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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

ODYSSEY WIRELESS, INC.,  
  
Plaintiff,  
  
v.  
  
APPLE INC.,  
  
Defendant.

Case No.: 15-cv-01735-H-RBB

**ORDER DENYING MOTION TO  
DISMISS FOR LACK OF  
STANDING**

[Doc. No. 186.]

ODYSSEY WIRELESS, INC.,  
  
Plaintiff,  
  
v.  
  
SAMSUNG ELECTRONICS CO., LTD.;  
and SAMSUNG ELECTRONICS  
AMERICA, INC.,  
  
Defendants.

Case No.: 15-cv-1738-H-RBB

**ORDER DENYING MOTION TO  
DISMISS FOR LACK OF  
STANDING**

[Doc. No. 226.]

1 ODYSSEY WIRELESS, INC.,  
2 Plaintiff,  
3 v.  
4 MOTOROLA MOBILITY LLC,  
5 Defendant.

Case No.: 15-cv-1741-H-RBB

**ORDER DENYING MOTION TO  
DISMISS FOR LACK OF  
STANDING**

[Doc. No. 177.]

8 ODYSSEY WIRELESS, INC.,  
9 Plaintiff,  
10 v.  
11 LG ELECTRONICS U.S.A., INC.; LG  
12 ELECTRONICS MOBILECOMM  
13 U.S.A., INC.,  
14 Defendants.

Case No.: 15-cv-1743-H-RBB

**ORDER DENYING MOTION TO  
DISMISS FOR LACK OF  
STANDING**

[Doc. No. 183.]

16 On June 7 and 8, 2016, the Defendants in the above four actions filed in each of the  
17 actions a motion to dismiss for lack of standing. (15-cv-1735-Doc. No. 186; 15-cv-1738-  
18 Doc. No. 226; 15-cv-1741-Doc. No. 177; 15-cv-1743-Doc. No. 183.) On June 20, 2016,  
19 Plaintiff Odyssey Wireless, Inc. filed its opposition to the motion to dismiss. (15-cv-1735-  
20 Doc. No. 202; 15-cv-1738-Doc. No. 242; 15-cv-1741-Doc. No. 189; 15-cv-1743-Doc. No.  
21 197.) On June 24, 2016, Defendants filed their reply. (15-cv-1735-Doc. No. 210; 15-cv-  
22 1738-Doc. No. 250; 15-cv-1741-Doc. No. 195; 15-cv-1743-Doc. No. 203.)

23 The Court held a hearing on the matter on June 29, 2016. John B. Campbell, Kevin  
24 L. Burgess, Roderick G. Dorman, and Alison P. Adema appeared for Plaintiff Odyssey  
25 Wireless. Benjamin G. Damstedt, Dena Chen, and Lowell D. Mead appeared for  
26 Defendant Apple Inc. Christopher Kennerly and Elizabeth L. Brann appeared for  
27

1 Defendant Samsung.<sup>1</sup> Amr O. Aly and Jeong Ah Joy Lee appeared for Defendant Motorola  
2 Mobility LLC. Steven M. Lieberman and Donald G. Rez appeared for Defendant LG.<sup>2</sup>  
3 For the reasons below, the Court denies Defendants’ motion to dismiss.

4 **Background**

5 On August 29, 2014, Plaintiff filed four separate actions for patent infringement in  
6 the United States District Court for the Eastern District of North Carolina against  
7 Defendants Apple, Samsung, LG, and Motorola. (15-cv-1735-Doc. No. 1; 15-cv-1738-  
8 Doc. No. 1; 15-cv-1741-Doc. No. 1; 15-cv-1743-Doc. No. 1.) In November 2014, Plaintiff  
9 filed a first amended complaint in each of the four actions against the Defendants, alleging  
10 infringement of U.S. Patent Nos. 7,881,393; 8,199,837; 8,576,940; 8,660,169; 8,855,230;  
11 and 8,879,606.<sup>3</sup> (15-cv-1735-Doc. No. 37; 15-cv-1738-Doc. No. 37; 15-cv-1741-Doc. No.  
12 33; 15-cv-1743-Doc. No. 30.) On August 5, 2015, the four actions were transferred to the  
13 United States District Court for the Southern District of California. (15-cv-1735-Doc. No.  
14 85; 15-cv-1738-Doc. No. 92; 15-cv-1741-Doc. No. 61; 15-cv-1743-Doc. No. 72.) On  
15 March 30, 2016, the Court issued a claim construction order in each of the actions. (15-  
16 cv-1735-Doc. No. 169; 15-cv-1738-Doc. No. 178; 15-cv-1741-Doc. No. 152; 15-cv-1743-  
17 Doc. No. 155.)

