

## PUBLIC VERSION

**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
WACO DIVISION**

**EMA ELECTROMECHANICS, INC.,  
Plaintiff,**

**v.**

**SIEMENS CORPORATION and  
SIEMENS INDUSTRY, INC.,  
Defendants.**

§  
§  
§  
§  
§  
§  
§

**6:21-CV-00206-ADA**

**MEMORANDUM OPINION AND ORDER GRANTING-IN-PART  
AND DENYING-IN-PART DEFENDANTS' MOTION TO DISMISS [ECF NO. 14]**

Came on for consideration this date is Defendants' Motion to Dismiss. ECF No. 14. In the Motion, Defendants moved to dismiss Plaintiff's Complaint under Fed. R. Civ. P. 12(b)(1), 12(b)(2), and 12(b)(6).<sup>1</sup> *Id.* The Parties agreed to bifurcate the Motion to Dismiss and first address the lack of standing grounds asserted under Rule 12(b)(1). ECF No. 17 at 1 n.1.

Plaintiff filed its opposition to the Defendants' challenge under Rule 12(b)(1) on June 7, 2021, ECF No. 17, to which Defendants replied on June 14, 2021, ECF No. 19. The Court held a hearing on this issue on September 28, 2021. ECF No. 38. On September 30, 2021, the Court issued an order holding in abeyance Defendants' Motion to Dismiss as to the grounds for dismissal under Rule 12(b)(1) pending the completion of venue discovery. ECF No. 39 (the "Abeyance Order"). The Abeyance Order did not reach Defendants' Motion to Dismiss on Rule 12(b)(2) or 12(b)(6) grounds as those issues were not yet ripe for resolution. The Parties completed briefing as to those grounds on December 8, 2021. ECF Nos. 50, 62.

After careful consideration of the Motion, the Parties' briefs, the Parties' oral arguments, and the applicable law, the Court GRANTS-IN-PART AND DENIES-AS-MOOT-IN-PART

---

<sup>1</sup> Only Siemens Corporation is challenging venue under Rule 12(b)(2).

Defendants' Motion. The Court **GRANTS** Defendants' Motion to the extent it moves to dismiss under Rule 12(b)(1) and **DENIES-AS-MOOT** Defendants' Motion to the extent it moves to dismiss under Rules 12(b)(3) and 12(b)(6).

## I. INTRODUCTION

Siemens Corporation and Siemens Industry, Inc. ("SII") (collectively "Siemens" or "Defendants") filed a Motion to Dismiss accusing EMA Electromechanics, Inc. ("EMA" or "Plaintiff") of lacking constitutional standing to assert patent infringement of U.S. Patent No. 7,724,489 (the "'489 patent"). Patent plaintiffs who have no rights in a patent "lack constitutional standing." *Morrow v. Microsoft Corp.*, 499 F.3d 1332, 1341 (Fed. Cir. 2007). According to Siemens, it is EMA Electromecanica S.A. ("EMA S.A.") that owns the '489 patent, not EMA. ECF No. 14 at 1. Siemens alleges that EMA S.A.'s purported attempt to assign the '489 patent to Logan Knapp (who subsequently assigned it to EMA) was ineffective, breaking EMA's chain of title to the '489 patent.

## II. BACKGROUND

EMA filed suit against Siemens on March 4, 2021, accusing certain Siemens circuit breaker products of infringing the '489 patent. ECF No. 1 at 1–4. Eduardo Montich, the sole named inventor of the '489 patent, filed the '489 patent with the U.S. Patent and Trademark Office ("USPTO") as U.S. Patent Application No. 11/840,948 (the "'948 application") on August 18, 2007. The USPTO granted the '489 patent on May 25, 2010. EMA states that it came into possession of all rights, title, and interest in the '489 through a chain of four assignments, identified below. *See* ECF No. 17 at 3–5.

**First Assignment:** In the First Assignment (dated August 14, 2007), Mr. Montich assigned his rights to the invention and any patents obtained from the '948 application to EMA Electromecanica S.A. ("EMA S.A."), which is in Argentina. ECF No. 14-1.

In August 2008, EMA S.A.’s U.S. attorneys filed an international patent application, PCT/US2008/073412 (the “’412 international application”), in the U.S. Receiving Office claiming priority to the earlier filed ’948 application.<sup>2</sup> EMA S.A.’s attorneys failed, however, to name a U.S. resident as the Applicant, resulting in the U.S. Receiving Office issuing an “Invitation to Correct the Purported International Application” to EMA S.A. *See* ECF No. 14-2. In response, EMA S.A.’s U.S. attorneys filed a corrected PCT Request naming Logan Knapp, a U.S. citizen, as the Applicant, and represented that Mr. Knapp is the “owner of the international patent rights to the invention.” ECF No. 14-4. That letter is dated October 2, 2008. *Id.*

**Second Assignment:** The Second Assignment, signed on October 3, 2008, provides that Logan Knapp, as “ASSIGNEE,” “is desirous of acquiring the entire interest in the PCT Patent Application, to and under said invention” and that “ASSIGNOR [EMA S.A.] hereby sells, assigns and transfers to ASSIGNEE [Logan Knapp] the full and exclusive right, title and interest to said PCT Patent Application.” ECF No. 14-5. Yet, the Second Assignment, in the section identifying the “Particulars of the Application,” recites the serial number corresponding to the ’948 application—not a PCT Patent Application number. *Id.* Indeed, the Second Assignment does not indicate any PCT application number anywhere.

