

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

BROADSIGN INTERNATIONAL, LLC,

Plaintiff,

v.

T-REX PROPERTY, AB,

Defendant.

Civil Action No.: 1:16-cv-04586 (LTS)

**DEFENDANT T-REX PROPERTY, AB'S REPLY TO
BROADSIGN INTERNATIONAL, LLC'S OPPOSITION
TO ITS MOTION TO DISMISS THE AMENDED COMPLAINT**

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Declaratory Judgment Defendant T-Rex Property, AB hereby submits this reply memorandum of law in support of its Motion to Dismiss BroadSign International, LLC's Amended Complaint (D.I. 10) For Declaratory Judgment Pursuant to Federal Rule of Civil Procedure 12(b)(1). A declaration of T-Rex's CEO, Mats Hylin, accompanies this memorandum.

I. INTRODUCTION

BroadSign's opposition confirms that BroadSign is not entitled to the declaratory judgment relief it seeks. Rather, BroadSign's opposition is, first, based on a misstatement of a number of facts, and second, fails to establish the requisite case or controversy required to support a declaratory judgment action. Once the misstated facts are clarified and put in the proper context, it becomes clear that the parties are not engaged in an actual, direct dispute. Moreover, BroadSign's remaining arguments—that BroadSign's customers have requested indemnification, and that BroadSign is subject to a claim of indirect infringement because other suppliers have been sued for direct infringement—are insufficient to support an action for declaratory judgment. Because none of BroadSign's arguments have merit, or dispel T-Rex's showing that the requirements for a declaratory judgment action have not been satisfied, T-Rex's motion to dismiss should be granted.

II. REPLY STATEMENT OF FACTS

BroadSign's opposition contains a number of factual misstatements concerning the communications that took place between BroadSign and T-Rex. In particular, T-Rex did not send a draft license agreement to BroadSign "without any prior discussion or warning." BroadSign's Opp. at 5. Nor did T-Rex "insist[] that BroadSign take a license to the patents-in-suit in order to protect BroadSign and its customers from future lawsuits." *Id.*

Rather, the parties had a number of communications concerning potential business arrangements, entirely and exclusively at BroadSign's initiative, which ultimately lead to

BroadSign’s request to see a sample licensing agreement from T-Rex. Hylin Decl. at ¶¶ 6-15. At no time during those communications, however, did T-Rex insist that BroadSign take a license to the patents-in-suit, threaten litigation against BroadSign, or demand payment from BroadSign. Hylin Decl. at ¶¶ 2, 15.

III. ARGUMENT

A. T-Rex and BroadSign Are Not Engaged In An Actual, Direct Dispute.

BroadSign attempts to argue that BroadSign and T-Rex have “an actual and substantial controversy sufficient to give BroadSign the right to seek a declaratory judgment.” Opp. Br. at 7. BroadSign’s arguments, however, are based on misstatements of fact. When those misstatements are corrected, it becomes clear that there is no actual or substantial controversy between BroadSign and T-Rex.

1. The parties’ communications have not established adverse interests.

BroadSign argues that BroadSign and T-Rex “have had ongoing communications that establish their adverse interests.” Opp. Br. at 8. BroadSign attempts to support this argument by alleging that T-Rex threatened enforcement of the patents-in-suit, demanded that BroadSign take a license, and continued to attack BroadSign’s customers. *Id.* BroadSign’s arguments, however, which are either untrue or taken out of context, are not sufficient to entitle BroadSign to seek a declaratory judgment.

First, T-Rex never threatened enforcement of the patents-in-suit against BroadSign. As BroadSign admits, BroadSign and T-Rex discussed the patents-in-suit during the past year because of BroadSign’s actions, not T-Rex’s actions. In particular, BroadSign contacted T-Rex in June 2016 to request a meeting to discuss a “potential business agreement.” Declaration of Sandra Beauchesne in Opposition to Defendant T-Rex Property AB’s Motion to Dismiss The Amended Complaint (“Beauchesne Decl.”) at ¶ 15. After BroadSign’s initial contact, the parties

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