18 Each of the patents-in-suit lists on its face Peter D. Karabinis as the inventor and  
19 EICES Research, Inc. as the assignee of the patent. (Doc. Nos. 37-2 to 37-7, FAC Exs. A-  
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21  
22 <sup>1</sup> Defendant “Samsung” consists of Samsung Electronics Co., Ltd. and Samsung Electronics  
23 America, Inc.

24 <sup>2</sup> Defendant “LG” consists of LG Electronics U.S.A., Inc. and LG Electronics Mobilecomm  
25 U.S.A., Inc.

26 <sup>3</sup> Plaintiff no longer asserts any claims from the ’169 patent. (15-cv-1735-Doc. No. 183-19, Ex.  
27 34.)

1 F.)<sup>4</sup> Dr. Karabinis is the Founder and Chief Technology Officer of EICES. (Doc. No. 37,  
2 FAC ¶ 17; Doc. No. 195-14, Ex. 23.) EICES is the predecessor of Plaintiff Odyssey  
3 Wireless. (Doc. No. 42.)

4 In April 2001, Mobile Satellite Ventures (“MSV”) hired Dr. Karabinis to be its Vice  
5 President and Chief Technical Officer. (Doc. No. 195-10, Ex. 19.) Near the beginning of  
6 his employment, Dr. Karabinis entered into an intellectual property and confidential  
7 information agreement with MSV. (Doc. No. 195-1, Ex. 1; see also Doc. No. 195-2, Ex.  
8 2.) The agreement contained the following provision:

9 (a) Ownership: I[, Peter Karabinis,] agree that MSV shall own, and I  
10 hereby grant to MSV, all right, title and interest in and to all proprietary rights,  
11 including but not limited to copyrights, patents, trademarks, and trade secrets,  
12 in all work product, developments, inventions, or other materials produced by  
13 me (“Works”) which refer to or result from my work for MSV during my  
14 employment by MSV and which relate to MSV’s current, anticipated, or  
15 prospective business activities –

16 (1) whether I developed the Works alone or jointly with others,  
17 including both other employees of MSV or its customers or prospective  
18 customers;

19 (2) whether or not the work resulting in any inventions took place  
20 during regular working hours; and

21 (3) whether or not the work results in any inventions that are patentable  
22 or eligible for copyright protection.

23 (Doc. No. 195-1, Ex. 1 § 3(a).) Dr. Karabinis remained employed by MSV and its  
24 successors-in-interest until October 2010. (Doc. No. 195-11, Ex. 20.) In this motion,  
25 Defendants move to dismiss the present actions for lack of standing based on Dr.  
26 Karabinis’s employment agreement with MSV. (Doc. No. 195.)

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27 <sup>4</sup> For the remainder of this Order, all docket citations are to the docket in Case No. 15-cv-1735  
28 unless otherwise noted.

1 **Discussion**

2 **I. Legal Standards**

3 The question of standing to sue in a patent case is jurisdictional. SiRF Tech., Inc. v.  
4 Int'l Trade Comm'n, 601 F.3d 1319, 1325 (Fed. Cir. 2010); Rite-Hite Corp. v. Kelley Co.,  
5 56 F.3d 1538, 1551 (Fed. Cir. 1995) (en banc). “Standing is a constitutional requirement  
6 pursuant to Article III and it is a threshold jurisdictional issue.” Abraxis Bioscience, Inc.  
7 v. Navinta LLC, 625 F.3d 1359, 1363 (Fed. Cir. 2010) (citing Lujan v. Defenders of  
8 Wildlife, 504 U.S. 555, 560–61 (1992)). “A court may exercise jurisdiction only if a  
9 plaintiff has standing to sue on the date it files suit.” Id. at 1364. “Thus, ‘if the original  
10 plaintiff lacked Article III initial standing, the suit must be dismissed, and the jurisdictional  
11 defect cannot be cured’ after the inception of the lawsuit.” Id. “The party bringing the  
12 action bears the burden of establishing that it has standing.” Sicom Sys., Ltd. v. Agilent  
13 Techs., Inc., 427 F.3d 971, 976 (Fed. Cir. 2005); see Abbott Point of Care Inc. v. Epocal,  
14 Inc., 666 F.3d 1299, 1302 (Fed. Cir. 2012).

