No. 24-114

In the

Supreme Court of the United States

ZEBRA TECHNOLOGIES CORPORATION,
Petitioner,

v.

INTELLECTUAL TECH LLC,
Respondent.

ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF IN OPPOSITION

COLE SCHOTZ P.C.

James R. Perkins
2255 Glades Rd.
Suite 300E
Boca Raton, FL 33431

Rajkumar Vinnakota
Counsel of Record
Gary R. Sorden
901 Main Street
Suite 4120
Dallas, Texas 75202
469.208.3283
kvinnakota@coleschotz.com

Counsel for Respondent

October 16, 2024

QUESTIONS PRESENTED

1. Under Texas law, whether a third party acting under power of attorney on behalf of and in the name of a patent owner has an independent right to grant a license to the defendant.

2. Whether the Federal Circuit erred in reaffirming its long-standing precedents holding that a patent owner has an exclusionary right in its patent, and thus Article III standing, even if a defendant can, in theory, get a license from a third party.

CORPORATE DISCLOSURE STATEMENT

Intellectual Tech LLC is a wholly owned subsidiary of OnAsset Intelligence, Inc.

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Page(s)

Cases

Statutes

Other Authorities

INTRODUCTION

Neither this Court nor the Federal Circuit has ever held that a patent owner loses Article III standing to enforce its own patent just because a third party could, in theory, also grant a license to the defendant.

In fact, the Federal Circuit has long held just the opposite. Patent owners have Article III standing even when a third party has a "virtually unfettered right to sublicense" the patent in suit. *Aspex Eyewear, Inc. v. Miracle Optics, Inc.*, 434 F.3d 1336, 1339-44 (CAFed 2006).

Said differently, when, as here, a plaintiff alleges that it "is the owner by assignment of the [asserted] patent and [that the defendant] infringed that patent," "the court has both the statutory and constitutional authority to adjudicate the matter." *Schwendimann v. Arkwright Advanced Coating, Inc.*, 959 F.3d 1065, 1071 (CAFed 2020); *see also Intell. Prop. Development, Inc. v. TCI Cablevision of Cal., Inc.*, 248 F.3d 1333, 1345 (CAFed 2001) ("title in the patent" "confers constitutional standing on the [patent owner] to sue another for patent infringement").

The Federal Circuit's recent decisions, like *Schwendimann*, both reaffirm long-held precedents like *Aspex Eyewear* and reflect its efforts to "firmly bring [the Federal Circuit] into accord with *Lexmark* and [its] sister circuits by concluding that whether a party possesses all substantial rights in a patent does not implicate standing or subject-matter jurisdiction." *Lone Star Silicon Innovations LLC v. Nanya Tech. Corp.*, 925 F.3d 1225, 1235–36 (CAFed 2019) ("Lone

Star alleged that it possesses the sort of exclusionary rights that confer Article III standing. … Lone Star also alleged that Appellees infringe its exclusionary rights. … And it is clear that a court could redress an injury caused by that infringement. This is enough to confer standing."); *see also Univ. of S. Fla. Rsch. Found., Inc. v. Fujifilm Med. Sys. U.S.A.*, Inc., 19 F.4th 1315, 1324 (CAFed 2021) ("[C]onstitutional standing is satisfied when a party holds at least one exclusionary right.").

Such reasoning, while recently reaffirmed by the Federal Circuit, is not new. As this Court said almost 100 years ago, the patent owner that assigns less than all exclusionary rights in the patent still suffers an "injury to his exclusive right by an infringer." *Indep. Wireless Tel. Co. v. Radio Corp. of Am.*, 269 U.S. 459, 469 (1926); *see also* Pet. at 5-6 (Zebra conceding the same). And in the end, that "injury to [IT's] exclusive right," as the patent owner, is all that is in dispute. App. 10a ("The only question before us is whether IT demonstrated the irreducible constitutional minimum of an injury in fact. All that requires here is that IT retained an exclusionary right—i.e., infringement would amount to an invasion of IT's legally protected interest."). IT thus has Article III standing.

Nothing about this case supports deviating from this long-held precedent. So the Court should deny certiorari.

