



**Inamed V Lubomyr Kuzmak**

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**Case Facts**

Inamed Corporation was a licensee of Dr. Kuzmak as Dr. Kuzmak had four patents covering devices and methods for surgical treatment of obesity. The patent in question was directed to a method for performing gastric banding surgery using a calibration tube and electronic sensor apparatus. In 1998, Inamed tried to re negotiate the terms of the license and when the renegotiation failed Inamed terminated the contract on December 6, 1998. Dr Kuzmak sent a letter dated December 21, 1998 to Inamed asserting that Inamed was infringing atleast 3 out of the 4 patents. Inamed Corp. filed for declaratory judgment seeking patent invalidity, unenforceability and non infringement. Dr Kuzmak filed a motion to dismiss for lack of personal jurisdiction.

**Issue**

Whether California court has personal jurisdiction over Dr. Kuzmak who was a resident in New jersey.

**Holding**

Yes, Dr. Kuzmak can be successfully sued in the California court as the court has personal jurisdiction over him.

**Rule**

Determining whether personal jurisdiction exists over an out of state defendant involves two inquiries:

1. Whether a forum's long arm statute permits service of process
2. Whether the assertion of personal jurisdiction would violate due process.

**Analysis**

As the California's long arm statute is co-extensive with the limits of due process, the two enquiries collapse into one. Due process requires that in order to subject a defendant to a judgment in personam, he should have certain minimum contacts with it such that the maintenance of the suit does not offend traditional notions of fair play and substantial justice. Minimum contacts inquiry focuses on whether defendant has purposefully directed its activities at residents of the forum and litigation results out of injuries which

result out of those activities. The second prong of fair play and substantial justice gives the defendant an opportunity to present a compelling case that the presence of some other considerations would render jurisdiction unreasonable. The burden of proof in the second prong is on the defendant unlike the first one. The letter which Dr. Kuzmak sent to Inamed after termination of contract, was an act of purposefully directing his activities towards residents of California . This was particularly so because it alleged willful infringement thereby indicating that he was aware of the treble damages and attorney fees to which he may be entitled if he was successful in the infringement action. The court said that sending of an infringement letter alone was insufficient to meet the minimum contacts test. The court looked through other evidence which included the fact that Dr. Kuzmnak had entered into four license agreements with Inamed based on his four patents and also granted exclusive licenses to Inamed. Inamed regularly paid royalties to Kuzmak for 6 years. The court held that though these negotiations were primarily conducted over phone or email, these negotiation efforts satisfied the minimum contacts test. The court also held that this claim of Inamed “arises out of” or “relates to” the negotiation efforts.

As the plaintiff had satisfied his burden, the court stated that it is on the defendant to prove that it is unreasonable to exercise personal jurisdiction. Reasonableness would depend on factors such as

- i.) plaintiff’s interest in obtaining relief
- ii.) interstate judicial system’s interest in obtaining efficient resolution of controversies etc.

The Defendant contended that exercising personal jurisdiction was unreasonable as he was ill with back injuries due to accident, the court refused to accept this as a ground for disallowing personal jurisdiction.