

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION**

SUFFOLK TECHNOLOGIES, LLC,

Plaintiff,

v.

AOL INC. and GOOGLE INC.,

Defendants.

Civil Action No. 1:12-cv-625-TSE-IDD

JURY TRIAL REQUESTED

**MEMORANDUM IN SUPPORT OF DEFENDANTS' MOTION TO DISMISS FOR
LACK OF SUBJECT MATTER JURISDICTION**

PUBLIC REDACTED VERSION

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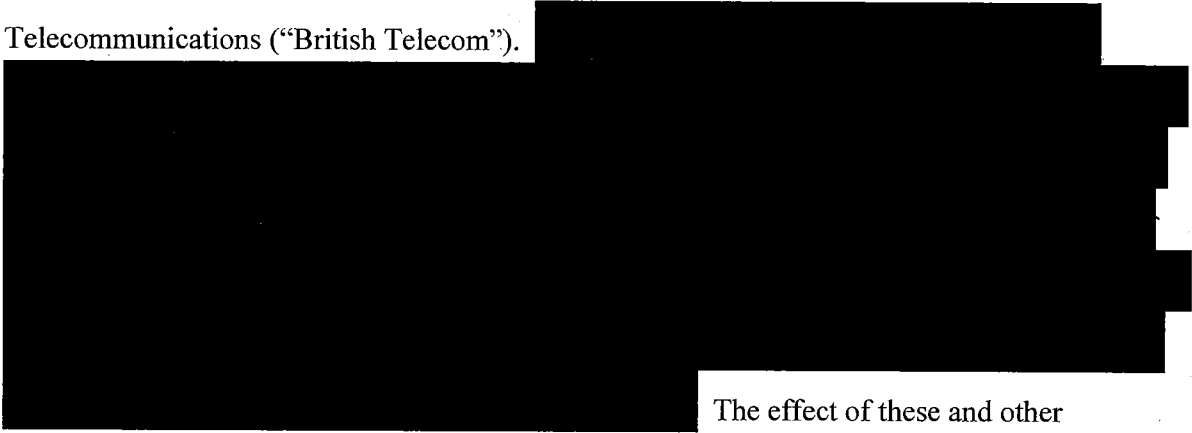
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I. INTRODUCTION

This Court lacks subject matter jurisdiction over this case because Plaintiff Suffolk Technologies, LLC (“Suffolk”) has no standing to bring it. The longstanding rule in patent cases is that a plaintiff cannot maintain an infringement suit when the patent owner has merely “grant[ed it] a ‘hunting license,’ solely for the purpose of litigation[.]” *Prima Tek II, LLC v. A-Roo Co.*, 222 F.3d 1372, 1381 (Fed. Cir. 2000).

That is precisely the situation here. Recently-produced discovery shows that Suffolk was created for one reason and one reason only: to hunt down suspected patent infringers and extract money from them to share with the true owner of the patents at issue, a subsidiary of British Telecommunications (“British Telecom”).



The effect of these and other provisions is that Suffolk is much more like “an agent than a co-owner” of the patents in suit. *Propat Int’l Corp. v. RPost, Inc.*, 473 F.3d 1187, 1194 (Fed. Cir. 2007) (affirming dismissal).

For this reason Suffolk has no “rightful place” in an infringement suit. *Ortho Pharm. Corp. v. Genetics Inst., Inc.*, 52 F.3d 1026, 1031 (Fed. Cir. 1995). The Patent Act allows “[a] patentee” to sue “for infringement of his patent.” 35 U.S.C. § 281 (emphasis added). For nearly a century, courts have accepted that an assignee of “all significant rights under the patent” also may sue, because “such assignee may be deemed the effective ‘patentee’ under the statute[.]” *Ortho Pharm.*, 52 F.3d at 1030. But by the same token, courts prohibit arrangements like the one here in which a patent owner enlists a mere surrogate to sue on the owner’s behalf, because such surrogate plaintiffs are not “patentee[s]” under the Act, and in any case these arrangements also violate public policy. In *Crown Die & Tool Co. v. Nye Tool & Machine Works*, the Supreme Court explained why: allowing a patentee to separate the proprietary right to make, use, or sell a

patented invention from the right to sue others for doing so “would give the patentee an opportunity without expense to himself to stir up litigation by third persons that is certainly contrary to the purpose and spirit of the statutory provisions for the assigning of patents.” 261 U.S. 24, 39 (1923).

