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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

NOMADIX, INC.,

Plaintiff,

v.

GUEST-TEK INTERACTIVE
ENTERTAINMENT LTD.,

Defendant.

Case No. 2:19-cv-04980-AB (FFMx)

**ORDER GRANTING NOMADIX’S
MOTION FOR SUMMARY
JUDGMENT [DKT. NO. 66]**

I. INTRODUCTION

Before the Court is Plaintiff Nomadix’s (“Nomadix”) motion for summary judgment. (Dkt. No. 66.) Defendant Guest-Tek Interactive Entertainment Ltd. (“Guest-Tek”) has filed an opposition to Nomadix’s motion. (Dkt. No. 80.) The Court heard oral argument regarding Nomadix’s motion on January 17, 2020. For the reasons stated below, the Court **GRANTS** Nomadix’s motion. The Court **ORDERS** the parties to file a proposed judgment within ten (10) days of the date of issuance of this order.

II. BACKGROUND

This case arises from the alleged breach of a forum selection clause negotiated

1 between the parties.

2 In 2009, Nomadix filed suit in this district against Guest-Tek and additional
3 defendants for infringement of several Nomadix patents. (SUF 1.) Guest-Tek filed
4 counterclaims for declaratory judgment of non-infringement and invalidity of those
5 Nomadix patents. (SUF 2.) In 2010, the parties settled that lawsuit. (SUF3.)

6 As part of that settlement, Nomadix and Guest-Tek entered into a Confidential
7 License Agreement on December 30, 2010 (the “License Agreement”). (SUF 4.) The
8 License Agreement grants Guest-Tek a limited, non-exclusive license under several
9 Nomadix patents in exchange for ongoing quarterly royalty payments. (SUF 5.)

10 Section 8.4 of the License Agreement states as follows:

11 8.4 Choice Of Law. This Agreement shall be governed by, construed
12 and enforced in accordance with the laws of the State of California,
13 without application of that state’s choice-of-law law. All other rules of
14 contract interpretation under California law shall apply to the
interpretation of this Agreement. (SUF 6.)

15 Section 8.10 of the License Agreement states as follows:

16 8.10 Forum Selection. Subject to clauses 7.1 and 7.2, all disputes
17 arising out of or in connection with this Agreement shall be brought in
18 the United States District Court for the Central District of California
19 (“District Court”) and the Parties each consent to the personal
20 jurisdiction of that court. The Parties each waive all objections to venue
21 and all *forum non conveniens* objections with respect to such District
22 Court and the Parties shall not contest the personal jurisdiction of such
23 District Court or that venue is proper in such District Court. To the
24 extent that any dispute arising out of this Agreement may not be
25 brought in the District Court, such dispute shall be brought in a
26 California Superior Court in Los Angeles County or Orange County
27 (“Superior Court”) and the Parties each consent to the personal
28 jurisdiction of such Superior Court. The Parties each waive all
objections and all *forum non conveniens* objections with respect to such
Superior Court and the Parties shall not contest the jurisdiction of such
Superior Court or that venue is proper in such Superior Court, except
that any Party may make any objection favoring litigation in the District
Court. The Parties agree that the prevailing Party in such District Court
or Superior Court action will be entitled to reimbursement by the losing

1 Party for any and all legal fees and costs incurred by the prevailing
2 Party in preparing for and conducting such action. (SUF 7.)

3 Section 2.10 of the License Agreement states as follows:

4 2.10 Covenant Not To Challenge Licensed Patents. Each Guest-Tek
5 entity withdraws any allegations that any of the Licensed Patents, the
6 Bandwidth Management Patents, and U.S. Patent No. 6,788,110 is
7 invalid or unenforceable. Each Guest-Tek Entity agrees that it will not,
8 during the time period between the Effective Date and the date that the
9 License Agreement expires or is otherwise terminated, challenge the
10 validity or enforceability, or seek a declaration of noninfringement, of
11 any of the Licensed Patents, Bandwidth Management Patents, and U.S.
12 Patent No. 6,788,110, whether before a court, before the U.S. Patent
13 and Trademark Office, or in any other manner The Guest-Tek
Entities shall not be bound to the provisions of this clause 2.10 in the
event that Nomadix later asserts any of the Licensed Patents, the
Bandwidth Management Patents, or U.S. Patent No. 6,788,110 against
any Guest-Tek Entity. (Dkt. No. 72-1 at 11.)

14 Nomadix filed suit on October 28, 2016 against Guest-Tek in this Court for
15 breach of the License Agreement. (SUF 8.) On September 5, 2018, Guest-Tek
16 petitioned the U.S. Patent Trial and Appeal Board (“PTAB”) for *inter partes review*
17 of the ‘899 patent, challenging the validity of claims of that patent and naming
18 Nomadix as the Patent Owner. On September 7, 2018, Guest-Tek petitioned the
19 PTAB for *inter partes review* of the ‘266 patent, challenging the validity of claims of
20 that patent and naming Nomadix as the Patent Owner. On November 12, 2018,
21 Guest-Tek petitioned the PTAB for *inter partes review* of Nomadix’s U.S. Patent No.
22 7,953,857 (the “‘857 patent”), challenging the validity of claims of that patent and
23 naming Nomadix as the Patent Owner. Also on November 12, 2018, Guest-Tek
24 petitioned the PTAB for *inter partes review* of Nomadix’s U.S. Patent No. 8,626,922
25 (the “‘922 patent”), challenging the validity of claims of that patent and naming
26 Nomadix as the Patent Owner. On June 18, 2019, Guest-Tek petitioned the PTAB for
27 *inter partes review* of Nomadix’s U.S. Patent No. 8,606,917 (the “‘917 patent”),
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1 challenging the validity of claims of that patent and naming Nomadix as the Patent
2 Owner. The ‘266, ‘899, ‘857, ‘922, and ‘917 patents are all Licensed Patents under
3 the License Agreement. (SUF 9–14.)