15 “Standing to sue for infringement stems from the Patent Act.” Isr. Bio-Eng'g  
16 Project v. Amgen, Inc., 475 F.3d 1256, 1264 (Fed. Cir. 2007). 35 U.S.C. § 281 provides:  
17 “A patentee shall have remedy by civil action for infringement of his patent.” 35 U.S.C. §  
18 100(d) defines “patentee” to include “not only the patentee to whom the patent was issued  
19 but also the successors in title to the patentee.” “Those provisions of the Patent Act have  
20 been interpreted to require that a suit for infringement of patent rights ordinarily be brought  
21 by a party holding legal title to the patent.” Propat Int'l Corp. v. Rpost, Inc., 473 F.3d  
22 1187, 1189 (Fed. Cir. 2007); see Speedplay, Inc. v. Bebop, Inc., 211 F.3d 1245, 1249–50  
23 (Fed. Cir. 2000) (“A party may bring an action for patent infringement only if it is the  
24 ‘patentee,’ i.e., if it owns the patent, either by issuance or by assignment.”); see also Aspex  
25 Eyewear, Inc. v. Miracle Optics, Inc., 434 F.3d 1336, 1341 (Fed. Cir. 2006) (“[The  
26 essential issue regarding the right to sue on a patent is who owns the patent.”).

1 Because standing pertains to a federal court’s subject-matter jurisdiction under  
2 Article III, it is “properly raised in a motion to dismiss under Federal Rule of Civil  
3 Procedure 12(b)(1).” White v. Lee, 227 F.3d 1214, 1242 (9th Cir. 2000); see, e.g., Seoul  
4 Laser Dieboard Sys. Co. v. Serviform, S.r.l., 957 F. Supp. 2d 1189, 1193–95 (S.D. Cal.  
5 2013). “Rule 12(b)(1) jurisdictional attacks can be either facial or factual.” White, 227  
6 F.3d at 1242. “In a facial attack, the challenger asserts that the allegations contained in a  
7 complaint are insufficient on their face to invoke federal jurisdiction. By contrast, in a  
8 factual attack, the challenger disputes the truth of the allegations that, by themselves, would  
9 otherwise invoke federal jurisdiction.” Safe Air for Everyone v. Meyer, 373 F.3d 1035,  
10 1039 (9th Cir. 2004).

11 “In resolving a factual attack on jurisdiction, the district court may review evidence  
12 beyond the complaint without converting the motion to dismiss into a motion for summary  
13 judgment.” Id. “The court need not presume the truthfulness of the plaintiff’s allegations.”  
14 Id. “Once the moving party has converted the motion to dismiss into a factual motion by  
15 presenting affidavits or other evidence properly brought before the court, the party  
16 opposing the motion must furnish affidavits or other evidence necessary to satisfy its  
17 burden of establishing subject matter jurisdiction.” Savage v. Glendale Union High Sch.,  
18 343 F.3d 1036, 1039 n.2 (9th Cir. 2003).

## 19 **II. Analysis**

20 Defendants argue that Plaintiff lacks standing to sue in the present cases because Dr.  
21 Karabinis assigned away his rights to the patents-in-suit through his employment  
22 agreement with MSV. (Doc. No. 195 at 16.) In response, Plaintiff argues that it has  
23 satisfied its burden of proving that it has standing based on the recorded assignments for  
24 the patents-in-suit from Dr. Karabinis to Plaintiff’s predecessor, EICES. (Doc. No. 202 at  
25 10-11.) Further, Plaintiff argues that Defendants have failed to carry their burden of  
26 showing that the patents-in-suit are subject to Dr. Karabinis’s employment agreement with  
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1 MSV. (Id. at 11-22.)