Under federal standing requirements, therefore, a patentee cannot “give a right to sue to a party who has no proprietary interest in the patent.” *Ortho Pharm.*, 52 F.3d at 1034. Here, Suffolk has no such interest in either of the asserted patents, for [REDACTED], a party has no proprietary interest in the patent at all. *Id.* at 1031-32 (“The proprietary rights granted by any patent are the rights to exclude others from making, using or selling the invention in the United States.”). This defect is fatal. Even if Suffolk were to enter a new agreement purporting to retroactively convey sufficient rights to endow it with standing, Suffolk could not salvage this case because a plaintiff must have standing at the time it files its complaint. *E.g.*, *Paradise Creations, Inc. v. UV Sales, Inc.*, 315 F.3d 1304, 1309 (Fed. Cir. 2003); *Enzo APA & Son, Inc. v. Geapag A.G.*, 134 F.3d 1090, 1093 (Fed. Cir. 1998). As a result, this Court lacks subject matter jurisdiction over this action, and should dismiss Suffolk’s complaint against both defendants under Rule 12(b)(1) of the Federal Rules of Civil Procedure.

II. FACTUAL BACKGROUND

Suffolk has accused Defendants Google Inc. and AOL Inc. of infringing two patents originally issued to employees of British Telecommunications (“British Telecom”), U.S. Patent Nos. 6,334,132 and 6,081,835. First Am. Compl. ¶¶ 12-13 (D.N. 52). Suffolk claims to own by assignment through a chain of agreements to which Defendants did not have access until September 27, 2012, when they were produced in discovery. Decl. of Melissa J. Miksch in Support of Defendants’ Motion to Dismiss (“Miksch Decl.”) ¶ 4. [REDACTED] (“IPValue”). Miksch Decl. Exh. A (IPValue/Suffolk Agreement) at p. 1. IPValue acts as a patent licensing and enforcement agent to help intellectual

property owners “commercialize their IP assets.” Exh. B (IPValue’s Company Overview).¹ IPValue boasts that it “has delivered over \$600M in IP transaction revenues to our Partners from patent sales and licensing deals” since its formation eleven years ago. *Id.* In 2001, British Telecom retained IPValue to help it exploit its patent portfolio, resulting in “significant revenues for BT.”² Exh. C (IPValue’s overview of its relationship with British Telecom)). IPValue used its arrangement with British Telecom as an example of the services it offered in a 2002 presentation to the American Bar Association Section of Intellectual Property Law. Exh. D (p. 9). In that presentation, IPValue explained that (among other things) British Telecom and IPValue would make joint decisions and share revenues from the portfolio exploitation, with IPValue “manag[ing] receipt of [the] gross licence (sic) or royalty stream as an agent.” *Id.*

Suffolk came into being, and acquired its rights in the asserted patents, as part of IPValue’s program of generating revenue for British Telecom. In 2008, British Telecom, “along with its agent IPValue (sic),” had initiated licensing discussions with Google for the asserted patents, which British Telecom then owned. Exh. F (Suffolk’s Response to Google’s Interrogatory No. 15 (p. 32)). When those discussions did not go as it had hoped, British Telecom—apparently unwilling to participate in any potentially ensuing litigation and related document preservation and discovery obligations—transferred the asserted patents to its subsidiary BT Newgate LLC via intermediary companies. BT Newgate took title on November 29, 2011, and subsequently executed an agreement with IPValue dated [REDACTED] (the “BT Agreement”), purporting to assign and transfer to IPValue its [REDACTED] (which included the two patents asserted here). Exh. G § 2.1. The BT Agreement expressly contemplated that [REDACTED] *Id.* §§ 2.6, 5.1.1 & Definition of “IPValue ILC.” [REDACTED] (on December 21, 2011), IPValue incorporated Suffolk to [REDACTED]

¹ All citations to exhibits refer to exhibits attached to the Miksch Declaration.