4 Guest-Tek contends that the cancellation of claims Guest-Tek sought or seeks
5 in cases IPR 2018-01660, IPR2018-01668, IPR 2019-00211, and IRP2019-00253
6 would give Guest-Tek a defense to Nomadix’s claim against Guest-Tek for breach of
7 Guest-Tek’s royalty obligations under the License Agreement. (SUF 15.)

8 Nomadix brings its present motion for summary judgment, arguing that Guest-
9 Tek’s PTAB filings breach the License Agreement’s forum selection clause.

10 **III. LEGAL STANDARD**

11 A motion for summary judgment must be granted when “the pleadings, the
12 discovery and disclosure materials on file, and any affidavits show that there is no
13 genuine issue as to any material fact and that the movant is entitled to judgment as a
14 matter of law.” Fed. R. Civ. P. 56(c); *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242,
15 247–48 (1986). The moving party bears the initial burden of identifying the elements
16 of the claim or defense and evidence that it believes demonstrates the absence of an
17 issue of material fact. *Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986). Where the
18 nonmoving party will have the burden of proof at trial, the movant can prevail merely
19 by pointing out that there is an absence of evidence to support the nonmoving party’s
20 case. *Id.* The nonmoving party then “must set forth specific facts showing that there is
21 a genuine issue for trial.” *Anderson*, 477 U.S. at 248.

22 “Where the record taken as a whole could not lead a rational trier of fact to find
23 for the nonmoving party, there is no ‘genuine issue for trial.’” *Matsushita Elec. Indus.*
24 *Co. v. Zenith Radio Corp.*, 475 U.S. 574, 587 (1986). The Court must draw all
25 reasonable inferences in the nonmoving party’s favor. *In re Oracle Corp. Sec. Litig.*,
26 627 F.3d 376, 387 (9th Cir. 2010) (citing *Anderson*, 477 U.S. at 255). Nevertheless,
27 inferences are not drawn out of thin air, and it is the nonmoving party’s obligation to
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1 produce a factual predicate from which the inference may be drawn. *Richards v. Nielsen*
2 *Freight Lines*, 602 F. Supp. 1224, 1244–45 (E.D. Cal. 1985), *aff'd*, 810 F.2d 898.
3 “[M]ere disagreement or the bald assertion that a genuine issue of material fact exists”
4 does not preclude summary judgment.” *Harper v. Wallingford*, 877 F.2d 728, 731 (9th
5 Cir. 1989).

6 IV. DISCUSSION

7 1. Guest-Tek’s PTAB petitions breach the forum selection clause

8 “The ‘enforcement of valid forum-selection clauses, bargained for by the
9 parties, protects their legitimate expectations and furthers vital interests of the justice
10 system.’” *Atl. Marine Constr. Co. v. U.S. Dist. Court for W. Dist. of Tex.*, 571 U.S. 49,
11 63 (2013) (quoting *Stewart Org., Inc. v. Ricoh Corp.*, 487 U.S. 22, 33 (1988)
12 (Kennedy, J., concurring). Where the language of a contract is clear and explicit, it
13 governs. Cal. Civ. Code. § 1638.

14 The Forum Selection Clause negotiated between the parties applies to “all
15 disputes arising out of or in connection with” the License Agreement. (Dkt. No. 72-1
16 at 11.) Forum selection clauses covering disputes “in connection with” a particular
17 agreement “apply to any disputes that reference the agreement or have some ‘logical
18 or causal connection’ to the agreement.” *Yei A. Sun v. Advanced China Healthcare,*
19 *Inc.*, 901 F.3d 1081, 1086 (9th Cir. 2018) (quoting *John Wyeth & Bro. Ltd. v. CIGNA*
20 *Int’l Corp.*, 119 F.3d 1070, 1074 (3d Cir. 1997)). Here, Guest-Tek’s PTAB filings
21 have some logical or causal connection to the License Agreement. In particular, if
22 Guest-Tek successfully invalidates the patents at issue in the PTAB proceedings, that
23 would arguably give Guest-Tek a defense to Nomadix’s claim for breach of Guest-
24 Tek’s royalty obligations under the License Agreement. *See also Dodocase VR, Inc. v.*
25 *MerchSource, LLC*, 767 F. App’x. 930, 934–35 (Fed. Cir. 2019) (concluding that *inter*
26 *partes review* petitions constitute a dispute that arises out of or under a license
27 agreement); *see also Texas Instruments Inc. v. Tessera, Inc.*, 231 F.3d 1325, 1331
28 (Fed. Cir. 2000) (concluding that International Trade Commission proceedings

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