2 As the party bringing the present actions, Plaintiff bears the burden of establishing  
3 that it has standing. See Sicom Sys., 427 F.3d at 976; Abbott Point, 666 F.3d at 1302. In  
4 an effort to satisfy its burden, Plaintiff relies on the recorded assignments for the patents-  
5 in-suit. (Doc. No. 202 at 10-11.) Each of the patents-in-suit lists on its face Dr. Karabinis  
6 as the inventor of the patent and EICES as the assignee of the patent. (Doc. Nos. 37-2 to  
7 37-7, FAC Exs. A-F.) In addition, Plaintiff has produced recorded assignments for the  
8 relevant applications of the patents-in-suit showing that the applications were assigned  
9 from Dr. Karabinis to EICES. (Doc. Nos. 199-6 to 199-10, Karabinis Decl. Exs. D-H.)  
10 EICES is Plaintiff’s predecessor.<sup>5</sup> (Doc. No. 42.) The recording of an assignment with the  
11 PTO “creates a presumption of validity as to the assignment and places the burden to rebut  
12 such a showing on one challenging the assignment.” SiRF, 601 F.3d at 1328; see also  
13 Nartron Corp. v. Schukra U.S.A. Inc., 558 F.3d 1352, 1356 (Fed. Cir. 2009) (“The  
14 inventors as named in an issued patent are presumed to be correct.”).

15 The record reflects that Dr. Karabinis is listed as the inventor on the issued patents  
16 and that Plaintiff’s predecessor EICES is listed as the assignee on the issued patents. As a  
17 result, Plaintiff satisfies its initial burden of establishing that it has standing. See SiRF,  
18 601 F.3d at 1327-28; see also, e.g., Dow Chem. Co. v. Nova Chemicals Corp. (Canada),  
19 458 F. App’x 910, 912 (Fed. Cir. 2012); US SolarTech, Inc. v. j-fiber, GmbH, No. CIV.A.  
20 06-10293-RWZ, 2013 WL 1755212, at \*4 (D. Mass. Apr. 24, 2013). Further, Plaintiff’s  
21 showing is sufficient to shift the burden to Defendants to rebut the validity of those  
22 assignments. See id.

23 In an effort to carry their burden of rebutting the validity of the assignments from  
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26 <sup>5</sup> Defendants do not challenge the fact that EICES is Plaintiff’s predecessor or the validity of the  
27 transfer of rights to the patents-in-suit, if any, from EICES to Plaintiff. (See Doc. No. 195 at 2, 10  
(Defendants’ motion to dismiss stating that EICES was renamed as Odyssey Wireless).)

1 Dr. Karabinis to EICES, Defendants rely on the terms and conditions contained in Dr.  
2 Karabinis’s employment agreement with MSV. (Doc. No. 195 at 1-2, 11-24.) Specifically,  
3 Defendants argue that under the “Ownership” clause in the agreement, Dr. Karabinis  
4 assigned away all of his rights to the patents-in-suit to MSV. (*Id.*) See *Abraxis*, 625 F.3d  
5 at 1367 (“Abraxis’s complaint must be dismissed because Abraxis lacked standing at the  
6 time the action was filed and continues to lack standing to sue for past infringement. . . .  
7 Without ownership, AZ–UK had no authority to convey either the patents’ equitable or  
8 legal titles to Abraxis.”). The relevant provision in the employment agreement provides:

9 (a) Ownership: I[, Peter Karabinis,] agree that MSV shall own, and I hereby  
10 grant to MSV, all right, title and interest in and to all proprietary rights,  
11 including but not limited to copyrights, patents, trademarks, and trade secrets,  
12 in all work product, developments, inventions, or other materials produced by  
13 me (“Works”) which refer to or result from my work for MSV during my  
14 employment by MSV and which relate to MSV’s current, anticipated, or  
15 prospective business activities . . . .

16 (Doc. No. 195-1, Ex. 1 § 3(a).)

17 “Construction of patent assignment agreements is a matter of state contract law.”  
18 *Mars, Inc. v. Coin Acceptors, Inc.*, 527 F.3d 1359, 1370 (Fed. Cir. 2008); see *Abbott Point*  
19 *of Care*, 666 F.3d at 1302; see also *MyMail, Ltd. v. Am. Online, Inc.*, 476 F.3d 1372, 1375  
20 (Fed. Cir. 2007) (“State law . . . governs the question of who has legal title” of a patent.).  
21 The employment agreement contains a provision stating that it is subject to and should be  
22 construed in accordance with Virginia law. (Doc. No. 195-1, Ex. 1 § 4(d).)