² When they entered their arrangement, British Telecom and IPValue expected the deal to generate as much as \$100M per year in licensing revenues from British Telecom’s patents. Exhs. D; E (“BT unit signs licence deal for US,” Financial News, Jan. 16 2002, <http://www.efinancialnews.com/story/2002-01-16/bt-unit-signs-licence-deal-for-us>).

[REDACTED] Exh. H. IPValue and Suffolk then executed an agreement [REDACTED] (the "IPValue Agreement"), purporting to transfer IPValue's [REDACTED] to Suffolk. Exh. A § 2.1. Suffolk, for its part, [REDACTED] *Id.* § 2.2(a). Despite the parties' [REDACTED], Exh. G § 9.4, the reality is that the close, agency-like relationship IPValue envisioned with *British Telecom* extends to Suffolk, too, which is claiming privilege over documents exchanged with British Telecom. Exh. I p. 2.

Suffolk's rights in the asserted patents are at most co-extensive with the rights given to IPValue by BT Newgate, because "an owner or licensee of a patent cannot convey that which it does not possess." *Prima Tek II*, 222 F.3d at 1382. Though [REDACTED] the substance of the rights and obligations transferred to IPValue by the BT Agreement are structured in all respects to bind IPValue (and now Suffolk) to its sole task of exploiting the [REDACTED] patents to generate revenue for British Telecom:

- 1) [REDACTED] *See* Exh. G Recitals, Definition of "Business," §§ 2.1, 2.3, 5.1.1, 5.1.4, Schedule B ("[REDACTED]").
- 2) [REDACTED] *See id.* Definition of "Business."
- 3) [REDACTED] ³ *See id.* §§ 5.1.4, 7.1, Schedule E.
- 4) [REDACTED] *See id.* §§ 5.1.3, 5.1.4.

³ Suffolk served its complaint on Google and AOL [REDACTED]. *See* Exh. G [REDACTED]; D.N. 29 & 30 (Google and AOL served on June 8, 2012).

5)

§ 5.1.5.

BT Newgate, meanwhile, effectively

See id.

See id. Definition of “Covered Products,” §§ 2.4, 2.5. Though BT

purported to

Id. § 2.4.

The effect of these and other provisions is that the rights IPValue acquired and passed on to Suffolk with respect to the asserted patents are more like those of an agent of a patentee than of a patentee itself. *Cf. Propat*, 473 F.3d 1187 at 1194. And Suffolk in fact

. Though IPValue purported to assign and transfer its “entire right, title, and interest in the Assets” to Suffolk, Exh. A § 2.5, the *substance* of the BT Agreement effectively deprived IPValue of the ability to convey the right to practice to Suffolk. The BT Agreement

See Exh. G at p. 2 (definition of

“Business”) and § 5.1.1. The parties in fact left no doubt of their intent that Suffolk would simply be the means by which IPValue generate revenue for British Telecom through the exploitation of the Assets—the IPValue Agreement

Exh. A (Recitals). (Indeed, Suffolk justifies its assertion of privilege over documents exchanged with British Telecom on the ground that “British Telecom continues to have an economic interest in those patents and the outcome of this litigation [and] Suffolk and British Telecom share, among other things, a common interest in the validity of the patents”

Exh. I p. 2.)

III. LEGAL STANDARD

Standing is a jurisdictional requirement, *Rite-Hite Corp. v. Kelly Co., Inc.*, 56 F.3d 1538, 1551 (Fed. Cir. 1995) (en banc), which can be raised at any time. *Kontrick v. Ryan*, 540 U.S. 443, 455 (2004); *see also* Fed. R. Civ. P. 12(h)(3) (“If the court determines at any time that it lacks subject-matter jurisdiction, the court must dismiss the action.”). Federal courts are presumed to *lack* subject matter jurisdiction unless and until the plaintiff proves otherwise. *Kokkonen v. Guardian Life Ins. Co. of Am.*, 511 U.S. 375, 377 (1994); *Adams v. Bain*, 697 F.2d 1213, 1219 (4th Cir. 1982). Consequently, “[t]he burden of demonstrating standing falls to [Suffolk], as it is well established that before a federal court can consider the merits of a legal claim, the person seeking to invoke the jurisdiction of the court must establish the requisite standing to sue.” *Ortho Pharm.*, 562 F.3d at 1032-33 (internal quotation marks and ellipsis omitted). Where, as here, the defendant challenges the truth of the plaintiff’s jurisdictional allegations, the court may properly consider material outside the complaint. *Id.*