**Third and Fourth Assignment:** In 2010, the ’489 patent was granted. On December 16, 2011, Mr. Knapp assigned his purported rights “to said inventions as United States Letter Patent [the ’489 patent]” to EMA Electromechanics, LLC, a Texas corporation (“EMA LLC”). ECF No.

---

<sup>2</sup> An international patent application is filed under the Patent Cooperation Treaty and is often referred to as a “PCT application.” A PCT application is filed in one of several Receiving Offices spread across the globe. It is not uncommon for a PCT application to claim priority to a patent application from the same country in which the PCT application is filed.

14-6. Thereafter, in December 2016, EMA LLC converted into EMA Electromechanics, Inc., and the “Change of Name” assignment was recorded. *See* ECF No. 14-7.

Siemens alleges that the Second Assignment transferred ownership in the ’412 international application—not the ’489 patent—to Mr. Knapp. Therefore, the Third and Fourth Assignments failed to transfer ownership of the ’489 patent to EMA. *See, e.g.*, ECF No. 14 at 5. And, under Siemens’s theory, because EMA has no right, title, or interest in the ’489 patent, EMA has no Article III standing to sue for infringement of the ’489 patent. *Id.*

On September 28, 2021, the Court held a hearing on the issue of jurisdiction. *See* ECF No. 38. That same day, Plaintiff filed a new complaint against Defendants that mirrors the one in this Action. *See EMA Electromechanics, Inc. v. Siemens Corp.*, No. 6:21-CV-1001 (W.D. Tex. Sept. 28, 2021), ECF No. 1. EMA added one allegation to this new complaint: “on September 28, 2021, EMA Electromechanica S.A. executed an assignment of the ’489 Patent to EMA Electromechanics, Inc. *nunc pro tunc* to October 3, 2008.” *Id.* ¶ 9.

In the Abeyance Order issued two days later, the Court determined as a matter of law that the Second Assignment to Mr. Knapp is facially ambiguous as to the property conveyed through the assignment. ECF No. 39 at 8–9. The Court deemed itself competent to act as factfinder and consider parol evidence to resolve the ambiguity. *Id.* at 9–10. But before considering such evidence, the Court permitted limited jurisdictional discovery and supplemental briefing on the intent of the parties to the Second Assignment. *Id.* at 10. The Court instructed the Parties that, at the conclusion of jurisdictional discovery, the Court would hold an evidentiary hearing to determine, based on its weighing of the evidence and the witnesses’ credibility, whether the Second Assignment conveyed the ’489 patent to Mr. Knapp. *Id.*

The Parties filed supplemental briefing on November 19, 2021, and November 30, 2021. ECF Nos. 47–49, 55, 56. Then, on December 1, 2021, the Parties reported that they were content to have the Court decide this issue on the papers, waiving an evidentiary hearing.

### III. LEGAL STANDARD

#### A. Rule 12(b)(1) Motion and Burden

Federal Rule of Civil Procedure 12(b)(1) authorizes the Court to dismiss a case for lack of subject-matter jurisdiction. “When a Rule 12(b)(1) motion to dismiss is filed in conjunction with other Rule 12 motions, the court should consider the Rule 12(b)(1) jurisdictional attack before addressing any attack on the merits.” *Ramming v. United States*, 281 F.3d 158, 161 (5th Cir. 2001). Because the Court finds that it lacks subject-matter jurisdiction, it need not reach the grounds of dismissal under Rules 12(b)(3) and 12(b)(6). The legal standard for those grounds is omitted.

“The burden of demonstrating standing falls to [Plaintiff], as ‘[i]t 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. Corp. v. Genetics Inst., Inc.*, 52 F.3d 1026 (Fed. Cir. 1995) (quoting *Whitmore v. Arkansas*, 495 U.S. 149, 154 (1990)).

#### B. Consideration of Matters Outside the Pleadings

A motion to dismiss for want of subject matter jurisdiction can take the form of a facial attack on the complaint or a factual attack on the subject matter of the court. “A factual attack on the subject matter jurisdiction of the court . . . challenges the facts on which jurisdiction depends[,] and matters outside of the pleadings, such as affidavits and testimony, are considered.” *Oaxaca v. Roscoe*, 641 F.2d 386, 391 (5th Cir. 1981). Siemens has made a “factual attack,” and the Court must therefore resolve factual disputes relating to subject matter jurisdiction:

If a defendant makes a “factual attack” upon the court’s subject matter jurisdiction over the lawsuit, the defendant submits affidavits, testimony, or other evidentiary materials. In the latter case a plaintiff is also required to submit facts through some evidentiary method and has the burden of proving by a preponderance of the evidence that the trial court does have subject matter jurisdiction.

