

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

AGIS SOFTWARE DEVELOPMENT LLC,

Plaintiff,

v.

T-MOBILE, USA, INC., AND T-MOBILE
US, INC.,

Defendants

CIVIL ACTION NO. 2:21-cv-00072-JRG

LEAD CASE

**SMITH MICRO SOFTWARE, INC.'S AND SMITH MICRO SOFTWARE, LLC'S
MOTION TO INTERVENE, AND MOTION TO STAY PROCEEDINGS AS TO ITS
ACCUSED TECHNOLOGY PENDING ADJUDICATION OF THEIR PENDING
DECLARATORY JUDGMENT ACTION AGAINST AGIS SOFTWARE
DEVELOPMENT LLC**

I. INTRODUCTION

This Motion is brought by the companies that supply defendants T-Mobile USA, Inc. and T-Mobile US, Inc. (collectively, “T-Mobile”) with the technology (“Smith Micro Technology” or “Technology”) that is included in two of T-Mobile’s products accused of infringing Plaintiff’s patents – *FamilyWhere* and *FamilyMode* (the “Accused Products”).

Proposed Intervenor Smith Micro Software, Inc. and Smith Micro Software, LLC (collectively “Smith Micro”) prefer to have the issue of whether their Technology infringes any valid claim of any of Plaintiff’s patents in a single case, rather than be burdened with a succession of piecemeal infringement cases, and prefer that their Technology not be burdened with the significant cloud that Plaintiff’s allegations of infringement create.

To this end, Smith Micro has filed a declaratory judgment action (the “DJ Action”) against AGIS Software Development LLC (“AGIS”) in the Northern District of California. *Smith Micro Software, Inc. and Smith Micro Software, LLC v. AGIS Software*, No. 5:21cv3677 (N.D. Cal. filed May 17, 2021).¹

The case law has consistently held that a declaratory judgment action by the supplier of the accused technology should take precedence over an infringement action against one of the supplier’s customers. That is indisputably the situation here.

This Court should grant Smith Micro’s motion to intervene, and should then exercise its discretion to stay proceedings on those claims relating to the Accused Products in favor of those issues proceeding in the DJ Action which is the most appropriate vehicle for resolving AGIS’s

¹ A copy of Smith Micro’s as-filed complaint in the DJ Action is attached as Exhibit A (“DJ Complaint”). That complaint also points out in detail why the Northern District of California is the most convenient and appropriate venue regarding a patent infringement action as to the Accused Products. *See* DJ Complaint, ¶¶ 1 to 8. It also points out that plaintiff AGIS Software has almost no presence in the State of Texas (other than being a Texas limited liability company and bringing patent infringement actions there). The main people behind the Texas LLC façade are all located in Florida, and they have significant contacts in the state of California, such that litigating in California will not be inconvenient for them. *See* DJ Complaint, ¶¶ 9 to 14, 21 to 46.

infringement allegations against the Smith Micro Technology and all of Smith Micro's current and future customers.

A stay will also serve the interests of judicial efficiency by promoting the resolution of AGIS's claims against the Smith Micro Technology and all of its customers in a single forum. Such a stay will not prejudice AGIS, as AGIS has a number of other cases pending, and this case and the other consolidated cases asserted by AGIS are in the early stages of prosecution – motions to dismiss are pending, neither fact nor expert discovery is complete, claims have not been construed, and no trial date has been set.

II. STATEMENT OF ISSUES TO BE DECIDED

Pursuant to Local Rule 7(a)(1), Smith Micro identifies the following two issues:

- (1) whether Smith Micro should be allowed to intervene in this case for all purposes; and
- (2) whether a stay of this action should issue as to the Accused Products.

III. STATEMENT OF FACTS

Smith Micro is a leading global provider of highly scalable mobile applications and value-added solutions for mobile and cable operators. Smith Micro provides location tracking and parental control technology to its customers, enabling subscribers to locate and share their whereabouts with family members and enabling parents to control their children's use of the internet by setting screen time and managing digital content. DJ Complaint, ¶ 8.

On March 3, 2021, AGIS filed this patent infringement action against Smith Micro's customer, T-Mobile, alleging that the Accused Products infringe various patents AGIS purports to own.² Dkt. No. 1 ¶¶ 24, 46, 67, 98, 120 and 147.

