

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

ADVANCE MEDICAL DESIGNS,
INC.,

Plaintiff,

v.

CORBIN CLINICAL
RESOURCES, LLC,

Defendant.

CIVIL ACTION FILE

NO. 1:21-cv-4416-TCB

ORDER

This declaratory judgment case comes before the Court on Defendant Corbin Clinical Resources, LLC's motion [6] to dismiss for lack of personal jurisdiction. In the alternative, Corbin moves to change venue or to dismiss the third claim of Plaintiff Advance Medical Designs, Inc. for failure to state a claim.

I. Background

Advance Medical is a Georgia corporation that manufactures medical products including the SureFire Product, at issue here. The SureFire Product is “a transperineal needle guide for a transrectal ultrasound probe.” [1] at 3.

Corbin is a Maryland limited liability company. It is a small medical device company that has manufactured the PrecisionPoint® Transperineal Access System (“PrecisionPoint”), “the first FDA-approved device for performing free-handed transperineal biopsies of the prostate.” [6-1] at 3. PrecisionPoint “is covered by five issued United States patents, one of which is the subject of this lawsuit.” *Id.*

Corbin alleges that Advance Medical “is marketing a product competitive to Corbin’s PrecisionPoint® product” [6-1] at 4. Advance Medical contends that its SureFire Product does not “infringe any valid claim of the U.S. Patent No. 10,064,681” (“the ’681 patent”). [1] at 1.

On or about August 12, 2020, Corbin’s counsel sent a letter to Advance Medical alleging that the SureFire Product infringes Corbin’s ’681 patent. In response, Advance Medical denied any infringement.

From August 2020 to February 2021, the parties' counsel corresponded sporadically via email, telephone, and mail regarding this dispute.

On October 22, 2021, Advance Medical filed this action seeking (1) a declaratory judgment of noninfringement of Corbin's '681 patent; (2) a declaratory judgment of invalidity of the '681 patent; and (3) an injunction and damages for Corbin's violation of Georgia's bad faith assertions of patent infringement statute, O.C.G.A. §§ 10-1-770 to -774.

On December 31, 2021, Corbin filed its motion [6] to dismiss for lack of personal jurisdiction and failure to state a claim upon which relief can be granted. In the alternative, Corbin moves to change venue to the District of Maryland pursuant to 28 U.S.C. § 1404(a)¹ or to dismiss Advance Medical's third claim for failure to state a claim pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure.

¹ Corbin moves to transfer only pursuant to 28 U.S.C. § 1404(a). However, if the Court finds that it lacks personal jurisdiction, it can only transfer under § 1406.

II. Legal Standard

When a court's power to exercise personal jurisdiction over a nonresident defendant is challenged by a motion under Rule 12(b)(2), the plaintiff "bears the initial burden of alleging in the complaint sufficient facts to make out a prima facie case of jurisdiction." *Diamond Crystal Brands, Inc. v. Food Movers Int'l, Inc.*, 593 F.3d 1249, 1257 (11th Cir. 2010) (quoting *United Techs. Corp. v. Mazer*, 536 F.3d 1260, 1274 (11th Cir. 2009)).

In determining whether Plaintiff has proven a prima facie case of personal jurisdiction, the Court must "construe all pleadings and affidavits in the light most favorable to the plaintiff." *Trintec Indus., Inc. v. Pedre Promotional Prods., Inc.*, 395 F.3d 1275, 1282–83 (Fed. Cir. 2005) (citations omitted); *see also Madara v. Hall*, 916 F.2d 1510, 1514 (11th Cir. 1990) (citing *Morris v. SSE, Inc.*, 843 F.2d 489, 492 (11th Cir. 1988)). "A prima facie case is established if the [p]laintiff presents enough evidence to withstand a motion for directed verdict." *Consol. Dev. Corp. v. Sherritt, Inc.*, 216 F.3d 1286, 1291 (11th Cir. 2000) (citing *Madara*, 916 F.2d at 1514).

However, if the defendant submits affidavit evidence challenging the Court's exercise of personal jurisdiction pursuant to Rule 12(b)(2), the plaintiff may not rest on his allegations but must instead "produce evidence supporting jurisdiction." *Diamond Crystal*, 593 F.3d at 1257 (citations omitted). Where there are conflicts between the parties' evidence, the Court makes all reasonable inferences in favor of the plaintiff. *Diamond Crystal*, 593 F.3d at 1257 (quoting *Meier ex rel. Meier v. Sun Int'l Hotels, Ltd.*, 288 F.3d 1264, 1269 (11th Cir. 2002)).