*Paterson v. Weinberger*, 644 F.2d 521, 523 (5th Cir. 1981).

### **C. Interpreting a Patent Assignment**

“The assignment of a patent’s legal title is interpreted in accordance with contract statutes and common law in the state where the assignment took place.” *Schwendimann v. Arkwright Advanced Coating, Inc.*, 959 F.3d 1065, 1072 (Fed. Cir. 2020). The Parties do not dispute that the Second Assignment was made to a Texas resident and should therefore be construed under Texas law. *See* ECF No. 1 at 6; ECF No. 19 at 8.

The primary concern of a court in construing a written contract is to ascertain the true intent of the parties as expressed in the instrument. *Forbau v. Aetna Life Ins. Co.*, 876 S.W.2d 132, 133 (Tex. 1994). Only if a contract is first determined to be ambiguous may a court consider the parties’ subjective interpretation, *see Sun Oil Co. (Delaware) v. Madeley*, 626 S.W.2d 726, 732 (Tex. 1981), and admit extraneous evidence to determine the meaning of the instrument, *see R & P Enterprises v. LaGuarta, Gavrel & Kirk, Inc.*, 596 S.W.2d 517, 518 (Tex. 1980); *Nat’l Union Fire Ins. Co. of Pittsburgh, PA v. CBI Indus., Inc.*, 907 S.W.2d 517, 520 (Tex. 1995). If a written contract can be given a definite or certain legal meaning, then it is not ambiguous. *Coker v. Coker*, 650 S.W.2d 391, 393 (Tex. 1983); *see also Universal CIT. Credit Corp. v. Daniel*, 150 Tex. 513, 243 S.W.2d 154, 157 (Tex. 1951). If a contract is subject to two or more reasonable interpretations, it is ambiguous. *See Glover v. National Insurance Underwriters*, 545 S.W.2d 755, 761 (Tex. 1977); *see also Coker*, 650 S.W.2d at 393; *Universal*, 243 S.W.2d at 157. Parol evidence is not admissible to create an ambiguity. *See Universal*, 243 S.W.2d at 157; *Lewis v. East Texas Finance Co.*, 136

Tex. 149, 146 S.W.2d 977, 980 (1941). Whether a contract is ambiguous is a question of law for the court to decide by looking at the contract as a whole in light of the circumstances present when the contract was entered. *See Coker*, 650 S.W.2d at 394; *R & P Enterprises*, 596 S.W.2d at 518.

To resolve state-law issues, federal courts ordinarily look to the decisions of the relevant state's highest court. *See Six Flags, Inc. v. Westchester Surplus Lines Ins. Co.*, 565 F.3d 948, 954 (5th Cir. 2009). If there are no controlling decisions by the highest state court, federal courts must make an “*Erie* guess” as to what the controlling state law would be. “In making an *Erie* guess, [federal courts] defer to intermediate state appellate court decisions, unless convinced by other persuasive data that the highest court of the state would decide otherwise, and [they] may consult a variety of sources, including the general rule on the issue, decisions from other jurisdictions, and general policy concerns.” *Travelers Cas. & Sur. Co. of Am. v. Ernst & Young LLP*, 542 F.3d 475, 483 (5th Cir. 2008). Here, however, the parties did not cite, and this court did not find, a Texas case addressing similar facts. This Court will, therefore, look to relevant decisions by courts in other jurisdictions. *See Brush v. Wells Fargo Bank, N.A.*, 911 F. Supp. 2d 445, 465 (S.D. Tex. 2012).

**D. The Court’s Role in Resolving Ambiguities at the Dismissal Stage**

Having identified an ambiguity in the Second Assignment, the Court must determine how to resolve it. Under Texas law, the task of resolving ambiguity through inspection of parol evidence is typically left to the jury. *See, e.g., Geoscan, Inc. of Tex. v. Geotrace Techs., Inc.*, 226 F.3d 387, 390 (5th Cir. 2000) (“If a contract is ambiguous, ‘summary judgment is inappropriate because the interpretation of a contract is a question of fact.’” (citations omitted)); *Lind v. Int’l Paper Co.*, No. A-13-CV-249-DAE, 2014 U.S. Dist. LEXIS 116412, at \*12-13 (W.D. Tex. Aug. 21, 2014) (“When a contract contains an ambiguity, the granting of a motion for summary judgment is improper because the interpretation of the instrument becomes a fact issue for the jury.”). But the

“jury’s role in deciding facts implicating Article III subject-matter jurisdiction, such as whether a plaintiff has standing to sue, is governed by Federal Circuit law.” *PerDiemCo, LLC v. Industrack LLC*, No. 2:15-CV-00727-JRG-RSP, 2016 U.S. Dist. LEXIS 151935, at \*20–21 (E.D. Tex. Oct. 17, 2016) (citing *DDB Techs., L.L.C. v. MLB Advanced Media, L.P.*, 517 F.3d 1284, 1291 (Fed. Cir. 2008)).

