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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

ZTE (USA) INC.,

Plaintiff,

v.

AGIS SOFTWARE DEVELOPMENT LLC,

Defendant.

CASE NO. 4:18-cv-06185-HSG
(Former Case No. 2:17-cv-00517-JRG)
(E.D. Tex.)

**JOINT CASE MANAGEMENT
STATEMENT & [PROPOSED] ORDER**

Date: January 15, 2019
Time: 2:00 PM
Location: Courtroom 2, 4th Floor
Judge: Hon. Haywood S. Gilliam, Jr.

1 The parties to the above-entitled action jointly submit this JOINT CASE MANAGEMENT
2 STATEMENT & PROPOSED ORDER pursuant to the Standing Order for All Judges of the
3 Northern District of California and Civil Local Rule 16-9.

4 **I. JURISDICTION & SERVICE**

5 **A. Plaintiff's Statement:**

6 The above-captioned action is a Declaratory Judgment case under the patent laws of the
7 United States, 35 U.S.C. § 1 et seq. and the Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202. In
8 particular, Plaintiff ZTE (USA) Inc. ("ZTE") seeks declaratory judgment from AGIS Software
9 Development LLC ("AGIS" or "Defendant") of non-infringement, invalidity, and/or
10 unenforceability as to U.S. Patent Nos. 8,213,970; 9,408,055; 9,445,251; 9,467,838; and 9,749,829
11 (collectively, the "Patents-in-Suit"). This Court has subject matter jurisdiction pursuant to 28 U.S.C.
12 §§ 1331, 1338(a), the Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202, and the Patent Laws of
13 the United States, 35 U.S.C. § 1 et seq.

14 This case was originally filed in the Eastern District of Texas. See *AGIS Software*
15 *Development, LLC v. ZTE Corporation et al.*, 2:17-cv-00517-JRG (E.D. Tex.). Pursuant to ZTE's
16 motion to transfer, Dkt. No. 38, that court issued an Order on September 28, 2018, transferring the
17 case to this District. See Dkt. No. 85. But before the case resumed in this District, AGIS dismissed
18 the case in the Eastern District of Texas on October 9, 2018. See Dkt. No. 87. The same day, on
19 October 9, 2018, ZTE filed this action seeking declaratory judgment from AGIS and the Patents-in-
20 Suit. See Dkt. No. 1 (for 4:18-cv-06185 in N.D. Cal.). Additionally, AGIS waived service, setting a
21 response date of December 31, 2018. See Dkt. No. 16 (for 4:18-cv-06185 in N.D. Cal.).

22 On October 26, 2018, AGIS's counsel requested that "ZTE immediately dismiss its
23 complaint" because it allegedly suffers deficiencies towards AGIS Software and lacks case or
24 controversy as to AGIS Inc. and AGIS Holdings. However, as discussed on October 30, 2018, ZTE
25 informed AGIS that the declaratory judgment complaint is sufficient and that ZTE did not see any
26 basis for dismissal. Further discussions did not occur until December 26, 2018, after the parties
27 exchanged drafts of this Joint Case Management Statement. Following those discussions, and in
28

1 order to simplify the issues in this case, ZTE filed a First Amended Complaint on December 31,
2 2018, removing AGIS Inc. and AGIS Holdings as named defendants.

3 There is an active case and controversy between the parties regarding the infringement,
4 enforceability, and validity of AGIS's patents, and Federal Circuit case law supports this declaratory
5 judgment action in this District. *See Jack Henry & Assocs., Inc. v. Plano Encryption Techs.*, No. 16-
6 2700, Slip. Op. at 11-12 (Fed. Cir. Dec. 7, 2018) (finding that sending complaint letter to alleged
7 infringers may be sufficient to establish minimum contacts in alleged infringers' "home" district). In
8 particular, this court has subject matter jurisdiction over AGIS. It is undisputed that AGIS Software
9 owns the Patents-in-Suit and previously asserted the Patents-in-Suit against ZTE. *See AGIS*
10 *Software Dev., LLC v. ZTE Corp. et al.*, 2:17-cv-00517-JRG (E.D. Tex.). As such, subject matter
11 jurisdiction is proper here for AGIS Software.

12 Additionally, specific and general jurisdiction exist over AGIS in the Northern District of
13 California. AGIS purposefully directed activities related to the design, development, licensing,
14 marketing, and enforcement of the Patents-in-Suit and associated embodiments, such as the
15 "LifeRing" software, in this District. *See In re Apple, Inc.*, Brief for Appellant, dkt. 18-1 (Fed. Cir.
16 2018) (No. 8-151). AGIS was established to conduct business for the "LifeRing" solution, either
17 through merchandising or developing it. "On June 30, 2004, Mr. Beyer founded [AGIS Inc]" with its
18 "primary business [] revolv[ing] around offering the 'LifeRing' solution which includes client-based
19 applications and a server-based solution for enabling smartphone, tablet, and PC users to easily and
20 rapidly establish secure ad hoc digital networks." *In re Apple, Inc.*, Brief for Appellant, dkt. 18-1
21 (Fed. Cir. 2018) (No. 8-151). AGIS started the "LifeRing" solution and continued to develop it,
22 leading to the Patents-in-Suit. Additionally, "LifeRing 5.0 and its predecessor versions have been
23 offered and sold to military, defense, and first-responder customers, as well as private industry
24 customers" within the Northern District of California. *Id.* Additionally:

- 25 • Judge Gilstrap in the Eastern District of Texas already found jurisdiction and venue
26 proper as to AGIS Software in the Northern District of California. *See AGIS*
27 *Software Dev., LLC v. ZTE Corp. et al.*, 2:17-cv-00517-JRG, Dkt. No. 85 (E.D. Tex.).

