN Inc. v. Westell Inc. et al.*,  
12 Case No. 2:07-cv-474 (E.D. Tex.) and *Wi-LAN Inc. v. Conexant Systems Inc.* Case No. 2:09-cv-  
13 300 (E.D. Tex.)).<sup>3</sup> Moreover, Wi-LAN's United States subsidiaries, Wi-LAN Technologies  
14 Corp. and WIN Technology Inc., are Texas corporations. In view of the foregoing, it is apparent  
15 that personal jurisdiction over Wi-LAN would lie in Texas. *See Viam Corp. v. Iowa Exp.-Imp.*  
16 *Trading Co.*, 84 F.3d 424, 430 (Fed. Cir. 1996) (finding personal jurisdiction based on  
17 declaratory defendant having availed itself of the state's judicial system by filing affirmative  
18 patent action).

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27 <sup>3</sup> The two other Wi-LAN actions concern wireless technology. *Wi-LAN Inc. v. Acer America et al.*, Case No. 2:07-  
28 cv-473 (E.D. Tex.) and *Wi-LAN Inc. v. Research in Motion Inc. et al.*, Case No. 2:08-cv-247 (E.D. Tex.).

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**V. CONCLUSION**

In view of the foregoing, this Motion to Dismiss for Lack of Personal Jurisdiction should be granted and the instant case dismissed without prejudice or, in the alternative, transferred to the Eastern District of Texas.

DATED: March 22, 2010

Respectfully submitted,  
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