Patent law governs standing in patent cases.⁴ *Morrow v. Microsoft Corp.*, 499 F.3d 1332, 1337 (Fed. Cir. 2007). Only a party who holds not just one, or even some, but “*all* substantial rights” in a patent has standing to sue alone in its own name. *Id.* at 1339 (emphasis added). An exclusive licensee, holding some but not all substantial rights to the patent, may sue only if it joins the patentee as co-plaintiff (or, if the patentee refuses, as a defendant). *See Intellectual Prop. Dev., Inc. v. TCI Cablevision of Cal., Inc.*, 248 F.3d 1333, 1347 (Fed. Cir. 2001). A bare licensee, who has the right to make, use, or sell the patented invention but not the exclusive right to do so—that is, who has nothing more than a promise from the patentee that it will not be sued—is not injured by another party’s alleged infringement and thus lacks constitutional standing to sue at all. *Ortho Pharm.*, 52 F.3d at 1032; *Morrow*, 499 F.3d at 1341. And a party like Suffolk, who [REDACTED] likewise cannot participate in an infringement suit because the right to exclude others from practicing a

⁴ Regional circuit law controls the procedural aspects of a Rule 12(b)(1) motion. *Toxygon Corp. v. BNFL, Inc.*, 312 F.3d 1379, 1380 (Fed. Cir. 2002).

patent [REDACTED]

Crown

Die, 261 U.S. at 36.

These rules hold true whatever contractual arrangements the patentee makes with the would-be plaintiff, even if they satisfy the underlying policy of *Crown Die* that accused infringers not be subject to multiple suits on the same patent. *Prima Tek II*, 222 F.3d at 1380-81; *see Crown Die*, 261 U.S. at 38. “[A] contract cannot change the statutory requirement for suit to be brought by the ‘patentee’” and “[b]y the same token, a right to sue clause cannot negate the requirement that, for co-plaintiff standing, a licensee must have beneficial ownership of some of the patentee’s proprietary rights.” *Ortho Pharm.*, 52 F.3d at 1034.

IV. ARGUMENT

The Court should dismiss this case for lack of standing. The fact that Suffolk [REDACTED] does not satisfy constitutional standing requirements. Most importantly, Suffolk [REDACTED] which the Supreme Court and the Federal Circuit have treated as a critical indication of a true ownership interest. *See Crown Die*, 261 U.S. 24; *see also, e.g., Propat*, 473 F.3d at 1194. Even if [REDACTED] the contractual provisions demonstrate that British Telecom (through its subsidiary) remains the true owner of the patents. While Suffolk purports to have [REDACTED], even a cursory review of the contractual arrangements shows that what Suffolk has is at best a mere “hunting license” to act as British Telecom’s agent in pursuing licensing. But this does not suffice for purposes of conferring standing, however much British Telecom may want to use Suffolk as a convenient shell entity on which to pin discovery obligations and negative publicity. By reserving numerous substantial rights for itself, [REDACTED] British Telecom has made it such that Suffolk does not have standing to maintain this suit.

A. Suffolk's [REDACTED] does not overcome its lack of a proprietary interest so as to create standing.

As set forth above, “[a] ‘right to sue’ provision within a license cannot, of its own force, confer standing on a bare licensee.” *Textile Prods., Inc. v. Mead Corp.*, 134 F.3d 1481, 1485 (Fed. Cir. 1998); accord, e.g., *Ortho Pharm.*, 52 F.3d at 1034; *Prima Tek II*, 222 F.3d at 1381 (citing *Crown Die*); *Propat*, 473 F.3d at 1190. The Federal Circuit has repeatedly denied even constitutional standing to would-be plaintiffs who relied on a contractual right to sue to support their claim to federal jurisdiction.