III. Discussion

Here, the Court must "apply Federal Circuit law because the jurisdictional issue is 'intimately involved with the substance of the patent laws.'" *Autogenomics, Inc. v. Oxford Gene Tech. Ltd.*, 566 F.3d 1012, 1016 (Fed. Cir. 2009) (quoting *Avocent Huntsville Corp. v. Aten Int'l Co.*, 552 F.3d 1324, 1328 (Fed. Cir. 2008)). Advance Medical does not contend that this Court has general personal jurisdiction over

Corbin. Thus, the Court need consider only whether it has specific personal jurisdiction over Corbin.

Establishing personal jurisdiction over an out-of-state defendant involves a two-step inquiry: determining first “whether a forum state’s long-arm statute permits service of process” and second, “whether an assertion of personal jurisdiction violates due process.” *Autogenomics*, 566 F.3d at 1017 (quoting *Genetic Implant Sys., Inc. v. Core-Vent Corp.*, 123 F.3d 1455, 1458 (Fed. Cir. 1997)).

“When a federal court uses a state long-arm statute, because the extent of the statute is governed by state law, the federal court is required to construe it as would the state’s supreme court.” *Diamond Crystal*, 593 F.3d at 1258 (quoting *Lockard v. Equifax, Inc.*, 163 F.3d 1259, 1265 (11th Cir. 1998)). The Court “must interpret and apply Georgia’s long-arm statute in the same way as would the Georgia Supreme Court.” *Id.*

A. Georgia’s Long-Arm Statute

Georgia’s long-arm statute reaches only those nonresidents whose conduct brings them within the coverage one of the six subsections of

O.C.G.A. § 9-10-91. Advance Medical contends that jurisdiction over Corbin is appropriate under the first two subsections. O.C.G.A. § 9-10-91 reads in relevant part,

A court of this state may exercise personal jurisdiction over any nonresident or his or her executor or administrator, as to a cause of action arising from any of the acts, omissions, ownership, use, or possession enumerated in this Code section, in the same manner as if he or she were a resident of this state, if in person or through an agent, he or she:

- (1) Transacts any business within this state;
- (2) Commits a tortious act or omission within this state, except as to a cause of action for defamation of character arising from the act;
- (3) Commits a tortious injury in this state caused by an act or omission outside this state if the tort-feasor regularly does or solicits business, or engages in any other persistent course of conduct, or derives substantial revenue from goods used or consumed or services rendered in this state.

In 2005, the Georgia Supreme Court clarified the scope of the state's long-arm statute, holding that it "does not grant courts in Georgia personal jurisdiction that is coextensive with procedural due process." *Diamond Crystal*, 593 F.3d at 1259. "Instead, the long-arm statute must be read literally." *Id.* Plaintiffs must establish

“independent obligations . . . for the exercise of personal jurisdiction that are distinct from the demands of procedural due process.” *Id.*

“Thus, at least in theory, a non-resident defendant could engage in conduct that would be sufficient to confer personal jurisdiction under the Due Process Clause, but insufficient to confer this jurisdiction under a more exacting Georgia long-arm statute.” *Askue v. Aurora Corp. of Am.*, No. 1:10-cv-948-JEC, 2012 WL 843939, at *2 (N.D. Ga. Mar. 12, 2012).

1. Corbin Does Not Transact Business in Georgia.

Georgia courts apply a three-part test to determine whether jurisdiction exists based on transacting business in the state: “(1) [if] the nonresident defendant has purposefully done some act or consummated some transaction in the state of Georgia, (2) if the cause of action arises from or is connected with such act or transaction, and (3) if the exercise of jurisdiction by the courts of [Georgia] does not offend traditional fairness and substantial justice.” *Amerireach.com, LLC v. Walker*, 719 S.E.2d 489, 496 (Ga. 2011) (quoting *Aero Toy Store v. Grieves*, 631 S.E.2d 734, 737 (Ga. Ct. App. 2006)).

Put differently, the nonresident defendant “must have purposefully directed its activities at residents of the forum, and the litigation must result from alleged injuries that arise out of or relate to those activities.” *Sol Melia, SA v. Brown*, 688 S.E.2d 675, 679 (Ga. Ct. App. 2009) (quoting *Stuart v. Peykan, Inc.*, 581 S.E.2d 609, 612 (Ga. Ct. App. 2003)).