28

- 1 • AGIS sought patent enforcement over California residents ZTE (TX), Inc.; Apple,
2 Inc., and Life360, Inc. *See AGIS Software Dev., LLC v. ZTE Corp. et al.*, 2:17-cv-
3 00517-JRG, Dkt. No. 1 (E.D. Tex.); *AGIS Software Dev., LLC v. Apple, Inc.*, 2:17-cv-
4 00516-JRG, Dkt. No. 1 (E.D. Tex.); and *Advanced Ground Info. Sys., Inc. v. Life360,*
5 *Inc.*, 9:14-cv-80651-DMM, Dkt. No. 1 (S.D. Fla.); *see also Jack Henry & Assocs.*,
6 No. 16-2700, Slip. Op. at 11-12 (finding that sending complaint letter to alleged
7 infringers may be sufficient to establish minimum contacts in alleged infringers
8 “home” district).
- 9 • Upon information and belief, AGIS hired California attorneys for patent enforcement
10 and depositions in the Northern District of California.
- 11 • AGIS subpoenaed Google, Inc. in the Northern District of California and nearly
12 exclusively relies on Google functionality and products in asserted infringement
13 theories. *See AGIS Software Dev., LLC v. ZTE Corp. et al.*, 2:17-cv-00517-JRG, Dkt.
14 No. 84 (E.D. Tex.).
- 15 • Upon information and belief, AGIS contacted Google, Inc. regarding licensing the
16 LifeRing software and associated Patents-in-Suit.
- 17 • Upon information and belief, AGIS purposefully sold the LifeRing software in the
18 Northern District of California.
- 19 • Upon information and belief, AGIS hired Anthony A. Wood to market the LifeRing
20 software in the Northern District of California.

21 The parties are not aware of any other parties that remain to be served.

22 **B. Defendant’s Statement:**

23 Plaintiff ZTE (USA) Inc.’s (“ZTE” or “Plaintiff”) First Amended Complaint against
24 Defendant AGIS Software Development LLC (“AGIS Software” or “Defendant”), seeks a
25 declaration of non-infringement, invalidity and/or unenforceability with respect to U.S. Patents Nos.
26 8,213,970 (the “970 Patent”); 9,408,055 (the “055 Patent”); 9,445,251 (the “251 Patent”);
27 9,467,838 (the “838 Patent”); and 9,749,829 (the “829 Patent”) (collectively, the “Patents-in-
28 Suit”).

1 The First Amended Complaint is deficient on the grounds that this Court cannot exercise
2 personal jurisdiction over AGIS Software because it is not “at home” in California, and because it
3 has not purposefully directed any activities related to the enforcement or defense of the Patents-in-
4 Suit at California sufficient to justify the exercise of personal jurisdiction over it in California in
5 accordance with Due Process.

6 In June 2017, AGIS Software filed a patent infringement action in the Eastern District of
7 Texas, which, as amended, alleged infringement of the Patents-in-Suit against ZTE Corporation,
8 ZTE (TX) and ZTE. *AGIS Software Dev. LLC v. ZTE Corp, et al.*, Case No. 2:17-cv-517 (E.D.
9 Tex.), Dkts. 1, 32 (the “ZTE Texas Case”). On September 28, 2018, Judge Gilstrap issued an order
10 to transfer the ZTE Texas Case to the Northern District of California, in response to the defendant’s
11 motion to dismiss or transfer for improper venue. *See* ZTE Texas Case, Dkt. 85. On October 8, 2018,
12 prior to the transfer, AGIS Software filed a Notice of Voluntary Dismissal (*id.* Dkt. 86), which the
13 court granted on October 9, 2018 (*id.* Dkt. 87). That same day, ZTE filed the instant action seeking a
14 judicial declaration of non-infringement, invalidity, and/or unenforceability as to the Patents-in-Suit
15 against AGIS Software, AGIS Holdings, Inc. (“AGIS Holdings”), and Advanced Ground
16 Information Systems, Inc. (“AGIS, Inc.”). Dkt. 1. The defendants signed a waiver of service of the
17 Complaint, which was filed on November 16, 2018. Dkt. 16.

18 On October 26, 2018, Defendant’s counsel informed Plaintiff that this Court lacked subject
19 matter jurisdiction with respect to AGIS, Inc. and AGIS Holdings (neither of which were involved in
20 the ZTE Texas Case) because AGIS Software is the sole and exclusive owner of each of the Patents-
21 in-Suit, and thus the only entity that has standing to sue for infringement and that can be sued for a
22 declaration of non-infringement, invalidity and/or unenforceability of the Patents-in-Suit. *See Trend*
23 *Micro Inc. v. RPost Holdings, Inc.*, No. 13-CV-05227-WHO, 2014 WL 1365491, at *7 (N.D.Cal.
24 Apr. 7, 2014) (in a declaratory relief action involving a patent, like the instant action, “the plaintiff
25 lacks standing to sue if the defendant does not have a legal right to the patents in suit that would
26 allow the defendant to sue the plaintiff for patent infringement”). However, Plaintiff refused to
27 dismiss the Complaint against Agis Holdings and AGIS, Inc. Only after Defendants shared their
28 portions of the joint case management statement with Plaintiff stating that Defendants intended to

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