

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

**UNILOC USA, INC. and
UNILOC SINGAPORE PRIVATE LIMITED,**

Plaintiffs,

v.

NATIONAL INSTRUMENTS CORP., ET AL.

Defendants.

Civ. Action No.: 6:10-cv-00472-LED

JURY TRIAL DEMANDED

**PLAINTIFFS UNILOC USA, INC. AND UNILOC (SINGAPORE) PRIVATE
LIMITED'S MOTION TO SUBSTITUTE PARTIES
PURSUANT TO FEDERAL RULE OF CIVIL PROCEDURE 25(c)**

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INTRODUCTION

Plaintiffs, Uniloc USA, Inc. (“Uniloc USA”) and Uniloc (Singapore) Private Limited (“Uniloc (Singapore)”) (collectively “Uniloc”), hereby submit this Motion for Substitution Pursuant to Federal Rule of Civil Procedure 25(c) (“Rule 25(c)”) and the attached Proposed Order.

In support of its Motion, attached hereto as **Exhibit A** is a copy of the assignment from Uniloc (Singapore) to Uniloc Luxembourg S.A. (“Uniloc Luxembourg”) of the rights to the Patent-in-Suit (the “Assignment”) and the Declaration of Mr. Bradley C. Davis confirming that Uniloc (Singapore) has not retained any interest in the Patents-in-Suit.

I. SUMMARY OF ARGUMENT

Uniloc Luxembourg should be substituted for Uniloc (Singapore) for all purposes of this litigation, including as a plaintiff and counter-defendant pursuant to Rule 25(c). Following the assignment to Uniloc Luxembourg, Uniloc (Singapore) no longer has any right, title or interest in the Patent-in-Suit. Where ownership interest in the Patent-in-Suit has transferred from an original plaintiff to another party, the court should grant substitution under Rule 25(c). The requested substitution will not prejudice any party and will have no affect on discovery or any future deadlines in this case. The original co-Plaintiff Uniloc USA will remain in the suit as the exclusive licensee to the Patent-in-Suit.

II. STATEMENT OF FACTS

Plaintiff Uniloc (Singapore) is the owner of United States Patent No. 5,490,216 (the “Patent-in-Suit”) and has been since it issued in February 1996. The inventor, Frederic Richardson III sold and assigned all IP rights to patent application 08/124,718, which is the application that became the Patent-in-Suit, to Uniloc (Singapore). *See* Assignment dated January 24, 1994 attached hereto as **Exhibit B**. Plaintiff Uniloc USA, Inc. is the exclusive licensee of

the Patent-in-Suit and has been since September 2003.

On September 26, 2003, Uniloc USA and Uniloc Singapore sued Microsoft Corporation for infringement of the Patent-in-Suit. *Uniloc USA, Inc. v. Microsoft Corp.*, 640 F. Supp. 2d 150, 159 (D.R.I. 2009). In October 2007, the District Court granted summary judgment of non-infringement in favor of Microsoft. But in August 2008, the Federal Circuit reversed the District Court's summary judgment and affirmed the District Court's claim construction. In March 2009, a ten day trial was held in which the jury found the patent valid and infringed and Microsoft liable for \$388 million. *Id.* at 160. Notwithstanding the jury's verdict, the District Court granted Microsoft's post-trial motions for non-infringement and for a new trial on damages, but denied Microsoft post-trial motion for invalidity. *Id.* at 165-76, 183-85. On appeal, the Federal Circuit reversed the District Court a second time on the issue of infringement, reinstating the jury's finding of infringement, but upheld the District Court's grant of a new trial on damages. Additionally, the Federal Circuit affirmed the District Court's denial of Microsoft's post-trial motion of invalidity. *Uniloc USA, Inc. v. Microsoft Corp.*, 2011 U.S. App. LEXIS 11, *82 (Fed. Cir. Jan. 4, 2011). On remand, the District Court of Rhode Island has reassigned the case to the District Court of Massachusetts. *Uniloc USA, Inc. v. Microsoft Corp.*, Case No. 03-440 (D.R.I. Jan. 27, 2011) (Dkt#444)(*see* Order attached hereto as **Exhibit C**).

The complaint in this action was originally filed by Uniloc USA, the exclusive licensee, together with Uniloc (Singapore), the owner of the Patent-in-Suit. Through corporate reorganization, Uniloc (Singapore) is now a wholly owned subsidiary of Uniloc Luxembourg. On January 26, 2011, as part of that reorganization, Uniloc (Singapore) assigned all rights, title, and interest in the Patent-in-Suit, including the right to enforce the Patent-in-Suit and to recover damages for past and future infringement to its parent corporation Uniloc Luxembourg. Uniloc

(Singapore) no longer has any interest in the Patent-in-Suit and Uniloc Luxembourg is now the sole successor to the Patent-in-Suit. As such, Uniloc Luxembourg should be substituted for Uniloc (Singapore) for all purposes of this litigation, including as a plaintiff and counter-defendant pursuant to Rule 25(c). The original co-Plaintiff Uniloc USA continues in the suit as the exclusive licensee.