23 Under Virginia law, “[c]ontracts between parties are subject to basic rules of  
24 interpretation. Contracts are construed as written, without adding terms that were not  
25 included by the parties.” *TM Delmarva Power, L.L.C. v. NCP of Virginia, L.L.C.*, 263 Va.  
26 116, 119 (2002). “Where the terms in a contract are clear and unambiguous, the contract  
27 is construed according to its plain meaning.” *Id.* But, “when a contract is ambiguous it is  
28 necessary to resort to parol evidence to ascertain the intention of the parties.” *Online Res.*



1 Corp. v. Lawlor, 285 Va. 40, 54 (2013); accord Video Zone, Inc. v. KF & F Properties,  
2 L.C., 267 Va. 621, 626 (2004); see also DDB Techs., L.L.C. v. MLB Advanced Media,  
3 L.P., 517 F.3d 1284, 1292 (Fed. Cir. 2008) (finding it necessary to resort to extrinsic  
4 evidence because the contractual language at issue was ambiguous). “Parol evidence ‘is  
5 admissible, not to contradict or vary contract terms, but to establish the real contract  
6 between the parties.’” Video Zone, 267 Va. at 626. “The language of a contract is  
7 ambiguous if ‘it may be understood in more than one way or when it refers to two or more  
8 things at the same time.’” Id. at 625; see also Cascades N. Venture Ltd. P’ship v. PRC  
9 Inc., 249 Va. 574, 579 (1995) (“An ambiguity exists when language is of doubtful import,  
10 admits of being understood in more than one way, admits of two or more meanings, or  
11 refers to two or more things at the same time.”). Whether a contract term is ambiguous is  
12 a question of law. Plunkett v. Plunkett, 271 Va. 162, 167 (2006).

13 Defendants are correct that under Federal Circuit precedent, the “hereby grants”  
14 language contained in the “Ownership” clause of the agreement automatically assigns all  
15 rights to MSV to any future inventions by Dr. Karabinis that are covered under the  
16 agreement as soon as they are created. See Imation Corp. v. Koninklijke Philips Elecs.  
17 N.V., 586 F.3d 980, 986 (Fed. Cir. 2009); DDB Techs., 517 F.3d at 1290 & n.3. No  
18 additional act of assignment is needed with respect to inventions covered under the  
19 agreement. See id. But it is important to note that the “Ownership” clause does not cover  
20 any and all inventions by Dr. Karabinis. Rather, the clause is limited in its scope. The  
21 “Ownership” clause only transfers rights in an invention/patent from Dr. Karabinis to MSV  
22 if the invention “refer[s] to or result[s] from [Dr. Karabinis’s] work for MSV during [his]  
23 employment by MSV” and it “relate[s] to MSV’s current, anticipated, or prospective  
24 business activities.” (Doc. No. 195-1, Ex. 1 § 3(a).) Therefore, for MSV to be the owner  
25 of the patents-in-suit, Defendants must show that the patents-in-suit refer to or result from  
26 Dr. Karabinis’ work for MSV and that they relate to MSV’s current, anticipated, or  
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1 prospective business activities.

2 The terms “work for MSV” and “MSV’s current, anticipated, or prospective  
3 business activities” are not expressly defined in the agreement, and the meaning of the  
4 terms is not apparent from the face of the agreement. Because these terms could be  
5 understood in multiple ways, they are ambiguous, and it is necessary to resort to extrinsic  
6 evidence to ascertain the intention of the parties. See Online Res., 285 Va. at 54; Video  
7 Zone, 267 Va. at 625-26; see, e.g., SiRF, 601 F.3d at 1326-27 (finding a similar clause  
8 “inherently ambiguous”).

9 Defendants argue that the patents-in-suit are subject to the agreement because they  
10 relate to Karabinis’s work for MSV and relate to MSV’s business activities. (Doc. No. 195  
11 at 15-24.) Defendants explain that the patents-in-suit all relate to wireless communication  
12 systems and methods, and MSV was a wireless communications company that worked on  
13 both satellite and terrestrial networks. (Id. at 1-2, 6-8, 15-19, 23-24; see Doc. Nos. 37-2 to  
14 37-7, FAC Exs. A-F; Doc. No. 186-8, Ex. 13 at 3-4; Doc. No. 186-9, Ex. 14; Doc. No. 195-  
15 14 Ex. 23.) Defendants contend that the patents-in-suit, thus, fall within the broad scope  
16 of MSV’s business activities. (Doc. No. 195 at 23.) Defendants further argue that the  
17 patents-in-suit address the specific issue of reducing interference to GPS receivers from  
18 terrestrial communications in the “L-band” of frequencies, which was at the heart of  
19 MSV’s wireless communications business. (Id. at 1-2, 6-8, 11, 19-22; Doc. No. 210 at 6-  
20 8; see ’393 Patent at 24:44-64, fig. 8; Doc. No. 186-8, Ex. 13 at 3, 7-8; Doc. No. 195-9,  
21 Ex. 18.)