But the Court should also deny certiorari because there are antecedent questions the Court must decide before reaching the primary question presented. Having to answer those questions means there is a real risk that the Court does not even reach the main question presented if it grants certiorari, which makes this case a poor vehicle for certiorari.

The Court must first determine whether Main Street has an independent right to grant Zebra a license before deciding whether that right deprives IT of Article III standing. In ruling against IT, even the District Court below had to acknowledge that, "it is more accurate to say that, on default, Main Street has an unfettered right to license and/or assign the '247 patent *in IT's name*." App. 45a (emphasis in original). Under Texas law, which controls here (App. 9a), that finding means that Main Street, as IT's agent-in-fact, does not have an independent right to license or assign the '247 patent to Zebra. *Holloway v. Skinner*, 898 S.W.2d 793, 795 (Tex. 1995) ("the actions of [Main Street] on behalf of [IT] are deemed [IT's] acts."). Zebra thus had no ability to obtain a license from anyone other than IT, and IT thus never lost Article III standing. If this Court agrees, then there is no reason for the Court to resolve the primary question presented. The Court should thus deny Zebra's petition for writ of certiorari.

STATEMENT OF THE CASE

I. Main Street's rights and options after default do not deprive IT of Article III standing.

IT is the wholly owned subsidiary of OnAsset Intelligence, Inc. App. 2a. Before assigning the '247 patent to IT, OnAsset entered into a Loan Agreement with Main Street Capital Corporation in 2011. App. 2a-3a. Under the Loan Agreement, OnAsset granted

Main Street a security interest in the'247 patent, among other assets. App. 3a-4a.

Upon a default on the Loan Agreement, Main Street had three options as it relates to the '247 patent:

1. Foreclose and take title to the '247 patent via execution of a written, present grant assignment;

2. Act under Sections 3(j) and 6 of 2011 Patent and Trademark Security Agreement as attorney-in-fact "in the name and on behalf of" Intellectual Tech; or

3. Do nothing.

App. 4a-6a.

Main Street could have foreclosed and taken title to the '247 Patent. If exercised, that first option would no doubt deprive IT of Article III standing, as ownership and all exclusionary rights would then go to Main Street. But Main Street has never foreclosed. Thus title and ownership of the '247 Patent remains with IT.

Main Street's second option was to act "in the name and on behalf of" Intellectual Tech as its agent. App. 5a-6a. Under this second option, Main Street could act under Secs. 3(j) and 6 of the 2011 Patent and Trademark Security Agreement as "attorney-in-fact of [Intellectual Tech]" to exercise its rights the agreement provided. These sections specify the actions Main Street could take (Sec. 6) and provide the mechanism for Main Street to take those actions (Sec. 3(j)). App. 4a-6a. In essence, Main Street could step into the shoes of Adam Crossno,[1] who manages IT, to control what IT did with the '247 patent, and any other secured assets. But absent foreclosure, Main Street could act only "in the name and on behalf of" IT.

Under Texas law, that means "the actions of [Main Street] on behalf of [IT] are deemed [IT's] acts." *Holloway*, 898 S.W.2d at 795; *see also Comerica Bank-Texas v. Texas Com. Bank Nat. Ass'n*, 2 S.W.3d 723, 725 (Tex. App. 1999) ("A power of attorney is a written instrument by which one person, the principal, appoints another person, the attorney-in-fact, as agent and confers on the attorney-in-fact the authority to perform specified acts on behalf of the principal."); *Pyramid Transp., Inc. v. Greatwide Dallas Mavis, LLC*, No. 3:12-CV-0149-D, 2013 WL 3834626, at *2–3 (N.D. Tex. July 25, 2013) (a power of attorney "does not itself provide the agent with a substantive right as an assignment does.")

So even if Main Street exercised this second option, Main Street could only cause IT to take certain actions, like to "sell, assign, transfer, pledge, encumber or otherwise dispose of" the '247 patent, among other secured assets, "in the name and on behalf of" IT. Main Street could not take those actions as Main Street, because Main Street's acts as attorney-in-fact for IT are "deemed [IT's] acts." *Holloway*, 898 S.W.2d at, 795. The District Court

---

[1] Adam Crossno is also the founder and CEO of OnAsset and a named inventor on the '247 Patent.

agreed in the end. App. 45a ("it is more accurate to say that, on default, Main Street has an unfettered right to license and/or assign the '247 patent *in IT's name*.").