III. ARGUMENT

“If an interest is transferred, the action may be continued by or against the original party unless the court, on motion, orders the transferee to be substituted in the action or joined with the original party.” Fed. R. Civ. P. 25(c). Rule 25(c) “is designed to allow the action to continue unabated when an interest in the lawsuit changes hands.” *Matter of Covington Grain Co.*, 638 F.2d 1362, 1364 (5th Cir. 1981). “Rule 25 does not substantively determine what actions survive the transfer of an interest; rather, it provides substitution procedures for an action that does survive.” *ELCA Enters., Inc. v. Sisco Equip. Rental & Sales, Inc.*, 53 F.3d 186, 191 (8th Cir. 1995).¹ A “transfer of interest” in a corporate context occurs when one corporation becomes the successor to another by merger or other acquisition of the interest the original corporate party had in the lawsuit. *See, e.g., Froning’s, Inc. v. Johnston Feed Service, Inc.*, 568 F.2d 108, 110 (8th Cir. 1978) (assignment of claims); *DeVilliers v. Atlas Corp.*, 360 F.2d 292, 297 (10th Cir. 1966) (merger); *Hazeltine Corp. v. Kirkpatrick*, 165 F.2d 683, 685 (3d Cir. 1948) (transfer of patents). Because substitution under Rule 25(c) does not ordinarily alter the substantive rights of parties but is merely a procedural device designed to facilitate the conduct of a case, a Rule 25(c) decision is generally within the district court’s discretion. *See Luxliner P.L. Export, Co. v. RDI/Luxliner, Inc.*, 13 F.3d 69, 71-72 (3d Cir. 1993) (citations omitted).

¹ Because of its purely procedural character, courts have recognized that Rule 25(c) places no express time limit for a party to move for substitution. *Luxliner*, 13 F.3d at 71.

Uniloc (Singapore) submits that the Court should permit Uniloc Luxembourg to replace Uniloc (Singapore) in this litigation, including as a plaintiff. As is manifest from the assignment attached hereto as Exhibit A, Uniloc (Singapore) has transferred all right, title, and interest in and to the Patents-in-Suit (including the enforcement rights to recover for all causes of action, known or unknown, whether currently pending, filed or otherwise and for all damages, past, present and future) to Uniloc Luxembourg. Uniloc Luxembourg is now a proper plaintiff in this action and is subject to the jurisdiction of this Court.

In addition, substitution under Rule 25(c) is the most efficient and expeditious means for the parties to fully resolve this matter. At this point, no defendant has attempted to take any discovery from Uniloc (Singapore). Accordingly, Uniloc Luxembourg's substitution for Uniloc (Singapore) will not affect discovery in any way and will have no impact on future deadlines. In short, Uniloc Luxembourg's appearance in this case will in no way prejudice any defendant.

CONCLUSION

For the foregoing reasons, Uniloc (Singapore) requests that its Motion be granted and that the Court order Uniloc Luxembourg be substituted for Uniloc (Singapore) for all purposes of this litigation, including as a plaintiff and counter-defendant in this case.

Respectfully submitted,

**UNILOC USA, INC. and
UNILOC SINGAPORE PRIVATE LTD.**

Date: February 18, 2011

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CERTIFICATE OF CONFERENCE

I certify that on February 17, 2011, I sent an email to all served defendants giving notice of Plaintiffs' intention to file this Motion for Substitution. A draft of said motion with exhibits was sent to all served defendants by email on February 15, 2011. I certify that on February 18, 2011, I conferred by telephone with Counsel for Pervasive Software, Inc. and Sonic Solutions and was informed that these two defendants oppose the present motion. I certify that on February 18, 2011, I conferred by telephone with counsel for National Instruments, Inc. and C.A., Inc. and was informed that these two defendants consent to adding Uniloc Luxembourg S.A. as a plaintiff, but oppose dropping Uniloc Singapore Private Limited as a plaintiff. Counsel for Filemaker, Inc. and Symantec Corp. did not participate in the meet and confer process. I certify that on February 18, 2011, I conferred by telephone with counsel for Adobe Systems, Inc., Safenet, Inc., Pinnacle Systems, Inc., Onyx Graphics, Inc., Aladdin Knowledge Systems, Inc. and Aladdin Knowledge Systems, Ltd. who was unable to provide a position during the meet and confer process for these six defendants. Accordingly, the motion is submitted as opposed by these six defendants pending further notice that they agree to the relief requested.

/s/ Dean G. Bostock

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document was filed electronically in compliance with Local Rule CV-5(a). Therefore, this document was served on all counsel who are deemed to have consented to electronic service. Local Rule CV-5(a)(3)(A). Pursuant to Fed. R. Civ. P. 5(d) and Local Rule CV-5(d) and (e), all other counsel of record not deemed to have consented to electronic service were served with a true and correct copy of the foregoing by email on this 18th day of February, 2011.

/s/ Dean G. Bostock

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