In determining the role of the jury, the Federal Circuit looks “to the degree of intertwinement between the jurisdictional facts and the facts underlying the merits of the cause of action to determine whether dismissal on jurisdictional grounds is appropriate, or whether resolution of the issues must await . . . [a jury] trial on the merits.” *DDB Techs.*, 517 F.3d at 1291 (citing *Torres-Negron v. J & N Records, LLC*, 504 F.3d 151, 163 (1st Cir. 2007)). Interpreting the Second Assignment, “which depends in part on state contract law and in part on [Federal Circuit] law regarding patent assignment clauses, is not so intertwined with the substantive federal patent law governing . . . infringement claims and . . . invalidity counterclaims” such that a court must afford a party a jury trial to resolve the jurisdictional issue. *Id.* Thus, Federal Circuit precedent allows the Court, at this stage, to find any facts regarding ambiguity in the Second Assignment.

The Federal Circuit reached the same conclusion in *DDB Techs., L.L.C. v. MLB Advanced Media, L.P.*, and further held that the district court erred in denying limited discovery on the jurisdictional issue before ruling on the defendant’s Rule 12(b)(1) motion. 517 F.3d at 1291. Accordingly, this Court permitted limited jurisdictional discovery as to this issue and offered an evidentiary hearing on the same. *Cf. Aspex Eyewear, Inc. v. Miracle Optics, Inc.*, No. CV 01-10396 MMM (CWx), 2009 U.S. Dist. LEXIS 140929, at \*47 (C.D. Cal. July 14, 2009).



#### IV. ANALYSIS

##### A. Patent Ambiguity in the Second Assignment

In its Abeyance Order, the Court determined that the Second Assignment is patently ambiguous. As explained therein:

The ambiguity springs from the Second Assignment's description of the object the assignee is desirous of acquiring as "the PCT Patent Application." That term has no clear antecedent basis in the Second Assignment, which refers to only one patent application by number—the '948 application. The Second Assignment identifies the '948 application (which would become the '489 patent) in its "Particular of Application" section and because that is not a PCT application, but a U.S. patent application, it is uncertain what property "the PCT Patent Application" refers to and, accordingly, what property the Second Assignment conveyed.

ECF No. 39 at 6–7.

The Abeyance Order described Siemens's pre-discovery argument:

Siemens asserts that "the PCT Patent Application" refers to a PCT application that the Second Assignment identifies by name but not by number. Siemens places great weight on the clause immediately following "the PCT Patent Application" in the Second Assignment: "to and under said invention." Siemens asserts that this concluding clause refers to the "invention" entitled "CIRCUIT BREAKER WITH HIGH SPEED MECHANICALLY-INTERLOCKED GROUNDING SWITCH" and "for which application for Letters Patent of the United States has been filed on 18 AUG 2007 under Serial No. 11/840948." ECF No. 19 at 7. Meaning that the term "the PCT Patent Application" refers to a PCT application directed to that invention. *Id.*

*Id.* at 7. It further described EMA's proposed interpretation: "EMA asserted that the Second Assignment's use of the term 'PCT' is a typographical error and 'the PCT Patent Application' refers to the '948 application identified earlier in the Second Assignment." *Id.* at 8. EMA relied on a pre-discovery declaration from Mr. Montich that stated:

While the Assignment of Application for Patent inadvertently referred to the Patent Application as a "PCT" Patent Application, the intent of EMA Electromecanica S.A. was to assign the entirety

of EMA Electromecanica S.A.’s interest in the [’948 application] to Logan Knapp . . . . The two instances where “PCT” were mentioned are typographical or drafting errors. All places where the October 3, 2008 assignment references a “PCT” Patent Application was intended to refer to the [’948 application]. The [Second Assignment] had nothing to do with an assignment of a Patent Cooperation Treaty patent application.

ECF No. 17-1, Ex. A at 1–2 (the “Declaration”).

The Court found that EMA and Siemens’s competing interpretations were reasonable and concluded that the Second Assignment was patently ambiguous as to the property being assigned. ECF No. 39 at 8–9. It then permitted limited discovery on the issue, during which Siemens deposed Mr. Montich.<sup>3</sup> See ECF No. 47-2 (November 10, 2021, Deposition of Mr. Montich). Supplemental briefing followed.

During his deposition, Mr. Montich revealed that his understanding of the Second Assignment had changed since signing his Declaration. *Id.* at 47:19–48:22. After reviewing the ’412 international application—a task he had apparently not performed in preparing his Declaration—it occurred to him that the Second Assignment “could have been designated to both things,” meaning assign both the ’948 application and the ’412 international application to Mr. Knapp. *Id.* Mr. Montich clarified, however, that he was not certain because he does not “remember what [he] did 14 years ago.” *Id.* at 50:4–9; 50:24–51:14. He confirmed, however, that he still believed the Second Assignment’s reference to a “PCT application” to be a “typographical or drafting error.” *Id.* at 80:15–24. Mr. Montich’s conclusions, however, are based only on his review of the relevant documents—not his recollection of his state-of-mind or the events surrounding execution of the Second Assignment. *Id.* at 43:23–45:20; 51:16–52:5; 78:11–79:10.

