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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION**

LYFT, INC.,
Plaintiff,
v.
AGIS SOFTWARE DEVELOPMENT LLC,
Defendant.

Case No. 21-cv-04653-BLF

**ORDER GRANTING MOTION TO
DISMISS FOR LACK OF PERSONAL
JURISDICTION WITH LEAVE TO
AMEND; GRANTING
JURISDICTIONAL DISCOVERY**

[Re: ECF No. 32]

United States District Court
Northern District of California

Before the Court is Defendant AGIS Software Development LLC’s (“AGIS Software”) Motion to Dismiss Plaintiff Lyft, Inc.’s (“Lyft”) Complaint for lack of personal jurisdiction under Rule 12(b)(2) in this patent declaratory judgment action. Lyft alleges that this Court has personal jurisdiction over AGIS Software based on (1) its patent enforcement and licensing activities directed at California companies and (2) its status as an alter ego of other entities for which it serves as a patent holding company. AGIS Software argues that Lyft has not alleged sufficient facts to support either of its theories of personal jurisdiction. *See* Motion, ECF No. 32; Reply, ECF No. 44. Lyft opposes, or in the alternative seeks jurisdictional discovery. *See* Opposition, ECF No. 41.

Based on the below reasoning, the Court hereby GRANTS AGIS Software’s motion WITH LEAVE TO AMEND. Further, the Court GRANTS Lyft’s request for jurisdictional discovery.

I. BACKGROUND

Lyft is a Delaware limited liability corporation with its principal place of business in California that provides rideshare services through its software applications. *See* Complaint, ECF No. 1 ¶¶ 1, 4; *id.*, Ex. A ¶ 11. AGIS Software is a Texas limited liability company with its principal place of business in Texas. *See id.* ¶ 2. Lyft alleges that AGIS Software is an “agent and

1 with its principal place of business in Florida. *See id.* Lyft further alleges that the sole member of
2 AGIS Software is AGIS Holdings, Inc. (“AGIS Holdings”), a Florida corporation with its principal
3 place of business at the same Florida location as AGIS, Inc. *See id.*

4 On January 29, 2021, AGIS Software filed a patent infringement action against Lyft in the
5 Eastern District of Texas regarding U.S. Patent Nos. 7,031,728 (“728 Patent”); 7,630,724 (“724
6 Patent”); 8,213,970 (“970 Patent”); 10,299,100 (“100 Patent”); and 10,341,838 (“838 Patent”)
7 (collectively, the “Patents-in-Suit”) based on “the Lyft and Lyft Driver applications and the related
8 services and/or servers for the applications.” *See id.* ¶ 4. The Patents-in-Suit generally pertain to
9 mobile applications. The case was consolidated with AGIS Software’s cases against T-Mobile US,
10 Inc., T-Mobile USA, Inc. (collectively, “T-Mobile”), Uber Technologies, Inc. (“Uber”), and
11 WhatsApp, Inc. (“WhatsApp”) before Judge Gilstrap. On January 19, 2022, Judge Gilstrap
12 dismissed Lyft from the case for improper venue. *See AGIS Software Dev. LLC v. T-Mobile USA,*
13 *Inc.*, No. 2:21-cv-00072-JRG-RSP, ECF No. 212 (E.D. Tex. Jan. 19, 2022). AGIS Software’s
14 claims against T-Mobile and WhatsApp in the Eastern District of Texas have been dismissed. *See*
15 *id.*, ECF Nos. 169, 220. Further, AGIS Software’s case against Uber has been stayed pending
16 dismissal following settlement. *See id.*, ECF No. 355.

17 On June 16, 2021, while AGIS Software’s Eastern District of Texas action against Lyft was
18 still pending, Lyft filed the present action for declaratory judgment of noninfringement of the same
19 patents asserted against it in the Texas case. *See* Complaint, ECF No. 1. On September 27, 2021,
20 AGIS Software moved to dismiss this action under Rule 12(b)(2) for lack of personal jurisdiction.
21 *See* ECF No. 32.

