UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

No. 93-9115

SGS-THOMSON MICRO-ELECTRONICS, INC.,

Plaintiff-Counter Defendant-Appellee,

versus

SAM FERRIS,

Defendant-Counter Plaintiff-Appellant.

Appeal from the United States District Court
for the Northern District of Texas
(3:89-CV-0636-P)

(May 1, 1995)

Before DAVIS and JONES, Circuit Judges, and MAHON, District Judge.[*]

PER CURIAM:[**]

Sam Ferris appeals from the judgment against him in the district court arguing, among other things, that the court improperly found jurisdiction, that the Northern District of Texas was an improper venue, and that the court committed error by granting declaratory judgment for the Plaintiff on certain

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[*] District Judge of the Northern District of Texas, sitting by designation.

[**] Local Rule 47.5 provides: "The publication of opinions that have no precedential value and merely decide particular cases on the basis of well-settled principles of law imposes needless expense on the public and burdens on the legal profession." Pursuant to that Rule, the Court has determined that this opinion should not be published.

copyright issues and summary judgment against Ferris on his counterclaims. Finding no error in any of these rulings, we affirm.

BACKGROUND

In 1982, Sam Ferris allegedly obtained a copyright for a document entitled "New Ideas for IC's." In 1982 and 1983, Ferris mailed letters to various electronics concerns asking for money in exchange for use of his ideas. SGS-Thomson ("SGS") admits receiving a similar letter and alleges that it responded by asking Ferris to resubmit the ideas with proper documentation.[1]

Ferris sent a letter to SGS in 1989 alleging that SGS was infringing Ferris's copyright by selling certain "IC chips." Citing recent court holdings in similar cases, Ferris threatened litigation if SGS would not settle for $19,000.

SGS sued Ferris in the U.S. District Court for the Northern District of Texas seeking a declaratory judgment that Ferris's copyright as asserted against SGS was invalid and alternatively, that SGS was not infringing Ferris's copyright. Further, SGS alleged Ferris's conduct amounted to unfair competition, tortious harassment, extortion and defamation. Ferris moved to dismiss the action for lack of personal jurisdiction and to transfer the case to the Central District of California,[2] and he

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[1] Apparently, Ferris believes that one of those companies also published Ferris's ideas as its own in a nationally distributed article.

[2] Ferris had brought a suit in federal court in California two years earlier against several companies, which was resolved before trial. This appears to be one of the bases set forth for the motion to transfer.

filed 14 counterclaims. The district court denied the motions to dismiss and to transfer and granted summary judgment for SGS on the declaratory judgments and for SGS on all of Ferris's counterclaims. Ferris appeals, raising 40 "issues" on appeal.

PERSONAL JURISDICTION

Absent any dispute as to the relevant facts, a district court's ruling on personal jurisdiction is reviewed de novo. Ham v. La Cienega Music Co. 4 F.3d 413, 415 (5th Cir. 1993). Plaintiff carries the burden of proof on personal jurisdiction by making a prima facie showing. Id. Disputed factual findings are reviewed for clear error. Loumar, Inc. v. Smith, 698 F.2d 759, 763 (5th Cir. 1983).

Ferris argues that the district court could not properly obtain personal jurisdiction over him, as a California resident, solely on the basis of "a single letter 'accusing Plaintiff of certain violations of Defendant's rights and threatening litigation.'" Blue Brief, p. 6. A two-step analysis governs the inquiry into personal jurisdiction over nonresident defendants. First, the court determines whether the long arm statute of the forum state permits exercise of jurisdiction. Then, the court determines whether such exercise comports with due process. Ham, 4 F.3d at 415 (footnote omitted). "Because the Texas Supreme Court has interpreted the Texas long arm provisions as conferring personal jurisdiction over nonresidents whenever consistent with constitutional due process, we need only answer the [due process] inquiry." Id. (footnotes omitted). Due process requires that "(1)

the defendant have established 'minimum contacts' with the forum state; and (2) the exercise of personal jurisdiction does not offend 'traditional notions of fair play and substantial justice.'" Id. (footnote omitted). "Purposeful forum-directed activity--even if only a single substantial act--may permit the exercise of specific jurisdiction in an action arising from or related to such acts." Id. at 415-16 (citing Burger King Corp. v. Rudzewicz, 471 U.S. 462, 105 S.Ct. 2174 (1985) and Dalton v. R & W Marine, Inc., 897 F.2d 1359 (5th Cir. 1990)).

The district court held that "Plaintiff received a letter accusing Plaintiff of certain violations of Defendant's rights and threatening litigation. This lawsuit, rather foreseeably, arose out of those contacts." District Court's Order of July 28, 1989, p.3. The court found that the "minimum contacts" test was satisfied and maintenance of the suit comports with "traditional notions of fair play and substantial justice." Id. (citing Burger King). The district court cited Dolco Packaging Corp. v. Creative Indus., Inc., 1 USPQ.2d 1586 (C.D.Cal. 1986), which held that an alien defendant's transmittal of a letter to the Plaintiff in the forum state threatening litigation for patent infringement, and thereby threatening plaintiff's activities in the forum state, was sufficient forum-related activity to satisfy due process requirements needed to support specific jurisdiction.[3] Ferris

[3] See also Haisten v. Grass Valley Med. Reimb. Fund, 784 F.2d 1392, 1397 (9th Cir. 1986); Hugel v. McNell, 886 F.2d 1, 4-5 (1st Cir. 1989) (John R. Brown, J.) (finding personal jurisdiction over non-resident defendant accused of libeling Plaintiff by intentionally directing actions toward the forum state with knowledge that brunt of injury would occur to Plaintiff in forum state), cert. denied, 110 S.Ct. 1808 (1990); Burbank Aeronautical Corp. II v. Aeronautical Dev. Corp., 16

contests this ruling as "inconsistent with a wealth of authority to the contrary," Blue Brief, p. 6.[4]