22 In response, Plaintiff disputes Defendants’ contention that the patents-in-suit relate  
23 to Dr. Karabinis’s work at MSV or MSV’s business activities. Plaintiff contends that in  
24 arguing that the patents-in-suit relate to MSV’s business activities because they generally  
25 relate to wireless communications, Defendants view Dr. Karabinis’s work for MSV at too  
26 high a level of abstraction. (Doc. No. 202 at 15.) Plaintiff explains that MSV’s specific  
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1 business activities during Karabinis’s employment was repurposing and adapting satellite  
2 communication frequencies for use in terrestrial cellular communications. (Doc. No. 202  
3 at 4, 13-19; see Doc. No. 202-1, Karabinis Decl. ¶¶ 4-5, 10; Doc. No. 202-2, Ex. A at 2;  
4 Doc. No. 199-2, Scheiner Decl. ¶ 7; Doc. No. 199-3 Singh Decl. ¶ 7.) That this was the  
5 scope of MSV’s business activities is reflected in Defendants’ own evidence. (See Doc.  
6 No. 186-8, Ex. 13 at 1; Doc. No. 208-4, Ex. 50 at 3-6.) Plaintiff argues that although MSV  
7 contemplated that its communications system would allow for the use of various wireless  
8 communication protocols (such as GSM or CDMA), MSV was not involved in designing  
9 or developing those protocols.<sup>6</sup> (Doc. No. 202 at 15.) Plaintiff further contends that MSV’s  
10 business activities never contemplated the use of new and different waveforms, which are  
11 the subject of the patents-in-suit. (Doc. No. 202 at 5, 15-18; see Doc. No. 202-1, Karabinis  
12 Decl. ¶¶ 11, 17-19; ’837 Patent (abstract).) Plaintiff, thus, argues that the patents-in-suit  
13 do not relate to Dr. Karabinis’s work at MSV or MSV’s business activities.<sup>7</sup> Plaintiff’s  
14 arguments are persuasive.

15 Further, Plaintiff’s position is strongly supported by the conduct of the parties to the  
16 employment agreement. The conduct of the parties in relation to a contract is entitled to  
17 great weight. See Robinson-Huntley v. George Washington Carver Mut. Homes Ass’n,  
18 Inc., 287 Va. 425, 431 (2014) (“[T]he acts of the parties in relation to a contract establish  
19 a practical construction of it. ‘The practical construction of a contract by the parties  
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22 <sup>6</sup> Plaintiff provides the following analogy: “[A] company focused on expanding infrastructure by  
23 building roadways (here, the system contemplated by MSV) could not be said to occupy the entire field  
24 of ground transportation merely because the roadways could accommodate various kind of cars (here,  
25 the protocols).” (Doc. No. 202 at 16.)

26 <sup>7</sup> Defendants argue that Plaintiff waived these arguments and the evidence supporting these  
27 arguments due to certain discovery misconduct that Plaintiff allegedly engaged in during this litigation.  
28 (Doc. No. 195 at 2-6, 14; Doc. No. 210 at 9.) The Court declines to consider this argument as  
Defendants never previously raised any of these purported discovery issues with the Court or formally  
moved for discovery sanctions.

1 themselves is entitled to great weight in determining its proper interpretation.” (citation  
2 omitted); DDB Techs., 517 F.3d at 1292 (“Under . . . general contract law, when a contract  
3 is ambiguous, ‘[c]onduct of the parties which indicates the construction that the parties  
4 themselves placed on the contract may . . . be considered in determining the parties’ true  
5 intent.”). First, Dr. Karabinis states that he required as a precondition to accepting  
6 employment with MSV, that he be able to continue to pursue on his own time ideas  
7 unrelated to his work for MSV. (Doc. No. 202-1, Karabinis Decl. ¶ 14.) This is consistent  
8 with the provisions in the agreement limiting the transfer of rights to only  
9 inventions/patents that “refer to or result from [his] work for MSV.” (Doc. No. 195-1, Ex.  
10 1 § 3(a).) Further, during his MSV employment, MSV was aware that Dr. Karabinis was  
11 doing work for his own company and filing patent applications related to the work he did  
12 for his own company. (Doc. No. 202-5, Karabinis Decl. ¶ 12; Doc. No. 199-2, Scheiner  
13 Decl. ¶ 4; Doc. No. 199-3, Singh Decl. ¶ 4; see, e.g., Doc. No. 202-1, Karabinis Decl. Ex.  
14 I.)