---

<sup>3</sup> The Court would have benefited from Mr. Knapp’s testimony but he is, unfortunately, deceased.

In its supplemental briefing, EMA, the party bearing the burdening of establishing this Court's jurisdiction, argued five points.

**B. Mr. Montich's Testimony**

*First*, EMA asserts that the Court should rely on Mr. Montich's understanding of the Second Assignment as expressed in his deposition. ECF No. 48 at 3. In response, Siemens notes how Mr. Montich's deposition testimony contradicts that of his Declaration. ECF No. 56 at 2. Specifically, Mr. Montich now believes that the Second Assignment transferred both the '948 application *and* the '412 international application, whereas his earlier Declaration states that the Second Assignment had nothing at all to do with the '412 international application. *See id.* Siemens further notes how Mr. Montich testified that he has no memory of the intent underlying the Second Assignment. *Id.* Siemens argues that Mr. Montich's statements should be accorded no weight given the contradictions between his Declaration and deposition testimony and his inability to recollect the intent underlying the Second Assignment. ECF No. 47 at 6–7.

The Court accords no weight to Mr. Montich's Declaration and deposition testimony. As an initial matter, the Court is shocked that Mr. Montich prepared his Declaration without first reviewing the '412 international application at the center of Siemens's standing challenge. This stunning lack of diligence diminishes the Declaration's value. Mr. Montich's deposition obliterated any remaining value in two ways. First, Mr. Montich alleged that his Declaration's characterization of the Second Assignment's relationship to the '412 international application was inaccurate. *See* ECF No. 47-2 at 82:13–18. That calls the accuracy of the remainder of his Declaration into question. Moreover, as President of EMA, ECF No. 17-1 ¶ 2, Mr. Montich is not an unbiased party, raising questions about what motivated his about-face. Second, Mr. Montich confirmed again and again that he cannot recollect the intention underlying the Second Assignment. *See* ECF No. 47-2 at 45:11–20; 46:23–47:2; 79:1–19. In effect, Mr. Montich divined

the intent underlying the Second Assignment much like the Court has—by reviewing the relevant documents without the aid of unique knowledge as to the parties’ state-of-mind when executing the Second Assignment. Mr. Montich’s input, then, adds little if anything to this inquiry. The Court is content to disregard his Declaration and deposition testimony in resolving the Second Assignment’s ambiguity.

**C. Comparison With the First Assignment**

*Second*, EMA argues that the Second Assignment explicitly refers to the ’948 application by number and title, indicating the parties’ intention that the ’948 application be assigned to Mr. Knapp. ECF No. 48 at 4. EMA reasons that, because the First Assignment includes the same reference to the ’948 application and neither Party disputes effected assignment of the ’948 application from Mr. Montich to EMA S.A, the Second Assignment, like the First, succeeded in transferring the ’948 application. *Id.* Siemens urges the Court to focus on the differences, not the similarities, between the First and Second Assignment. ECF No. 56 at 3. Unlike the First Assignment, the Second Assignment refers to a “PCT Patent Application.” It identifies what the assignee is desirous of acquiring—a “PCT Patent Application”—and what the assignor was assigning—“the full and exclusive right, title and interest to said PCT Patent Application.” *Id.*

The Abeyance Order found these dueling arguments compelling, leading to its conclusion that patent ambiguity infected the Second Assignment. ECF No. 39 at 8–9. The Court evaluates the underlying facts below. *See infra* Section IV.H.

**D. The Parties’ Post-Assignment Conduct**

*Third*, EMA supposes that Mr. Knapp believed, as of December 16, 2011, that the Second Assignment granted him ownership of the ’948 application as evidenced by his execution of the Third Assignment, which purported to transfer the ’489 patent from Mr. Knapp to EMA Electromechanics, LLC. ECF No. 48 at 5–6.

In response, Siemens presents competing evidence in the form of a terminal disclaimer from EMA S.A., the assignor in the Second Assignment. ECF No. 56 at 3 (the “Terminal Disclaimer”). EMA S.A. filed the Terminal Disclaimer during prosecution of the ’948 application in December of 2009—more than a year after the Second Assignment was executed—representing that EMA S.A. owned 100 percent interest in the ’948 application. *Id.* The same counsel that prepared the Second Assignment filed the Terminal Disclaimer. According to Siemens, EMA S.A.’s representation in the Terminal Disclaimer betrays its belief that the Second Assignment did not convey the ’948 application away. *Id.* When presented with the Terminal Disclaimer at his deposition, Mr. Montich stated that he had not seen the document before, believed it to be a mistake, and did not know “what was happening back then.” ECF No. 47-2 at 94:14–19.

The Court is willing and able to consider the conduct of the parties in resolving this ambiguity. *Consol. Eng’g Co. Inc. v. S. Steel Co.*, 699 S.W.2d 188, 192–93 (Tex. 1985) (“Conduct of the parties which indicates the construction that the parties themselves placed on the contract may therefore be considered in determining the parties’ true intent.”). And, in the Court’s judgment, each Party relies on evidence of post-Second Assignment conduct that is equally compelling. The Third Assignment indicates that Mr. Knapp, assignee of the Second Assignment, believed he possessed the ’948 application after executing the Second Assignment; the Terminal Disclaimer indicates that EMA S.A., assignor of the Second Assignment, believed it possessed the ’948 application after executing the Second Assignment. The Court accords weight to this post-Second Assignment evidence.