In *Ortho Pharm.*, for example, the Federal Circuit affirmed dismissal even though the plaintiff there also held a contractual right to sue. 52 F.3d at 1034. While recognizing that contractual terms may “regulate the duties between the licensor and licensee to implement [their] rights,” the court found that because the plaintiff was neither the owner nor an exclusive licensee, it “ha[d] no inherent or implied right to sue which the clause regulates as between the parties.” *Id.* Therefore, “the right to sue clause ha[d] no effect on [its] standing, one way or the other.” *Id.*

Similarly, in *Morrow*, the court reversed the district court’s denial of the defendant’s motion to dismiss for lack of standing, even though the owner of the patents was present in the case as a party defendant. 499 F.3d at 1344. The plaintiff had the contractual right to bring infringement suits, but there was “no indication . . . that [it] holds the right to make, use, or sell the invention of the ’647 patent, much less the exclusive right to do any of these things with the patented technology.” *Id.* at 1338. Consequently, it did not have standing even to sue as a co-plaintiff. *Id.* at 1344.

And in *Propat*, the plaintiff claimed standing under a license which delegated to it the right to sue and sublicense suspected infringers. 473 F.3d at 1190. Because the license did not sufficiently transfer ownership of proprietary rights in the patent to permit the plaintiff to sue either alone or as co-plaintiff, the court likewise affirmed dismissal of the case for lack of subject matter jurisdiction. *Id.* at 1194. See also *Textile Prods.*, 134 F.3d at 1485 (“Even if this

provision were read broadly to give Textile an independent right to sue in Mead's name, such a provision would be ineffectual of its own force.”).

The [REDACTED]

therefore do not suffice in and of themselves to give Suffolk even constitutional standing to sue as co-plaintiff, let alone standing to sue on its own. This court’s jurisdiction over this case consequently turns on the substance of the rights conveyed to Suffolk. As explained below, those rights do not constitute a proprietary interest sufficient for standing.

**B. Because Suffolk [REDACTED],
Crown Die prohibits Suffolk from seeking to exclude others from doing so.**

In *Crown Die*, the Supreme Court long ago established that “the right to exclude others conferred in a patent can only be conferred upon one who has the common-law right to use, make and vend.” 261 U.S. at 39. The Court sharply criticized arrangements [REDACTED] in which a patentee attempts to carve out the right to exclude others from practicing the patented invention and transfer that right, and only that right, to another party for the purpose of launching a litigation campaign. The plaintiff in that case, Nye, had purchased all exclusionary rights and legal claims under a patent with respect to a specific company: Nye’s competitor Crown Die. *Id.* at 24-26 (reciting contract terms). The agreement was silent as to whether it conveyed to Nye any right to practice the claimed invention. *Id.* The district court dismissed the case, the Court of Appeals reversed, and the Supreme Court reversed the Court of Appeals and affirmed the dismissal. *Id.* at 44. As the Supreme Court held, a patentee cannot “divide up the monopoly of patent property so that the patentee retains the right to make, use and vend, but gives to many different individuals the right to sue certain named infringers, respectively, and that with the sole motive of harassing them such as is avowed in the recitals of the instrument before us.” *Id.* at 38-39. Since *Crown Die*, the Federal Circuit has continued to deny standing to plaintiffs when their putative right to sue is not expressly accompanied by a right to practice the claimed invention.⁵ See *Prima Tek II*, 222 F.3d at 1375, 1379, 1382; *Propat*, 473 F.3d at 1194.

⁵ Of course, the bare right to practice is not sufficient for standing; the right must be exclusive. *E.g.*, *Propat*, 473 F.3d at 1193 (“[A]n infringement action brought by a bare licensee must be dismissed.”).

Here, as in *Crown Die*, Suffolk was granted rights for the sole purpose of “stir[ring] up litigation” for British Telecom’s benefit and on British Telecom’s behalf, without any burden on British Telecom by way of discovery obligations, negative publicity, or otherwise. Exhs. A p. 1 (Recitals) & G p. 2 (definition of “Business”), *cf. Crown Die*, 271 U.S. at 39. Most importantly,