² U.S. Patent Nos. 7,031,728 (“the '728 patent”), 7,630,724 (“the '724 patent”), 9,408,055 (“the '055 patent”), 9,445,251 (“the '251 patent”), 9,467,838 (“the '838 patent”), and 9,749,829 (“the '829 patent”) (collectively, the “Patents-in-Suit”).

While Smith Micro does not believe that its Technology infringes any valid claim of the Patents-in-Suit, AGIS's allegations against the Accused Products place Smith Micro's Technology squarely at issue. Accordingly, in an effort to protect its business and its customers (including but not limited to T-Mobile) and potential customers who use or will use Smith Micro's Technology, Smith Micro recently filed the DJ Action which alleges that the Patents-in-Suit are not infringed, directly or indirectly, by the Smith Micro Technology that is used in the Accused Products. *See DJ Complaint, passim.*

The case in this Court is still in its early stages. Each of the defendants has filed separate motions to dismiss, transfer and/or stay the case, including T-Mobile's motion to dismiss.³ The PreTrial Conference is not until February 7, 2022, and jury selection not until March 7, 2022. The parties have not yet submitted any claim construction briefing, and the Court has not yet issued any claim construction order, and neither fact nor expert discovery has been completed.

IV. SMITH MICRO SHOULD BE PERMITTED TO INTERVENE

Smith Micro moves to intervene in this action as of right or by permission. AGIS's claims against T-Mobile implicate Smith Micro's Technology. Intervention will allow Smith Micro to appear as a party in its own right to safeguard its interests in its Technology and to protect current and future customers from AGIS's meritless claims. *See Fed. R. Civ. P. 24(a)(2)* ("On timely motion, the court must permit anyone to intervene who . . . claims an interest relating to the property or transaction that is the subject of the action, and is so situated that disposing of the action may as a practical matter impair or impede the movant's ability to protect its interest, unless existing parties adequately represent that interest."); *Fed. R. Civ. P. 24(b)(1)*

³ Currently pending are the following motions: 1) Motion to Dismiss by Uber Technologies Inc. d/b/a Uber. (Dkt. No. 24); 2) Motion to Dismiss for Improper Venue by Lyft, Inc. (Dkt. No. 30); 3) Motion to Dismiss for Improper Venue by WhatsApp, Inc. (Dkt. No. 34); and 4) Motion to Dismiss by T-Mobile US, Inc., T-Mobile USA, Inc. (Dkt. No. 46). No hearing date has yet been set on any of these motions.

“On timely motion, the court may permit anyone to intervene who . . . has a claim or defense that shares with the main action a common question of law or fact.”).

A. Smith Micro Should Be Permitted to Intervene as of Right

Intervention as of right under Rule 24(a)(2) is appropriate “when the petitioner: (1) makes a timely application; (2) has an interest relating to the subject matter of the action; (3) that would potentially be impaired by the disposition of the action; and (4) is not adequately represented by the existing parties to the action.” *Texas v. United States*, 805 F.3d 653, 657 (5th Cir. 2015) (quoting *New Orleans Pub. Serv., Inc. v. United Gas Pipe Line Co.*, 732 F.2d 452, 463 (5th Cir. 1984) (*en banc*)). “The rule is to be liberally construed, with doubts resolved in favor of the proposed intervenor.” *Uniloc 2017 LLC v. Verizon Communications Inc.*, No. 2:18-CV-00513-JRG, 2019 WL 1773118 at *1 (E.D. Tex. April 23, 2019) (internal quotation marks omitted). Intervention in patent cases is reviewed under regional circuit law. *Id.* As such, Fifth Circuit law controls. *Stauffer v. Brooks Brothers, Inc.*, 619 F.3d 1321, 1328 (Fed. Cir. 2010) (“We review the district court’s denial of intervention under Rule 24 under regional circuit law. . .”). Each of these factors supports Smith Micro’s right to intervene in this action.

1. Smith Micro’s Motion to Intervene is Not Untimely

Smith Micro’s motion is not untimely because it seeks to intervene at an early stage of the litigation and no party to the suit will suffer prejudice should Smith Micro intervene.⁴ Timeliness is determined from all circumstances in a case, including the time elapsed between notice of the intervenor’s interest in the case and the filing of the motion to intervene, the extent of prejudice to existing parties as a result of the proposed intervention, the extent of prejudice to

⁴ Counsel for Smith Micro has met and conferred with counsel for T-Mobile and counsel for AGIS regarding this motion. T-Mobile does not oppose this Motion. AGIS does oppose.

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