**E. The Post-Assignment Conduct of Others**

*Fourth*, EMA also notes that SII identified EMA as “Patent Owner” in its petition for *inter partes* review (“IPR”) of the ’489 patent. *Id.* (citing Petition, No. IPR2021-01517 (P.T.A.B. Sept. 8, 2021), Paper No. 1). Siemens countered that SII’s petition identifies EMA as “Patent Owner”

merely in recognition of EMA's contention that it owns the '489 patent; the petition should not be read as "an endorsement of the accuracy of EMA's contention." *Id.* at 4–5. The Court agrees with Siemens and will not turn the IPR petition into an acknowledgement of EMA's standing in all opposition to the Siemens's instant and extensive challenge to EMA's standing.

EMA also notes how others have recognized the chain of title from Mr. Montich to EMA. For example, the USPTO's Abstract of Assignment records for the '489 patent shows the chain of title through Mr. Knapp. ECF No. 48 at 6 (citing ECF No. 49-5). Siemens responds that the USPTO's "Abstract of Assignment" is "simply a listing of the assignments filed with the USPTO for a particular patent application or patent" and is, therefore, irrelevant to determining what rights the Second Assignment assigned. ECF No. 56 at 4.

As far as the Court is concerned, the Abstract of Assignment record merely reflects the contents of the cover sheet sent to the USPTO when the Second Assignment was recorded. The Abeyance Order stated that the cover sheet is "irrelevant to what rights EMA S.A. actually assigned," ECF No. 39 at 8, but the Court did not intend to hold that the cover sheet has no value when resolving the Second Assignment's ambiguity. The Court was unwilling to consider parol evidence, like the cover sheet, when rendering an Abeyance Order intended only to analyze whether ambiguity existed. Now, as the Court seeks to resolve a patent ambiguity, parol evidence, like the cover sheet, is within the Court's grasp.

The cover sheet is evidence of the intent that the Second Assignment conveyed the '948 application to Mr. Knapp. The cover sheet reflects that Keith C. Rawlins at the Egbert Law Offices ("Egbert"), EMA S.A.'s counsel, completed the cover sheet and submitted it to the USPTO. *See* ECF No. 55 at 3 (noting how EMA S.A. retained attorneys at Egbert); ECF No. 47-2 at 32:11–25 (same). The Abstract of Assignment indicates that the USPTO recorded the Second Assignment

on October 7, 2008, mere days after the Second Assignment was executed. ECF No. 49-5. This shows to the Court that at least EMA S.A.’s attorneys believed that the Second Assignment meant to convey the ’948 application to Mr. Knapp.

**F. EMA’s Reliance on the PCT Application**

*Fifth and finally*, EMA, embracing Mr. Montich’s new position, argues that the parties *must* have intended for to convey the ’948 application and the ’412 international application because, had Mr. Knapp only received ownership of the ’412 international application, he would not have been able to claim the benefit of the ’948 application’s filing date. ECF No. 48 at 8–9. Which is to say, “the *only* way [Mr. Knapp] could make a priority claim to the ’948 application in the [’412 international application] was to become a ‘successor in title’ to the ’948 application.” *Id.* at 9 (emphasis in original) (citing PCT Admin. Inst. § 213; PCT Rule 4.17(iii); PCT Rule 51 bis.1(a)(iii); Paris Convention art. 4A.(1), Feb. 28, 1970, 21 U.S.T. 1583).

This Court rejects that contention, finding Siemens’s argument persuasive. When an international application claims priority to a national application filed in a State, “the conditions for, and the effect of, the priority claim in that State shall be governed by the national law of that State.” PCT Article 8(2)(b). U.S. law governs here because the ’412 international application claims priority to the ’948 application, a U.S. nonprovisional application. Section 365(c) of title 35 lays out how an international application designating the United States—as the ’412 international application did—“shall be entitled to the benefit of the filing date of a prior national application” in accordance with 35 U.S.C. § 120. Section 120 provides for the benefit of an earlier filing date so long as the later-filed application “names an inventor of joint inventor in the

previously filed application.”<sup>4</sup> Section 120 does not require co-ownership. Nor has EMA presented evidence showing that the parties to the Second Assignment believed that Mr. Knapp had to own the ’412 international application and the ’948 application for the former to benefit from the filing date of the latter. The Court is unmoved by EMA’s argument.