22 In its Motion, AGIS Software argues that the only contacts Lyft alleges it has with California
23 are several enforcement actions against California companies in the Eastern District of Texas, which
24 are insufficient for a showing of general or specific jurisdiction. *See* Motion, ECF No. 32 at 6–13.
25 Further, AGIS Software argues that Lyft has failed to meet its burden for showing that AGIS
26 Software is an alter ego of AGIS, Inc. and AGIS Holdings. *See id.* at 13–15. Additionally, AGIS
27 Software argues that the case should be dismissed under the first-to-file rule based on the Eastern

1 negotiations with California companies are sufficient for a showing of specific jurisdiction; (2)
 2 AGIS Software should not be able to avoid AGIS, Inc’s contacts with California based on corporate
 3 structure; and (3) dismissal based on the first-to-file rule is not appropriate. *See* Opposition, ECF
 4 No. 41 at 9–17. Alternatively, Lyft seeks jurisdictional discovery consisting of five interrogatories
 5 and one four-hour Rule 30(b)(6) deposition. *See id.* at 17–18.

6 On October 5, 2021, AGIS Software moved to transfer this action to the Eastern District of
 7 Texas. *See* ECF No. 34 at 5–9. The Court will rule on the motion to transfer in a separate order.

8 The Court held a hearing on the motions to dismiss and transfer on January 27, 2022.

9 II. LEGAL STANDARD

10 Federal Circuit law governs the personal jurisdiction analysis in a declaratory judgment
 11 action for patent non-infringement. *See Breckenridge Pharm., Inc. v. Metabolite Labs., Inc.*,
 12 444 F.3d 1356, 1361 (Fed. Cir. 2006). Courts engage in a two-step inquiry to analyze personal
 13 jurisdiction: (1) whether the state’s long-arm statute extends to a defendant; and (2) whether the
 14 assertion of personal jurisdiction violates due process. *Deprenyl Animal Health, Inc. v. Univ. of*
 15 *Toronto Innovations Found.*, 297 F.3d 1343, 1348–49 (Fed. Cir. 2002). “[B]ecause California’s
 16 long-arm statute is coextensive with the limits of due process, the two inquiries collapse into a single
 17 inquiry: whether jurisdiction comports with due process.” *Dainippon Screen Mfg. Co. v. CFMT,*
 18 *Inc.*, 142 F.3d 1266, 1270 (Fed. Cir. 1998). When the “determination of personal jurisdiction is
 19 based on affidavits and other written materials, and no jurisdictional hearing is conducted,” the party
 20 asserting jurisdiction bears only a prima facie burden. *Celgard, LLC v. SK Innovation Co.*, 792 F.3d
 21 1373, 1378 (Fed. Cir. 2015).

22 “Depending on their nature and number, a defendant’s contacts with a forum can provide
 23 a court with general jurisdiction or specific jurisdiction.” *Synthes (U.S.A.) v. G.M. Dos Reis Jr. Ind.*
 24 *Com de Equip. Medico*, 563 F.3d 1285, 1297 (Fed. Cir. 2009). General jurisdiction exists when a
 25 defendant maintains “continuous and systematic” contacts with the forum even when the cause of
 26 action has no relation to those contacts. *LSI Indus. Inc. v. Hubbell Lighting, Inc.*, 232 F.3d 1369,
 27 1375 (Fed. Cir. 2000) (citing *Helicopteros Nacionales de Colombia, S.A. v. Hall*, 466 U.S. 408,

1 **III. DISCUSSION**

2 **A. General Jurisdiction**

3 Lyft does not allege that the Court has general jurisdiction over AGIS Software. *See*
4 Complaint, ECF No. 1 ¶¶ 6–21; Opposition, ECF No. 35.