15 For example, Dr. Karabinis in 2005 began prosecuting the applications that  
16 eventually led to the patents-in-suit, and he used the same patent-prosecution counsel as  
17 MSV, but that counsel separately billed him. (Doc. No. 202-1, Karabinis Decl. ¶ 20.) That  
18 same patent-prosecution counsel would bill MSV for the prosecution of any inventions that  
19 Dr. Karabinis assigned to MSV. (Id.) As a result, MSV and MSV’s patent-prosecution  
20 counsel were aware of Dr. Karabinis’s prosecution of these applications. (Id. ¶ 22; Doc.  
21 No. 199-2, Scheiner Decl. ¶ 4; Doc. No. 199-3, Singh Decl. ¶ 4; see, e.g., Doc. No. 202-5,  
22 Karabinis Decl. Ex. I.)

23 Importantly, in 2007, Dr. Karabinis and MSV discussed a potential license to the  
24 invention reflected in U.S. Application No. 11/720,115. (Doc. No. 202-1, Karabinis Decl.  
25 ¶ 23.) The ’115 application issued as U.S. Patent No. 8,050,337. (Doc. No. 155-11, Ex.  
26 I.) All of the patents-in-suit are continuations or continuations-in-part of the ’337 patent  
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1 and, thus, are related. (See Doc. Nos. 37-2 to 37-7, FAC Exs. A-F; see also Doc. No. 153  
2 at 7 (Defendants’ claim construction brief describing the ’115 application as a parent to the  
3 patents-in-suit); Doc. No. 195 at 10 (Defendants’ motion to dismiss describing the ’115  
4 application as one of the applications that resulted in the patents-in-suit).) In an email dated  
5 November 20, 2007, MSV’s legal counsel, Randy Segal, stated to Dr. Karabinis: “In  
6 exchange for the licensed proposed, Alex<sup>[8]</sup> approved MSV paying the third party patent  
7 legal and filing and maintenance fees (with Mitch)<sup>[9]</sup> for your ‘cloak of invisibility’  
8 patent.”<sup>10</sup> (Doc. No. 202-5, Karabinis Decl. Ex. I.) Although Dr. Karabinis ultimately  
9 declined the offer, (Doc. No. 202-1, Karabinis Decl. ¶ 24), these discussions reflect that in  
10 2007, it was the parties’ understanding that Dr. Karabinis, not MSV, was the owner of the  
11 invention at issue – an invention that is the parent of and related to all of the patents-in-  
12 suit.<sup>11</sup> The Federal Circuit has explained that “evidence that the parties during performance  
13 agreed that [the employee’s] work leading to the patents in suit was not covered by the  
14 agreement [is] highly relevant, if not dispositive.” DDB Techs., 517 F.3d at 1292; see also  
15 SiRF, 601 F.3d at 1328 (explaining that the ITC correctly looked to the parties’ own  
16 interpretation of the contractual language “as being determinative”).

17 Defendants argue that the 2007 email should be given no weight because Ms. Segal

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18  
19 <sup>8</sup> MSV’s CEO at the time.

20 <sup>9</sup> MSV’s patent prosecution counsel at the time.

21 <sup>10</sup> The Court notes that the email was also sent to several other MSV executives.

22  
23 <sup>11</sup> In an effort to rebut the assertions and representations made in the November 20, 2007 email,  
24 Defendants have produced a declaration from John Whelan, who was intellectual property counsel to  
25 MSV during the relevant period. (See Doc. No. 208-1, Whelan Decl. ¶ 2.) The Court gives the after-  
26 the-fact statements set forth in the declaration little to no weight. Mr. Whelan is not the counsel that  
27 wrote and sent the November 20, 2007 email. Moreover, even though Mr. Whelan concedes that his  
28 email address is included in the “to” line of the email and that he is referenced in the body of the email,  
Mr. Whelan states that he has no specific recollection of this email or any discussions pertaining to this  
email. (Id. ¶ 11.)