Exh. G p. 2 (definition of “Business”) & § 5.1.1 (

). But under *Crown Die*, British Telecom and IPValue cannot

. See *Crown Die*, 261 U.S. at 37 (“The idea of monopoly held by one in making, using and vending connotes the right in him to do that thing from which he excludes others.”). Following *Crown Die*, district courts faced with conclude

that such transfers “amount[] to nothing more than the disguised grant of a ‘bare right to sue’” and deny standing. *Diodem, LLC v. Lumenis Inc.*, No. CV03-2142, 2005 WL 6219898 at *10 (C.D. Cal. Sept. 14, 2005) (emphases in original);⁶ *accord. E8 Pharms. LLC v. Affymetrix, Inc.*, 680 F. Supp. 2d 292, 297 (D. Mass. 2010) (granting motion to dismiss;

”); *Nat’l Licensing Ass’n, LLC v. Inland Joseph Fruit Co.*, 361 F. Supp. 2d 1244, 1252-53 & n.10 (E.D. Wa. 2004) (dismissing case; “”).

⁶ A copy of this case is attached as Exhibit J to the Miksch Declaration for the convenience of the Court.

C. Even setting aside [REDACTED], Suffolk's rights in the asserted patents are nothing more than a "hunting license" that fails to confer standing under well-established law.

For any putative transfer of patent rights, whether that transfer qualifies as an assignment or an exclusive license "does not depend upon the name by which it calls itself, but upon the legal effect of its provisions." *Waterman v. Mackenzie*, 138 U.S. 252, 256 (1891). "[W]hat matters is the substance of the arrangement;" the parties' terminology is "not controlling." *E.g.*, *Textile Prods. v. Mead Corp.*, 134 F.3d 1481, 1484 (Fed. Cir. 1998); *Ortho Pharm.*, 52 F.3d at 1030, 1032. When reviewing an agreement for standing purposes, courts consider not only the rights transferred to the licensee, but also those retained by the licensor. *Intellectual Prop.*, 248 F.3d at 1342. Courts are not to elevate any particular provision over others, but are to evaluate such agreements as a whole. *See AsymmetRx, Inc. v. Biocare Med., LLC*, 582 F.3d 1314, 1321 (Fed. Cir. 2009) ("While any of these restrictions alone might not have been destructive of the transfer of all substantial rights, their totality is sufficient to do so.").

Courts will dismiss suits even by plaintiffs who claim standing pursuant to an agreement using the term "assignment" where the substance of the agreement shows that the plaintiff did not actually acquire proprietary rights. In *Penril Datacomm Networks, Inc. v. Rockwell International Corp.*, for example, the court dismissed the case for lack of standing even though, [REDACTED] the plaintiff sued pursuant to an "assignment" that purported to transfer an "undivided ownership interest in the patent." 934 F. Supp. 708, 710 (D. Md. 1996). The court found that [REDACTED] "the Agreement imposes such terms and conditions on [the plaintiff] that [the patentee] has effectively taken away what the Assignment has purportedly given." *Id.* Specifically, the plaintiff was *required* to "use its best efforts to license [] third parties," and the patentee had the right to terminate the agreement if the plaintiff did not fulfill that obligation. *Id.* at 711. Consequently, even though the plaintiff held legal title to the patent and the contractual right to sue, *id.* at 712, it was merely a "bare licensee" without standing because it had no genuine proprietary interest in the patent, *id.* at 711.

In *Verve, LLC v. Thales E-Transactions, Inc.*, too, the court evaluated an agreement that likewise stated that the patentee assigned "all right, title and interest in the patents, including" the

right to sue for past and present infringement.⁷ No. Civ. 05-40032, 2006 WL 800754 at *1 (E.D. Mich., March 27, 2006). The court recognized that the “mere declaration that all rights to the patent had been assigned to Verve, however, is insufficient to establish that Verve has ‘substantial rights’ to the patent.” *Id.* at *3. The court evaluated the substance of the agreement, which [REDACTED] provided that the patentee was to receive a substantial portion of the licensing revenue, to share the burden of any litigation expenses given that they were to be deducted from the proceeds to be shared, required the plaintiff to use its “best efforts to maximize” the licensing revenue, and required the plaintiff to provide quarterly reports, maintain thorough records, and permit the patentee to examine its books. *Id.* at *3-4. On those facts, the court found that the plaintiff, Verve, was neither the holder of “all substantial rights” nor even an “exclusive licensee,” *id.* at *4, and consequently dismissed the case.