A nonresident defendant need not physically enter the state to transact business in Georgia. *Diamond Crystal*, 593 F.3d at 1264. “[M]ail, telephone calls, and other ‘intangible’ acts, though occurring while the defendant is physically outside of Georgia, must be considered.” *Id.* (quoting *Innovative Clinical & Consulting Servs., LLC v. First Nat’l Bank of Ames*, 620 S.E.2d 352, 355–56). Moreover, “a single event may be a sufficient basis for the exercise of long arm jurisdiction if its effects within the forum are substantial enough even though the nonresident has never been physically present in the state.” *Aero Toy Store*, 631 S.E.2d at 739 (citation omitted). The question is whether, upon analysis of all of Defendant’s tangible and intangible conduct, “it can fairly be said that the nonresident [defendant] has

transacted any business within Georgia.” *Diamond Crystal*, 593 F.3d at 1264.

Corbin argues that it has not transacted business in or derived any revenue from a person or entity located in Georgia. All its business is conducted from its Maryland office, and it does not have any offices, facilities, or employees in Georgia.² It has made no sales, has provided no services, and has not entered into any licensing agreements within Georgia. Additionally, Corbin does not have any real property, leases, addresses, bank accounts, or telephone numbers in Georgia.

In response, Advance Medical argues that Corbin has transacted business in Georgia sufficient to satisfy the long-arm statute because Corbin has communicated to Advance Medical via letters, emails, and telephone conversations for over a year. Moreover, Corbin has made an

² In Corbin’s motion, it notes that the company has made one offer of employment to a Georgia resident. This does not affect the Court’s personal jurisdiction analysis because the contact with the forum does not satisfy the three-part business transaction test from *Amerireach.com*, 719 S.E.2d at 496. Specifically, this cause of action does not arise from and is not connected with Corbin’s offer of employment.

offer of employment to a sales representative that Advance Medical characterizes as “transacting business related to this suit.” [8] at 13.

Corbin’s counsel sent three letters to Advance Medical. Counsel for Corbin and Advance Medical communicated via email in September 2020 and twice participated in telephonic negotiations in February 2021. Beyond these contacts, the remaining correspondence referenced in Advance Medical’s affidavit are not jurisdictionally relevant because they involve activity outside of the state of Georgia or even outside of the United States.

Under the Georgia long-arm statute, courts have been unwilling to find that a defendant “transacts business” when the contact only involves telephonic and mail communications to a plaintiff located in the state of Georgia. “A letter addressed to the forum state cannot by itself justify the exercise of specific jurisdiction.” *Blue Star Kitchen, Inc. v. Manuel*, No. 1:20-cv-3886-CAP, 2021 WL 3423243, at *5 (N.D. Ga. Apr. 29, 2021) (citation omitted); *see also Foy & Assocs., P.C. v. Franklin D. Azar & Assocs., P.C.*, No. 1:17-cv-2209-AT, 2018 WL 9814668, at *4 (N.D. Ga. Mar. 26, 2018) (holding that the defendant’s cease-and-desist

letter did not constitute transacting business under the long-arm statute).

Additionally, “mere negotiation—consisting of nothing more than email and phone traffic directed to lawyers in Georgia—cannot alone constitute transacting business for purposes of § 9-10-91(1).” *Perrigo Co. v. Merial Ltd.*, 215 F. Supp. 3d 1329, 1340 (N.D. Ga. 2016) (citations omitted).

The Court finds that there is insufficient evidence to establish that Corbin purposefully did some act or consummated some transaction in Georgia. Advance Medical has not met its burden to produce evidence supporting the exercise of personal jurisdiction under the “transacts any business” prong of the Georgia long-arm statute.

2. Corbin Has Not Committed a Tortious Act or Omission in Georgia.

Under O.C.G.A. § 9-10-91(2), “a Georgia court may exercise personal jurisdiction over a nonresident who commits a tortious act or omission within this State, insofar as the exercise of that personal jurisdiction comports with constitutional due process.” *Innovative Clinical*, 620 S.E.2d at 354.

Advance Medical alleges that Corbin's letters amounted to a violation of the Georgia bad faith assertion of patent infringement statute and thus constituted a tortious act.

The Federal Circuit has "held that federal patent law preempts state-law tort liability for a patentholder's good faith conduct in communications asserting infringement of its patent and warning about potential litigation." *Globetrotter Software, Inc. v. Elan Comp. Grp., Inc.*, 362 F.3d 1367, 1374 (Fed. Cir. 2004) (citation omitted). "The federal patent laws thus bar state-law liability for communications concerning alleged infringement so long as those communications are not made in 'bad faith.'" *Id.* at 1374–75.

