

Kannuu Pty Ltd. v. Samsung Elecs. Co. Ltd., 15 F.4th 1101 (Fed. Cir. 2021)

BY WILLIAM H. MILLIKEN

Kannuu Pty Ltd. and Samsung Elecs. Co. Ltd. entered into a non-disclosure agreement (NDA) as part of business discussions concerning Kannuu's remote control search-and-navigation technology. The NDA contained a forum-selection clause providing that "[a]ny legal action, suit, or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby must be instituted exclusively" in state or federal court in Manhattan. The parties did not reach a deal, and several years later Kannuu sued Samsung for patent infringement. Samsung then filed *inter partes* review (IPR) petitions against the asserted patents. Kannuu moved the district court for a preliminary injunction compelling Samsung to withdraw the IPRs in light of the NDA's forum-selection clause.

The district court denied Kannuu's motion, and the U.S. Court of Appeals for the Federal Circuit affirmed. The Federal Circuit held that the IPR proceedings did not "arise out of" or "relate to" the NDA or the transactions contemplated by it because the NDA "implicate[d] confidentiality and not the intellectual property rights of the parties." Kannuu accordingly was not entitled to a preliminary injunction because it could not show a likelihood of success on the merits.

In challenging the district court's decision, Kannuu made two primary arguments. First, Kannuu contended that the NDA applied to Samsung's IPR petitions because the NDA contemplated a potential license agreement between the parties, and the infringement lawsuit and Samsung's responsive IPR petitions related to Samsung's misuse of Kannuu's confidential information and its failure to license Kannuu's patents. The Federal Circuit rejected that argument because the NDA was not itself a license agreement; "an invalidated patent," the court explained, "does not change, disrupt, or otherwise impact the parties' NDA obligations."

A forum-selection clause may preclude post-grant proceedings at the U.S. Patent and Trademark Office, but not if the agreement within which it arises is insufficiently related to the post-grant proceeding.

Second, Kannuu contended that the IPR proceedings implicated provisions of the NDA because Kannuu intended to rebut Samsung's obviousness case with evidence that Samsung copied the patented technology in violation of the NDA. But the Federal Circuit rejected this argument as well, holding that "[t]he connection here—namely the mere possibility of some factual relevancy between the allegations of breach of the NDA and potential evidence in the *inter partes* review—is too attenuated to place the *inter partes* review petitions within the scope of an agreement that was always about protecting confidential information and was never about patent rights."

Judge Newman dissented. In her view, the IPR proceedings should have been deemed subject to the forum-selection clause because they related to the "transactions contemplated by" the NDA—specifically, the failed licensing negotiations between Kannuu and Samsung. She disagreed with the majority's view that the forum-selection clause did not apply because the agreement in question was an NDA rather than a patent-license agreement.