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*.	§ § § § § § § § § § §	Case No. 2:21-cv-00072-JRG-RSP LEAD CASE

ORDER

Before the Court is Defendant Uber Technologies, Inc.'s ("Uber") Motion to Stay Pending Resolution of Standing Issue. **Dkt. No. 25**. Uber's Motion seeks to stay the above captioned matter for sixty days and requests (1) discovery of Plaintiff AGIS Software Development LLC ("AGIS"), (2) a third-party subpoena to Microsoft Corporation, (3) discovery of Christopher R. Rice, and (4) a briefing schedule wherein AGIS is required to file an opening brief establishing standing.

I. BACKGROUND

On April 16, 2021, Case No. 2:21-cv-00026-JRG-RSP (the "*Uber* case") was consolidated alongside two other member cases under the lead Case No. 2:21-cv-00072-JRG-RSP. Dkt. No. 14. AGIS alleges Uber infringes U.S. Patent Nos. 7,031,728, 7,630,724, 8,213,970, 10,299,100, and 10,341,838 (the "Patents-in-Suit against Uber"). *Uber* case, Dkt. No. 1 at 1. AGIS has asserted other patents against other defendants. *See*, *e.g.*, Dkt. No. 47 at 1 (alleging infringement of U.S. Patent Nos. 9,408,055, 9,445,251, and 9,749,829 alongside U.S. Patent Nos. 7,031,728, 7,630,724, and 9,467,838).

Uber's Motion asserts AGIS lacks standing to assert U.S. Patent Nos. 7,630,724, 10,299,100, and 10,341,838 ("Patents-at-Issue") because inventor Christopher R. Rice allegedly

assigned the Patents-at-Issue to third-party Microsoft as part of an employment agreement prior to assigning the Patents-at-Issue to AGIS. Dkt. No. 25 at 5–8. This issue does not affect U.S. Patent Nos. 7,031,728 and 8,213,970, which are asserted by AGIS against Uber but not part of the Patents-at-Issue, nor other patents asserted against other defendants where Mr. Rice is not identified as an inventor. Uber's Motion states that U.S. Patent Nos. 7,031,728 and 8,213,970 "have recognized validity issues," citing to a Federal Circuit appeal of litigation in Florida wherein "many"—but not all—"of the claims of the '728 patent were affirmed invalid" and an ongoing *ex parte* reexamination of U.S. Patent No. 8,213,970. *Id.* at 8–9.

II. LEGAL STANDARDS

A. Motion to Stay

District courts have the power to stay proceedings as part of the inherent power to control their own docket. *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936); *Nelson v. Grooms*, 307 F.2d 76, 78 (5th Cir. 1962). In deciding whether to stay litigation pending reexamination, courts consider: "(1) whether a stay will unduly prejudice or present a clear tactical disadvantage to the nonmoving party, (2) whether a stay will simplify the issues in question and trial of the case, and (3) whether discovery is complete and whether a trial date has been set." *Soverain Software LLC v. Amazon.com, Inc.*, 356 F. Supp. 2d 660, 662 (E.D. Tex. 2005) (citing *Xerox Corp. v. 3Com Corp.,* 69 F.Supp.2d 404, 406 (W.D. N.Y. 1999)).

B. Standing and Patent Ownership

Language such as "do hereby assign" and "shall belong" in an employment agreement can create a present assignment of future inventions. *See*, *e.g.*, *Bd. of Trustees of Leland Stanford Junior Univ. v. Roche Molecular Sys., Inc.*, 583 F.3d 832, 842 (Fed. Cir. 2009), *aff'd*, 563 U.S. 776 (2011) ("[T]he VCA's language of 'do hereby assign' effected a present assignment of

Holodniy's future inventions to Cetus."); *see also Speedplay, Inc. v. Bebop, Inc.*, 211 F.3d 1245, 1253 (Fed. Cir. 2000) (interpreting "shall belong" as a present assignment).

"Where one co-owner possesses an undivided part of the entire patent, that joint owner must join all the other co-owners to establish standing. . . . Absent the voluntary joinder of all co-owners of a patent, a co-owner acting alone will lack standing." *Israel Bio-Engineering Project v. Amgen Inc.*, 475 F.3d 1256, 1264 (Fed. Cir. 2005). A plaintiff's failure to join a co-owner forestalls the plaintiff's "ability to satisfy the statutory prerequisites for bringing an infringement suit." *AntennaSys, Inc. v. AQYR Techs., Inc.*, 976 F.3d 1374, 1378–79 (Fed. Cir. 2020). Further, "a non-consenting co-owner or coinventor can never be involuntarily joined in an infringement action . . . because 'the right of a patent co-owner to impede an infringement suit brought by another co-owner is a substantive right.'" *Id.* at 1378 (citing *STC.UNM v. Intel Corp.*, 754 F.3d 940, 946 (Fed. Cir. 2014)).

III. ANALYSIS

Uber's Motion asks the Court to stay proceedings in the above captioned matter until resolution of an alleged standing issue. Dkt. No. 25 at 5–6. Even if AGIS does not have standing to bring suit with respect to three of the patents asserted against Uber, there are still two other patents asserted against Uber as well as several other defendants with other patents issued against them. A stay will unduly prejudice and present a clear tactical disadvantage to the nonmoving party by delaying adjudication, including regarding patents and issues not affected by Uber's motion. While a stay may simplify the issues in question if indeed AGIS does not have standing to bring suit with respect to the three Patents-at-Issue, such simplification is minimal with respect to the several other patents and defendants in this case. Discovery is not complete and a trial has not been set, but discovery has begun and accordingly Uber's request for discovery is moot.

Discovery has been open for nearly a month. *See* Dkt. No. 15. Uber has not filed a motion to dismiss due to lack of standing. The Court will consider expediting briefing on a motion to dismiss filed by Uber due to lack of standing if and when it is filed, but the Court will not stay the case to resolve this alleged issue.

IV. CONCLUSION

After due consideration, the Court **DENIES** Uber's Motion.

SIGNED this 15th day of June, 2021.

ROY S. PAYNE
UNITED STATES MAGISTRATE JUDGE