But Main Street never exercised its rights under this second option. App. 6a. ("Zebra has not pointed to evidence that Main Street has elected to exercise any rights under section 6 or taken any action as attorney in fact under section 3(j).") Main Street instead chose to do nothing and to continue to rely on IT to enforce the '247 Patent as though IT never defaulted.

The structure of the deal and Main Street's actions make perfect sense. Main Street is a publicly traded investment company (stock ticker, MAIN). It is in the business of providing capital to middle-market operating companies like IT's parent company, OnAsset. It is not in the business of either exploiting patented technology or litigating patent infringement suits. But in the event of default, Main Street wanted options that would allow it to use the secured assets, like the '247 patent, to try to recoup its investment, if necessary. For example, if IT just stopped enforcing the '247 patent and cooperating with counsel, then Main Street could step in to take over the enforcement on behalf of IT and in IT's name under section 3(j).[2]

Lastly, for all the talk of Main Street's hypothetical rights and options, Zebra had no actual ability to get a license to the '247 Patent from Main Street. During

[2] Main Street also had the right to appoint a delegate to function as attorney-in-fact for IT. App. 5a. ("Debtor hereby irrevocably appoints (which appointment is coupled with an interest) Secured Party, or its delegate, as the attorney-in-fact of Debtor.").

the years this case was pending and after taking extensive third-party discovery from Main Street, Zebra never even tried to get a license from Main Street, because it knew that it couldn't. And if it had, standing would no longer be an issue, because Zebra could have asserted the license as a defense and had the suit dismissed. *Carborundum Co. v. Molten Metal Equip. Innovations, Inc.*, 72 F.3d 872, 878 (CAFed 1995) (a license "is a defense to patent infringement"). Instead, Zebra, a non-party to the agreements, has asked the courts to interpret the agreements between IT/OnAsset and Main Street to their detriment, against their intent, and to Zebra's sole benefit. That is improper.

***

While IT was in default, Main Street had three options under the relevant agreements. It could foreclose and take possession of the secured assets, including the '247 patent. It could at as an agent for IT under power of attorney to direct IT's actions with respect to the '247 patent and the other secured assets. Or it could do nothing and continue to allow IT to assert the '247 patent against Zebra. Only option number one would deprive IT of Article III standing, but the evidence shows that Main Street chose option number three. Thus IT never lost Article III standing.

II. The District Court finds that IT lacked Article III standing because "Zebra could have obtained title to the '247 patent from Main Street."

Zebra challenged IT's standing early on, but the District Court denied the motion. Instead, consistent with long-standing Federal Circuit law, the District Court found that Intellectual Tech "is the rightful owner of the '247 patent, retains the right to enforce that patent, and thus has constitutional and statutory standing to bring a patent infringement suit against Zebra Technologies Corporation." App. 6a.

About a year later, without a change in the facts or the law, Zebra again challenged IT's standing. App. 6a-7a. This time, the District Court reversed its prior decision and granted Zebra's motion, dismissing the case without prejudice. App. 7a. The District Court reasoned that because "Main Street possessed an unfettered right to license the '247 patent," IT lacked Article III standing based on "*WiAV*, and the *Uniloc* opinions' extension of *WiAV*." App. 33a-34a.

The District Court based Main Street's supposed unfettered right to license the '247 patent on its finding that "Zebra could have obtained title to the '247 patent from Main Street, effectively licensing all of Zebra's past and ongoing accused conduct, thereby depriving IT of constitutional standing just as if Main Street had an unconditional right to license." *Id*. n. 4. But that was not legally possible because Main Street did not have title to give. *See, e.g.*, *Abraxis Bioscience, Inc. v. Navinta LLC*, 625 F.3d 1359, 1365 (CAFed 2010) ("At that time AZ–UK could not assign the patents because it did not possess their titles.");

FilmTec Corp. v. Allied–Signal, Inc., 939 F.2d 1568, 1572 (CAFed1991) (stating that the purported assignment is a nullity if the assignor had nothing to assign).[3] Because IT retains title to the '247 patent, only IT could assign the '247 patent to Zebra.