5 **B. Specific Jurisdiction**

6 AGIS Software argues that Lyft has not alleged sufficient facts to show that this Court has
7 specific jurisdiction over AGIS Software. The three factors for assessing whether the exercise of
8 specific personal jurisdiction comports with due process are: “1) whether the defendant
9 ‘purposefully directed’ its activities at residents of the forum; 2) whether the claim ‘arises out of or
10 relates to’ the defendant’s activities in the forum; 3) whether the exercise of jurisdiction is
11 ‘reasonable and fair.’” *Deprenyl Animal Health*, 297 F.3d at 1351 (citations omitted). As to the
12 third factor (also called the “fair play and substantial justice” prong), the burden of proof is on the
13 defendant to “present a compelling case that the presence of some other considerations would render
14 jurisdiction unreasonable.” *Breckenridge Pharm.*, 444 F.3d at 1362–63. The “minimum contacts”
15 analysis focuses on “the relationship among the defendant, the forum, and the litigation.” *Walden*
16 *v. Fiore*, 571 U.S. 277, 284 (2014) (citation omitted). “[T]he relationship must arise out of contacts
17 that the ‘defendant *himself*’ creates with the forum State.” *Id.* (emphasis in original; citation
18 omitted). The “plaintiff cannot be the only link between the defendant and the forum. Rather, it is
19 the defendant’s conduct that must form the necessary connection with the forum State.” *Id.* at 285.

20 In support of specific jurisdiction, Lyft alleges that AGIS Software has brought patent suits
21 in the Eastern District of Texas against companies with principal places of business or operations in
22 California, including Apple, ZTE, WhatsApp, Google, and Uber. *See* Complaint, ECF No. 1
23 ¶¶ 8–12; Opposition, ECF No. 41 at 10–11. AGIS Software argues that these contacts are not
24 enough, since the Federal Circuit has held that patent enforcement actions outside the forum state
25 do not give rise to personal jurisdiction in the forum. *See* Motion, ECF No. 32 at 10–12 (citing
26 *Avocent Huntsville Corp. v. Aten Int’l Co.*, 552 F.3d 1324, 1339 (Fed. Cir. 2008)). In response, Lyft
27 argues that based on the recent *Trimble* case, AGIS Software’s patent licensing and negotiating

1 ECF No. 41 at 9–12 (citing *Trimble Inc. v. PerDiemCo LLC*, 997 F.3d 1147 (9th Cir. 2021)). On
 2 reply, AGIS Software argues that since its negotiations were related to infringement actions outside
 3 of the Northern District of California, such negotiations are insufficient for a showing of personal
 4 jurisdiction. *See* Reply, ECF No. 44 at 6.¹

5 The Court agrees with AGIS Software. While *Trimble* appears to have created a path for
 6 plaintiffs to show personal jurisdiction over defendants based on their patent enforcement-related
 7 communications with forum residents, Lyft has not alleged enough facts to indicate that this case
 8 involves a situation similar to the one in *Trimble*. *Trimble* involved a very specific set of facts—the
 9 defendant engaged in prolonged negotiations with the California company plaintiff, communicating
 10 “via letter, email, or telephone at least twenty-two times,” in which the defendant “amplified its
 11 threats of infringement as the communications continued, asserting more patents and accusing more
 12 of Trimble[‘s] . . . products of infringement.” *Trimble*, 997 F.3d at 1157. Accordingly, the Federal
 13 Circuit found that the defendant’s “attempts to extract a license in this case are much more akin to
 14 ‘an arms-length negotiation in anticipation of a long-term continuing business relationship,’ over
 15 which a district court may exercise jurisdiction.” *Id.* (quoting *Red Wing Shoe Co., Inc. v. Hockerson-*
 16 *Halberstadt, Inc.*, 148 F.3d 1355, 1361 (Fed. Cir. 1998)).

17 In contrast to the detailed allegations in *Trimble*, Lyft can only generally allege licensing
 18 negotiations between AGIS Software and California companies. *See* Complaint, ECF No. 1 ¶¶ 7–11
 19 (“AGIS Software has entered into agreements relating to the Patents-in-Suit with companies in this
 20 District[.]”); Opposition, ECF No. 41 at 9–11 (“Discovery will show that those communications,
 21 negotiations, and entering of settlement agreements with Apple and WhatsApp (both headquartered
 22 in this District) and likely ongoing negotiations concerning licensing its patents with Google and
 23 Uber in pending lawsuits, are also based in this District.”). Accordingly, the Court finds that Lyft
 24 has failed to meet its burden of showing that AGIS Software purposefully directed its activities at

25
 26 ¹ The parties also raise arguments about the fair play and substantial justice element of specific
 27 jurisdiction. Since the Court does not reach this element in its analysis, the Court omits these
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