Although no prior Fifth Circuit decision has specifically adopted the rationale of the Dolco line of cases, this court, in a case that predates Dolco as well as the Supreme Court's rulings in Burger King & Calder, applies the same analysis and comes to the same result. Brown v. Flowers Indus., Inc., 688 F.2d 328, 332-33 (5th Cir. 1982) (holding that personal jurisdiction in Mississippi was proper over an out-of-state resident who made a phone call to Mississippi to defame a Mississippian), cert. denied, 460 U.S. 1023, 103 S.Ct. 1275 (1983). In Brown, the panel reversed a district court decision that one phone call by a non-resident into the forum was insufficient "minimum contact" to support jurisdiction over the non-resident in the forum. Further, several Fifth Circuit cases set forth the same basic analytical framework as Dolco, only to deny jurisdiction because the facts differ in some significant way. In Wilson v. Belin, 20 F.3d 644 (5th Cir.), cert. denied, ___ U.S. ___, 115 S.Ct. 322 (1994), the plaintiff sued two non-resident defendants for libel. The defendants were called by a reporter from the Dallas Times Herald and asked to evaluate Plaintiff's theory regarding the assassination of President Kennedy. Plaintiff argued that specific personal

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U.S.P.Q.2d 1069 (C.D.Cal. 1990) (citing Haisten); VDI Tech. v. Price, 781 F.Supp. 85 (D.N.H. 1991) (citing Hugel).

[4] Citing Database America v. Bellsouth Advertising & Pub. Corp., 825 F.Supp. 1216, 1226-27 (D.N.J. 1993) (listing several district court holdings that sending a cease and desist letter in patent or copyright cases is alone insufficient to establish minimum contacts).

jurisdiction over the defendants in Texas was proper because each defendant spoke with a Texas news reporter and thus could foresee that their defamatory comments would be published in Texas. Wilson, 20 F.3d at 648 (citing Calder v. Jones, 465 U.S. 783, 104 S.Ct. 1482 (1984)). Further, plaintiff argued that because the tort of libel is deemed to have occurred where the offending material is circulated, jurisdiction was proper in Texas. Wilson, 20 F.3d at 648. The court found this interpretation of Calder too broad. The court distinguished the case before it from Calder and Burger King on the facts, noting that the defendants

> took no planned action to inject themselves or their opinions into the Texas forum. Each simply received one unsolicited phone call from Texas.

Wilson, 20 F.3d at 649. Further, the court distinguished its case from the facts in Brown v. Flowers Indus., Inc., supra. "In [Brown's] holding, we emphasized that the defendant initiated the phone call. Here, the defendants did not execute a prearranged plan by initiating a communication to Texas aimed at a Texas resident." Wilson, 20 F.3d at 649. Though the Wilson court found jurisdiction to be improper in the case before it, the tests posed are essentially the same as those in Dolco, et seq. and the district court's opinion. Ferris is different from the defendants in Wilson in that he is alleged to have purposefully directed his activities to Texas. He initiated at least one and perhaps several

contacts "to Texas aimed at a Texas resident."[5] Recalling that "purposeful forum-directed activity--even if only a single substantial act--may permit the exercise of specific jurisdiction in an action arising from or related to such acts," Ham, 4 F.3d 413, at 415-16 (5th Cir. 1993) (citing Burger King), this court agrees with the district court that the defendant has sufficient minimum contacts to support jurisdiction in Texas.

Further, the exercise of personal jurisdiction does not offend "traditional notions of fair play and substantial justice." Ferris injected himself into the forum, allegedly committed tortious harassment of a forum resident, and openly contemplated litigation in distant courts.[6] The district court correctly found jurisdiction to be proper.

VENUE AND THE MERITS

Ferris urges on appeal that venue in the Northern District of Texas was improper. However, Ferris waived this argument by failing to raise it in his initial Rule 12 motion. F.R.C.P. 12(g) & (h)(1). Indeed, it appears that the improper

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[5] This case is distinguishable from Ham, in which the court found that a letter from a California defendant to a Texas plaintiff did not support specific personal jurisdiction. In Ham, the court found on the facts before it that the letter "in no way relates to the merits of the copyright question." 4 F.3d at 416 (citing Holt Oil & Gas Corp. v. Harvey, 801 F.2d 773 (5th Cir. 1986) cert. denied, 481 U.S. 1015, 107 S.ct 1892 (1987)). However, in this case the district court specifically found that "the lawsuit, rather foreseeably, arose out of" Ferris's contacts with SGS accusing it of certain violations and threatening litigation. District Court's Order of July 28, 1989, p.3. Like the alien defendant in Brown (and unlike the alien defendant in Holt upon which Ham relied), Ferris purposefully directed his activities into the forum in a manner causing reasonably foreseeable injuries in the forum to a forum resident. Brown, 668 F.2d at 333.

[6] In his settlement demand letter, Ferris suggested that he may bring his suit in the Sixth Circuit since that circuit had just ruled in favor of a similarly situated inventor.

venue argument was never made in the court below and as such is not properly before this court.[7]

Having reviewed the appellant's briefs and the record below, we affirm the declaratory judgment for SGS and the summary judgments for SGS on each of Ferris's counterclaims for the reasons given by the district court.

CONCLUSION

For these reasons, the judgment of the district court is **AFFIRMED**.

[7] Ferris did move to transfer the case to San Jose for the parties' convenience, pursuant to 28 U.S.C. § 1404(a). That does not preserve his argument that venue in the Northern District of Texas was improper (See Rule 12(g) & (h)(1)) nor does it suffice to make his improper venue argument proper on appeal.