The Federal Circuit has also held that a defendant's act of sending letters to a forum does not amount to committing a tortious act within the state for the purposes of determining personal jurisdiction under the state's long-arm statute. *Breckenridge Pharm., Inc. v. Metabolite Lab'ys, Inc.*, 444 F.3d 1356, 1361 (Fed. Cir. 2006).³ The court held that

³ Though the Federal Circuit in *Breckenridge* was interpreting Florida's long-arm statute, the reasoning is persuasive here because the text of Florida's long-arm statute tracks closely to that of the Georgia long-arm statute. *See Fla. Stat. Ann.*

the defendant's letters into the forum "may qualify as protected communications under federal patent law and thus may not be tortious." *Id.*

Here, Advance Medical alleges that Corbin has violated Georgia's bad faith assertion of patent infringement statute. *See* O.C.G.A. §§ 10-1-770–74. Section 771 provides various factors to consider as evidence that a person has made a bad faith assertion of patent infringement. On the balance, these factors weigh in favor of Corbin.

In Corbin's letters to Advance Medical, Corbin provided the patent number, the name of the patent owner, and factual allegations concerning the specific areas in which Advance Medical's SureFire Product allegedly infringes the patent.⁴ *See* O.C.G.A. §§ 10-1-

48.193(1)(a)(2) (including "committing a tortious act within this state" as a grounds for exercising personal jurisdiction over a defendant).

⁴ In Corbin's August 12, 2020 letter to Advance Medical, it asserted

Like the PrecisionPoint™ system, the Advance Medical product is configured to couple with a transrectal probe to guide an access needle to perforate the perineum during a transperineal prostate biopsy procedure. The Advance Medical system incorporates all of the features of the '681 Patent, including the upper mount, the lower mount, a platform configured to support an access needle, and a pair of stabilization bars that enable the platform to move longitudinally

771(b)(1)(A)–(C). Corbin did not “demand[] payment of a license fee or response within an unreasonably short amount of time.” O.C.G.A. § 10-1-771(b)(4). Nor did Corbin “offer to license the patent for an amount that is not based on a reasonable estimate of the value of the patent.” O.C.G.A. § 10-1-771(b)(5).

Thus, Advance Medical has failed to plead sufficient facts to support a claim for bad faith assertion of patent infringement. Accordingly, the Court finds that Advance Medical has not pled facts sufficient to support the exercise of personal jurisdiction over Corbin under subsection (2) of the Georgia long-arm statute.

B. Due Process⁵

“The heart of [the due process] protection is fair warning” *Diamond Crystal*, 593 F.3d at 1267. “[T]he Due Process Clause requires ‘that the defendant’s conduct and connection with the forum state is

along the length of a transrectal probe. Therefore, it infringes the ’681 Patent.

[1-2] at 4.

⁵ While the Court finds that it lacks personal jurisdiction over Corbin under the long-arm—and that alone would be grounds for dismissal or transfer—the Court will briefly address the due process implications as well.

such that he should reasonably anticipate being haled into court there.”
Id. (quoting *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 474 (1985)).
“[T]he ‘fair warning requirement is satisfied if the defendant has
‘purposefully directed his activities at residents of the forum and the
litigation results from alleged injuries that arise out of or relate to those
activities.’” *Id.* (quoting *Burger King*, 471 U.S. at 471–72). Stated
differently, “the defendant must have ‘purposefully availed’ itself of the
privilege of conducting activities” in the forum state, and “there must be
a sufficient nexus between those contacts and the litigation.” *Id.*
(quoting *Burger King*, 471 U.S. at 472)).

Once a defendant makes this showing, it “must make a
‘compelling case’ that the exercise of jurisdiction would violate
traditional notions of fair play and substantial justice.” *Id.* (quoting
Burger King, 471 U.S. at 477–78). The Supreme Court has identified
five considerations relevant to whether the exercise of jurisdiction
comports with fair play and substantial justice:

the burden on the defendant, the forum State’s interest in
adjudicating the dispute, the plaintiff’s interest in obtaining
convenient and effective relief, the interstate judicial
system’s interest in obtaining the most efficient resolution of

controversies, and the shared interest of the several States in furthering fundamental substantive social policies.

Burger King, 471 U.S. at 477 (quoting *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 292 (1990)).