**G. Siemens’s Reliance on the PCT Application**

Siemens’s argument continues to focus on the ’412 international application. ECF No. 47 at 2. Specifically, when EMA S.A. filed the ’412 international application with the U.S. Receiving Office, it violated the PCT in failing to name a U.S. resident as the applicant. *See* ECF No. 14 at 3; ECF No. 48 at 7. The U.S. Receiving office issued EMA S.A. an “Invitation to Correct the Purported International Application” in view of that violation. ECF No. 14-2 at 2–3; *see also* ECF No. 14 at 3; ECF No. 48 at 7. To correct its error, EMA S.A. sent the U.S. Receiving Office a letter dated October 2, 2008, representing that Mr. Knapp, a U.S. citizen, was now the “owner of the international patent rights to the invention”<sup>5</sup> and the proper applicant for the ’412 international application. ECF No. 14-4 at 1. The next day, EMA S.A. and Mr. Knapp executed the Second Assignment. ECF No. 14 at 3. In the Court’s judgment, this is the most compelling evidence as to the intent underlying the Second Assignment.

**H. The Second Assignment Did Not Convey the ’948 Application**

The Court finds that the parties intended for the Second Assignment to assign the ’412 international application. In its “Particulars of Application” section, the Second Assignment

---

<sup>4</sup> It also requires that the later-filed application: be filed during the pendency of, and contain specific reference to, the prior application. 35 U.S.C. § 120.

<sup>5</sup> The letter did not represent that Mr. Knapp owned rights to the ’948 application and, therefore, it provides no support for EMA’s argument that EMA S.A. or Mr. Knapp thought that the ’948 application and ’412 international application had to be co-owned for the latter to benefit from the filing date of the former.



identifies the '948 application by name. ECF No. 14-5. Yet in the portion of the Second Assignment specifying the property Mr. Knapp was “desirous of acquiring,” it refers to “the PCT Patent Application.” *Id.* In the portion specifying that property EMA S.A. was conveying, it refers to “said PCT Patent Application.” *Id.* In the Court’s view, this presents a patent ambiguity as to which application the parties intended to convey. *See* ECF No. 39. The most compelling piece of evidence to resolve this ambiguity is the October 2 letter EMA S.A. sent to the U.S. Receiving Office. ECF No. 14-4 at 1. That letter represented that the '412 international application could proceed through the PCT process because Mr. Knapp, a U.S. citizen, owned the '412 international application. *Id.* The Second Assignment was executed the next day. The Court is persuaded that the Second Assignment must have intended to bring about Mr. Knapp’s ownership as EMA S.A. represented it in its October 2 letter.

EMA disagrees, at least in part. According to EMA, the Second Assignment purportedly meant to convey the '412 international application *and* the '948 application. EMA primarily relies on the parties’ post-Second Assignment conduct as evidence. But, in the Court’s judgment, that evidence is a mixed bag. Soon after the Second Assignment was executed, EMA S.A.’s counsel at Egbert sent the Second Assignment to the USPTO to record it as having conveyed the '948 application to Mr. Knapp. ECF No. 14-5. This suggests, at the very least, that Egbert considered its client to have intended to convey the '948 application to Mr. Knapp.

Subsequent events dull the power of this suggestion. EMA S.A.’s counsel at Egbert filed a Terminal Disclaimer on December 9, 2009, representing that EMA S.A. owned 100 percent of the '948 application—suggesting that the Second Assignment did not convey the '948 application to Mr. Knapp after all. ECF No. 47-4. This was not a one-time occurrence. The Court takes notice that, after the '948 application passed to allowance, Egbert transmitted an issue fee to the USPTO

on April 13, 2010, identifying EMA S.A.—not Mr. Knapp—as the '948 application's assignee. This explains why EMA S.A. appears as the assignee on the face of the '489 patent, issued May 25, 2010. *See* ECF No. 1-1. Only in 2011 did Mr. Knapp execute the Third Assignment, conveying the '489 patent away, ECF No. 14-6, and demonstrating a belief that he possessed the '948 application, presumably via the Second Assignment. This back and forth does not present a clear picture that the parties intended the Second Assignment to convey the '948 application in addition to the '412 international application.

EMA excuses the Terminal Disclaimer as a mere mistake. ECF No. 55 at 4. That is not persuasive. If EMA S.A.'s counsel at Egbert erred by identifying EMA S.A. as the '948 application's assignee, it made the same mistake on the issue-fee payment months later. Egbert also erred in leaving a patent ambiguity in the Second Assignment. ECF No. 47-2 at 39:16–23 (noting how the Egbert Law Offices drafted the Second Assignment). In view of these mistakes and purported mistakes, EMA asks this Court to trust that the Third Assignment, which Egbert also had a hand in, is immaculate, free of any errors as to ownership. *Id.* at 3; ECF No. 14-6. The Court will not do so on the scant evidence here. The mistakes and purported mistakes plaguing the relevant documents make discerning the intent underlying the Second Assignment challenging.

Returning to the language of the Second Assignment proves more fruitful. EMA favorably compares the Second Assignment's language to that of the First Assignment to conclude that the Second Assignment conveyed the '948 application. ECF No. 48 at 4. EMA reasons that, because it is undisputed that the First Assignment conveyed the '948 application and the First and Second Assignments include identical sections explicitly identifying the '948 application, the Second Assignment must have, like the First Assignment, conveyed the '948 application. *Id.* The Court

agrees with Siemens that this comparison is unhelpful for failing to reconcile the Second Assignment's repeated reference to a "PCT Patent Application."