1 refers to the invention at issue as the “stealth” patent and the “cloak of invisibility” patent.  
2 (See Doc. No. 202-5, Karabinis Decl. Ex. I.) Defendants argue that this shows that Ms.  
3 Segal failed to understand the scope of the invention at issue. But even if Ms. Segal did  
4 not have a full understanding of the scope of the invention at issue, it does not follow that  
5 MSV owns the rights to the invention. Rather, the email shows that Ms. Segal, after  
6 receiving authorization from MSV’s CEO, offered Dr. Karabinis a license to the invention,  
7 and Ms. Segal copied several other MSV executives on that communication. (Id.) This  
8 shows a contemporaneous course of conduct that supports Plaintiff’s position that Dr.  
9 Karabinis owned the rights to the inventions in question. Defendants have not adequately  
10 explained why MSV would offer a license to an invention that it already owned.

11 At no time during Dr. Karabinis’s MSV employment, did MSV suggest that it had  
12 any rights to the inventions at issue. (Doc. No. 202-1, Karabinis Decl. ¶ 25.) Further, MSV  
13 or its successors did not assert any rights to the patents-in-suit or the related applications  
14 until several years later, after Dr. Karabinis’s employment with the company had ended  
15 and only after Plaintiff commenced the present litigation. See DDB Techs., 517 F.3d at  
16 1292-93 (finding relevant that for a long period after the employee left the company, the  
17 company “did nothing to indicate that it believed it had an ownership interest in the patents  
18 in suit”). And when MSV finally asserted rights to the patents-in-suit, it initially  
19 equivocated. On December 11, 2014, MSV’s successor LightSquared emailed Plaintiff’s  
20 counsel and stated: “It appears to us at this point that the ownership of the patents-in-suit  
21 is more-likely controlled by the respective employment agreements to which Dr. Karabinis  
22 was subject during his employment with LightSquared and its predecessor entities.” (Doc.  
23 No. 195-20, Ex. 48.) But the email went on to state: “LightSquared presently takes no  
24 formal position as to whether or not the patents asserted by Dr. Karabinis/EICES meet th[e]  
25 ownership test” contained in the employment agreement. (Id.) Thus, even as of late 2014,  
26 MSV/LightSquared failed to affirmatively and definitively assert that it was the owner of  
27  
28

1 the patents-in-suit under terms of Dr. Karabinis’s employment agreement. It was not until  
2 February 2015 that LightSquared affirmatively stated: “[I]t is our position that MSV  
3 (LightSquared by succession) is the presumed owner of the patents-in-suit.” (Doc. No.  
4 195-4, Ex. 4.) The Court notes that despite this assertion of ownership in February 2015,  
5 there is no evidence in the record showing that LightSquared, or any other entity, has  
6 actually taken formal action against Plaintiff or Dr. Karabinis to contest Plaintiff’s  
7 ownership of the patents-in-suit.<sup>12</sup>

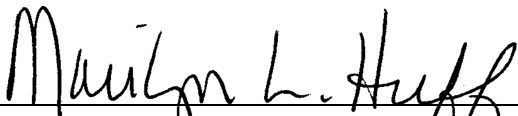
8 In sum, based on a review of the evidence in the record, the Court concludes that  
9 Defendants have failed to carry their burden of establishing that the recorded assignments  
10 of the patents-in-suit from Dr. Karabinis to EICES/Plaintiff are invalid. See SiRF, 601  
11 F.3d at 1328. Accordingly, the Court declines to dismiss the actions for lack of standing.

12 **Conclusion**

13 For the reasons above, the Court denies Defendants’ motions to dismiss for lack of  
14 standing.

15 **IT IS SO ORDERED.**

16 DATED: June 29, 2016

17   
18 MARILYN L. HUFF, District Judge  
19 UNITED STATES DISTRICT COURT  
20  
21

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22 <sup>12</sup> In addition, the Court notes that LightSquared’s assertion of ownership in the February 2015  
23 letter appears to rely on a faulty interpretation of the employment agreement. In the letter, LightSquared  
24 states that the terms and conditions of the employment agreement “govern the ownership of all  
25 intellectual property invented and patented by Dr. Karabinis during his employment with MSV.” (Doc.  
26 No. 195-4, Ex. 4.) But under the plain language of the agreement, it does not govern any and all  
27 intellectual property invented by Dr. Karabinis during his employment. Rather for the intellectual  
28 property to be governed by the agreement, it must “refer to or result from [Dr. Karabinis’s] work for  
MSV during [his] employment by MSV” and “relate to MSV’s current, anticipated, or prospective  
business activities.” (Doc. No. 195-1, Ex. 1 § 3(a).)