The Court finds that this cause of action did not arise out of Corbin’s purposeful contact with Georgia such that Corbin reasonably should have anticipated being brought before this Court.

In *Red Wing Shoe Co. v. Hockerson-Halberstadt, Inc.*, 148 F.3d 1355 (Fed. Cir. 1998), the Federal Circuit found that three letters sent from the defendant to the plaintiff—located in the forum state—asserting infringement and offering to license the patent were insufficient to satisfy due process. Specifically, the court found that asserting personal jurisdiction would not comport with fair play and substantial justice. *Red Wing*, 148 F.3d at 1361 (“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. Grounding personal jurisdiction on such contacts alone would not comport with principles of fairness.” (citing *Asahi Metal Indus. Co. v.*

Sup. Ct. of Cal., Solano Cnty., 480 U.S. 102, 121–22 (1987) (Stevens, J., concurring in part))).

Over twenty years later, the Federal Circuit refined its holding in *Red Wing*. See *Trimble Inc. v. PerDiemCo, LLC*, 997 F.3d 1147, 1157 (Fed. Cir. 2021) (holding that the defendant’s “extensive number of contacts with the forum” were sufficient to support the exercise of personal jurisdiction). Nonetheless, the court noted in *Trimble* that *Red Wing* was “correctly decided with respect to the limited number of communications” from the defendant to the plaintiff. *Id.* at 1156. Even so, the court explained that its holding in *Red Wing* did not create a “general rule that demand letters can never create specific personal jurisdiction . . . because that rule would contradict the [c]ourt’s directive to consider a variety of interests in assessing whether jurisdiction would be fair.” *Id.* at 1154 (quotations and citations omitted).

Corbin’s contacts with Georgia are more similar to those of the defendant in *Red Wing* than the defendant in *Trimble*. In *Trimble*, the defendant exchanged twenty-two communications with the plaintiffs over three months in addition to negotiating ten other nonexclusive

licenses, sending a draft complaint, identifying litigation counsel, and engaging in negotiations with the plaintiffs. *Id.* at 1157. The court found that the defendant's actions far exceeded the leeway a patentee should be granted "to inform others of its patent rights without subjecting itself to jurisdiction in a foreign forum." *Id.* (quoting *Red Wing*, 148 F.3d at 1360–61). Further, the defendant's "attempts to extract a license in this case [were] much more akin to 'an arms-length negotiation in anticipation of a long-term continuing business relationship,' over which a district court may exercise jurisdiction." *Id.* (quoting *Red Wing*, 148 F.3d at 1361).

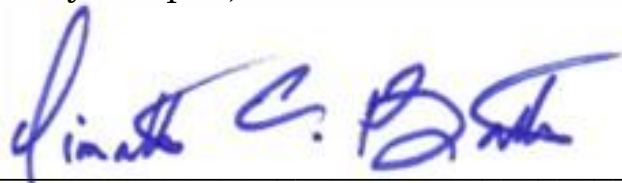
Corbin simply has no presence in Georgia. It has made no sales, provided no services, and entered into no licensing agreements within Georgia. That Corbin communicated through counsel to Advance Medical through two phone calls, several emails, and three letters over the course of a year is insufficient to establish personal jurisdiction because "[g]rounding personal jurisdiction on such contacts alone would not comport with principles of fairness." *Red Wing*, 148 F.3d at 1361 (citation omitted). Thus, Advance Medical has failed to satisfy its

burden of showing that this Court may exercise personal jurisdiction over Corbin.

IV. Conclusion

For the foregoing reasons, Corbin's motion [6] is granted in part and denied in part. The Court declines to dismiss the case outright. Finding that it lacks personal jurisdiction over Corbin, the Court will instead transfer the case pursuant to 28 U.S.C. § 1406(a) to the District of Maryland.⁶ The Clerk is directed to transfer this action to the United States District Court for the District of Maryland and close this case.

IT IS SO ORDERED this 1st day of April, 2022.

A handwritten signature in blue ink, appearing to read "Timothy C. Batten, Sr.", is written over a horizontal line.

Timothy C. Batten, Sr.
Chief United States District Judge

⁶ The District of Maryland is the proper transferee Court because the case could have originally been filed there. *See Howell v. Komori Am. Corp.*, 816 F. Supp. 1547, 1552 (N.D. Ga. 1993) (“Under 28 U.S.C. § 1406(a) a district court may transfer a case to another district if the case could have originally been brought in that district. This power exists even when the transferor court lacks personal jurisdiction over the defendant.”).