Comparison with the Third Assignment is more productive. In relevant part, the Third Assignment reads:

Assignor does hereby sell, assign and transfer to Assignee the full and exclusive right, title and interest to said inventions as United States Letters Patent, as patent application that United States Letters Patent to be obtained therefor, and as related corresponding patents and patent applications in foreign countries or any continuation, division, renewal, substitute or reissue thereof for the full term or terms for which the same may be granted.

ECF No. 49-4. This clause is relatively broad, conveying an array of patents including identified U.S. patents and patent applications and any related foreign and continuation applications. Contrast this with the analogous clause in the Second Assignment: "ASSIGNOR hereby sells, assigns and transfers to ASSIGNEE the full and exclusive right, title and interest to said PCT Patent Application." ECF No. 14-5. This conveys "said PCT Patent Application"—singular. It does not convey related national applications or applications to which the PCT Patent Application claims priority. No more than one patent application falls within its ambit. The Court cannot countenance, then, EMA's contention that the Second Assignment meant to convey more than just a single application—that it meant "to transfer both the '948 application and any international rights in the invention to Mr. Knapp." ECF No. 48 at 3. As such, and as indicated above, the Court determines that the parties intended for the Second Assignment to convey only one application,<sup>6</sup> the '412 international application, to overcome the U.S. Receiving Office's objections. In the Court's judgment, the Second Assignment's reference to the '948 application is a mistake.

---

<sup>6</sup> Even EMA's original briefing did not suggest that the Second Assignment conveyed more than one application.

## I. This Court Lacks Subject Matter Jurisdiction

Standing is a constitutional requirement pursuant to Article III and it is a threshold jurisdictional issue. *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560–61 (1992). “A court may exercise jurisdiction only if a plaintiff has standing to sue on the date it files suit.” *Abraxis Bioscience, Inc. v. Navinta LLC*, 625 F.3d 1359, 1364 (Fed. Cir. 2010) (citing *Keene Corp. v. United States*, 508 U.S. 200, 207, 113 S. Ct. 2035, 124 L.Ed.2d 118 (1993)). In a patent infringement action, “the plaintiff must demonstrate that it held enforceable title to the patent at the inception of the lawsuit” to assert standing. *Id.* (quoting *Paradise Creations, Inc. v. UV Sales, Inc.*, 315 F.3d 1304, 1309–310 (Fed. Cir. 2003)). “[I]f the original plaintiff lacked Article III initial standing, the suit must be dismissed, and the jurisdictional defect cannot be cured” after the inception of the lawsuit. *Id.* (quoting *Schreiber Foods, Inc. v. Beatrice Cheese, Inc.*, 402 F.3d 1198, 1203 (Fed. Cir. 2005)).

Having concluded that the Second Assignment failed to convey the ’948 application from EMA S.A. to Mr. Knapp, the Court finds EMA’s chain of title to the ’489 patent broken. Because the Second Assignment failed to convey the ’948 application, the Third and Fourth assignments did not convey the ’489 patent to EMA. This defect, leaving EMA without Article III standing when it filed suit, cannot be cured by a *nunc pro tunc* agreement retroactively assigning that patent from EMA S.A. to EMA. *See* Complaint ¶ 9, *EMA Electromechanics*, No. 6:21-CV-1001, ECF No. 1 (alleging a *nunc pro tunc* assignment). As one court has put it:

Permitting non-owners . . . the right to sue, so long as they eventually obtain the rights they seek to have redressed, would enmesh the judiciary in abstract disputes, risk multiple litigation, and provide incentives for parties to obtain assignments in order to expand their arsenal and the scope of litigation. Inevitably, delay and expense would be the order of the day.

*Procter & Gamble Co. v. Paragon Trade Brands, Inc.*, 917 F. Supp. 305, 310 (D. Del. 1995); *Gaia Techs., Inc. v. Reconversion Techs., Inc.*, 93 F.3d 774, 779–80 (Fed. Cir. 1996). This Court lacks subject matter jurisdiction over this Action because EMA did not possess title to the '489 patent when it initiated suit.

**V. CONCLUSION**

For the reasons stated above, Defendants' Motion to Dismiss is hereby **GRANTED-IN-PART AND DENIED-AS-MOOT-IN-PART**.

**IT IS ORDERED** that Defendants' Motion is **GRANTED** to the extent that it moves to dismiss EMA's claims under Rule 12(b)(1). EMA's claims against all Defendants are hereby **DISMISSED WITHOUT PREJUDICE**.

**IT IS FURTHER ORDERED** that Defendants' Motion is **DENIED AS MOOT** to the extent that it moves to dismiss EMA's claims under Rules 12(b)(3) and 12(b)(6).

**IT IS FURTHER ORDERED** that the *Markman* hearing set for Friday, December 17, 2021, is hereby **CANCELED**.

SIGNED this 13th day of December, 2021.

  
ALAN D ALBRIGHT  
UNITED STATES DISTRICT JUDGE