

United States Court of Appeals for the Federal Circuit

KANNUU PTY LTD.,
Plaintiff-Appellant

v.

**SAMSUNG ELECTRONICS CO., LTD., SAMSUNG
ELECTRONICS AMERICA, INC.,**
Defendants-Appellees

2021-1638

Appeal from the United States District Court for the
Southern District of New York in No. 1:19-cv-04297-ER,
Judge Edgardo Ramos.

Decided: October 7, 2021

PERRY GOLDBERG, Progress LLP, Los Angeles, CA, argued for plaintiff-appellant. Also represented by BERNARD H. CHAO, TED SICHELMAN; LEWIS EMERY HUDNELL, III, Hudnell Law Group PC, Mountain View, CA.

VICTORIA FISHMAN MAROULIS, Quinn Emanuel Urquhart & Sullivan, LLP, Redwood Shores, CA, argued for defendants-appellees. Also represented by KEVIN P.B. JOHNSON; DAVID COOPER, New York, NY; MARISSA RACHEL DUCCA, Washington, DC.

MATTHEW JAMES DOWD, Dowd Scheffel PLLC, Washington, DC, for amici curiae Jonathan M. Barnett, Richard A. Epstein, Jay P. Kesan, Adam Mossoff, Kristen Osenga. Also represented by ROBERT JAMES SCHEFFEL.

PHILLIP R. MALONE, Juelsgaard Intellectual Property and Innovation Clinic, Mills Legal Clinic, Stanford Law School, Stanford, CA, for amici curiae Margo A. Bagley, Jeremy W. Bock, Dan L. Burk, Michael A. Carrier, Rochelle C. Dreyfuss, Samuel F. Ernst, William T. Gallagher, Shubha Ghosh, Leah Chan Grinvald, Erik Hovenkamp, Mark A. Lemley, Orly Lobel, Brian J. Love, Stephen McJohn, Michael J. Meurer, Shawn Miller, Tyler T. Ochoa, Christopher M. Turoski.

Before NEWMAN, PROST, and CHEN, *Circuit Judges*.

Opinion for the Court filed by *Circuit Judge* CHEN.

Dissenting opinion filed by *Circuit Judge* NEWMAN.

CHEN, *Circuit Judge*.

Kannuu Pty Ltd. (Kannuu) appeals from the district court's denial of its motion for a preliminary injunction compelling Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc. (collectively, Samsung) to seek dismissal of Samsung's petitions for *inter partes* review at the Patent Trial and Appeal Board (Board). The district court did not abuse its discretion in denying the motion. Accordingly, we affirm.

BACKGROUND

The relevant facts are not in dispute. In 2012, Samsung contacted Kannuu, an Australian start-up company that develops various media-related products (including Smart TVs and Blu-ray players), inquiring about Kannuu's remote control search-and-navigation technology. Kannuu

and Samsung entered into a non-disclosure agreement (NDA), *see* J.A. 211–13, to protect confidential business information while engaging in business discussions and the like.

The NDA explains that Kannuu and Samsung “desire to disclose to one another certain Confidential Information . . . to further a business relationship between the parties . . . and to protect such Confidential Information from unauthorized disclosure.” J.A. 211.

The agreement also explains:

[N]othing contained in this Agreement will be construed as granting any rights to the receiving party, by license or otherwise, to any of the Confidential Information disclosed by the disclosing party except as specified in this Agreement. Additionally, this Agreement imposes no obligation on either party to purchase, sell, license, transfer or otherwise dispose of any technology, services or products, or to engage in any other business transaction. Nothing in this Agreement shall be deemed to grant to either party a license under the other party’s copyrights, patents, trade secrets, trademarks or other intellectual property rights.

J.A. 212.

Of particular relevance, paragraph 15 of the agreement contains a forum selection clause:

If either party employs attorneys to enforce any rights arising out of or relating to this Agreement, the prevailing party shall be entitled to recover reasonable attorneys’ fees. This Agreement shall be construed in accordance with and all disputes hereunder shall be governed by the laws of the State of New York, without giving effect to any choice of laws principles that would require the application of the laws of a different country or state. *Any legal*

action, suit, or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby must be instituted exclusively in a court of competent jurisdiction, federal or state, located within the Borough of Manhattan, City of New York, State of New York and in no other jurisdiction. Each party further irrevocably consents to personal jurisdiction and exclusively in, and agrees to service of process issued or authorized by, any such court.

J.A. 213 (emphasis added).

Following over a year of discussions, in 2013, the parties ceased communications. No deal (i.e., intellectual property license, purchase, or similar agreement) over Kannuu's technology was made. Six years later, on May 10, 2019, Kannuu filed suit in district court against Samsung, alleging patent infringement and breach of the NDA. Samsung then filed petitions for *inter partes* review at the Board on March 27, 2020, alleging that all claims of the asserted patents are unpatentable as obvious and not novel. Kannuu responded to Samsung's petitions by arguing to the Board, *inter alia*, that review should not be instituted because Samsung violated the NDA's forum selection clause in filing for such review. The Board denied institution for three patents (on the merits of failing to show unpatentability) but instituted review for the other two asserted patents. Kannuu sought rehearing on the basis of the forum selection clause but the Board denied the request.

On October 21, 2020, Kannuu filed the preliminary injunction motion at issue in this appeal to compel Samsung to seek dismissal of the instituted *inter partes* reviews. The district court denied the motion on January 19, 2021. Kannuu timely appeals.

DISCUSSION

This case presents a rather common series of business events: Samsung and Kannuu engaged in business discussions under the protections of a non-disclosure agreement. The discussions ended without Samsung licensing, purchasing, or otherwise adopting the property (or technology) of Kannuu. Years later, Kannuu sued Samsung in federal court for infringement of its patents (covering the technology that was the subject of the previous discussions) and for breach of the non-disclosure agreement. Samsung then turned to the Patent Office and petitioned for *inter partes* review at the Board, contending that Kannuu's patent claims should be canceled as unpatentable.

The underlying question that this case presents is one of first impression: Does the forum selection clause in the non-disclosure agreement between the entities prohibit Samsung from petitioning for *inter partes* review of Kannuu's patents at the Board?

The district court here, albeit in ruling on a motion for preliminary injunction, determined the answer to be no and declined to grant a preliminary injunction compelling Samsung to seek dismissal of its petitions of Kannuu's patents. We discern no abuse of discretion by the district court in denying such a motion on this basis.

"A plaintiff seeking a preliminary injunction must establish that he is likely to succeed on the merits, that he is likely to suffer irreparable harm in the absence of preliminary relief, that the balance of equities tips in his favor, and that an injunction is in the public interest." *Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 20 (2008). We review a district court's denial of a preliminary injunction under the standard of review applied by the regional circuit, here the Second Circuit. *See Myco Indus. v. BlephEx, LLC*, 955 F.3d 1, 10 (Fed. Cir. 2020). The Second Circuit "review[s] de novo the District Court's legal conclusions in deciding to grant [or deny] a motion for a preliminary



Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.