The same course of action is warranted here. The substance of the BT Agreement is more like a “hunting license” than a genuine transfer of “all substantial rights” in the patents, despite [REDACTED] [REDACTED] [REDACTED] §§ 2.1, 2.3, 5.1.1, 5.1.4; *cf. Propat*, 473 F.3d at 1194 (“[T]he parties did not envision that [the plaintiff in the lawsuit] would practice the patent, but instead contemplated that [it] would be involved only in licensing and litigation.”). And while [REDACTED] from enforcement is not dispositive, it “is consistent with [the patentee’s] retaining ownership rights in the patent, while allocating to [the licensee] the duty to provide licensing and enforcement services.” *Propat*, 473 F.3d at 1191. In addition, [REDACTED] [REDACTED]. Exh. G § 5.1.4. The plaintiff in *Propat* [REDACTED], which the Federal Circuit characterized as “more consistent with the status of an agent than a co-owner.” 473 F.3d at 1194. (Here, IPValue [REDACTED])

⁷ A copy of this case is attached as Exhibit K to the Miksch Declaration for the convenience of the Court.

[REDACTED] Exh. G §§ 5.1.3, 5.1.7(g).)

Also as in *Propat*, [REDACTED]
[REDACTED]
473 F.3d at 1191-92; Exh. G § 5.1.4. [REDACTED] is “yet another indication that [it] retains a significant ownership interest in the patent.” *Propat*, 473 F.3d at 1191-92. Moreover, it proves that [REDACTED]

[REDACTED] as would be the case in a true ownership assignment. The BT Agreement states that [REDACTED]

See Exh. G § 2.2(a). If Suffolk truly had [REDACTED]

Cf. E8, 680 F. Supp. 2d at 298 (dismissing non-exclusive licensee; [REDACTED])

BT Newgate’s [REDACTED], Exh. G §§ 2.4, 2.5, further undercuts any claim that it transferred “all substantial rights” to IPValue. *Abbott Labs. v. Diamedix Corp.*, 47 F.3d 1128, 1132 (Fed. Cir. 1995) (licensor retained substantial rights such that licensee lacked independent right to sue where, *inter alia*, [REDACTED])

Given this litany of restrictions on the transferred rights, IPValue never acquired “all substantial rights” in the asserted patents and therefore did not—because it could not—transfer “all substantial rights” in them to Suffolk. See *Prima Tek II*, 222 F.3d at 1382 (licensee cannot convey more rights than it has). Even if Suffolk did have a genuine proprietary interest in the patents (which it does not), it could not maintain this suit alone, but would have to join BT Newgate as a co-plaintiff. E.g., *Ortho Pharm.*, 52 F.3d at 1030.

D. The jurisdictional problems in this case require dismissal.

Suffolk cannot cure its lack of standing by entering into some new arrangement with British Telecom. A plaintiff must have standing when it files its complaint. *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 570 n. 5 (1992); *Paradise Creations, Inc. v. UV Sales, Inc.*, 315 F.3d 1304, 1308 (Fed. Cir. 2003). Thus, a patent-infringement plaintiff cannot cure a defect in standing through a “nunc pro tunc” agreement with a retroactive effective date. *Enzo APA & Son, Inc. v. Geapag A.G.*, 134 F.3d 1090, 1092 (Fed. Cir. 1998). If the plaintiff lacked constitutional standing when it filed its complaint, as did Suffolk, the Court must dismiss the action. (Should the Court find that Suffolk does qualify as an exclusive licensee, that would mean only that Suffolk could remain a plaintiff—the case still could not proceed without joining the true owner of the patents, BT Newgate. *See AsymmetRx*, 582 F.3d at 1321 (vacating summary judgment where plaintiff was merely an exclusive licensee and patentee was not a party because “[the patentee], by retaining the various rights to its patents, must join in any infringement suit its licensee chooses to bring.”).)

V. CONCLUSION

For the foregoing reasons, Defendants respectfully request that the Court dismiss Suffolk’s complaint in its entirety.

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CERTIFICATE OF SERVICE

I hereby certify that on October 26, 2012, I will electronically file the foregoing with the Clerk of Court using the CM/ECF system, which will send a notification of such filing (NEF) to the following:

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