The Court recognized as much but denied IT's request for reconsideration anyway. App. 45a ("it is more accurate to say that, on default, Main Street has an unfettered right to license and/or assign the '247 patent *in IT's name*.") (emphasis in original). The District Court again reasoned that "[t]he *WiAV* and *Uniloc* opinions laid down the following principle: a patent title holder can deprive itself of exclusionary rights by vesting a third party with a right to assign or sublicense the patent (even if the third party never exercises those rights)." App. 43a.

III. The Federal Circuit reversed, reaffirming long-standing precedent on patent owner standing.

The Federal Circuit reversed, holding that a "patent owner has exclusionary rights sufficient to meet the [Article III] injury-in-fact requirement even where, without more, it grants another party the ability to license." App. 13a.

---

[3] Similarly, Main Street couldn't be a bona fide purchaser because "one who did not acquire title to the property could not assert the protection of the bona fide purchaser rule." *Rhone Poulenc Agro, S.A. v. DeKalb Genetics Corp.*, 284 F.3d 1323, 1329 (CAFed 2002). Zebra also could not "benefit from the bona fide purchaser rule" because Main Street "did not have title." *Id.*

In reaching its opinion, the Federal Circuit found that "IT retained exclusionary rights even though Main Street had the non-exclusive ability to license the '247 patent." *Id.* But in footnote four, the Federal Circuit made clear that it was not deciding whether Main Street could license the '247 patent, as Main Street, because its conclusion was the same either way. *Id.*

Next, the Federal Circuit found that "*WiAV* is not instructive here," (App. 14a) and explained why the District Court below, and the *Uniloc* courts before it, had erred in "extending *WiAV*" "to hold that even a patent owner lacks constitutional standing if a third party has an unfettered right to sublicense the asserted patent." App. 31a. The Federal Circuit noted that the focus of the *WiAV* court was whether the plaintiff was an exclusive or bare licensee. And in that context, "questions about other entities' ability to license can provide a reasonable proxy for understanding the extent of rights a licensee received as part of the license—i.e., whether the license granted exclusionary rights or mere freedom from suit." App. 15a.

Instead, a "patent owner has exclusionary rights as a baseline matter unless it has transferred all exclusionary rights away." *Id.* So the questions asked in the licensee context "do not provide a reasonable proxy for understanding whether a patent owner retains at least one exclusionary right or whether it has transferred all exclusionary rights away." *Id.*

While declining to "enumerate the exclusionary rights afforded by a patent or fully define their scope," the Federal Circuit traversed a few its prior cases, which reflect this Court's precedent, and explained why they support IT having Article III standing here. App. 15a-16a.

- Patent owners have Article III standing even when a third party has a "virtually unfettered right to sublicense" the patent in suit. *Aspex Eyewear*, 434 F.3d at 1339-44;

- Patent owner had not transferred away all rights, even under an exclusive license with rights to sublicense, when the patent owner retained the right to sue. *Alfred E. Mann Found. for Sci. Rsch. v. Cochlear Corp.*, 604 F.3d 1354, 1361 (CAFed 2010);

- Individual co-owner has Article II standing even though other co-owners also have exclusionary rights, like the right to license. *AntennaSys, Inc. v. AQYR Techs., Inc.*, 976 F.3d 1374, 1378 (CAFed 2020).

Zebra did not seek en banc review asking to reconsider the Federal Circuit's long-standing precedents on patent owner standing. Zebra instead petitioned for writ of certiorari.

The Court should deny Zebra's petition.

REASONS FOR DENYING PETITION

I. Federal Circuit's decision was correct and simply reaffirmed its long-held precedent on patent owner standing.

IT owns the '247 patent, alleges that Zebra infringes the '247 patent, and demands no less than a reasonable royalty for Zebra's unauthorized infringement, so "the court has both the statutory and constitutional authority to adjudicate the matter." *Schwendimann*, 959 F.3d at 1071. As the Federal Circuit recently reiterated, "whether a party possesses all substantial rights in a patent does not implicate standing." *Lone Star Silicon*, 925 F.3d at 1235–36. Instead, "constitutional standing is satisfied when a party holds at least one exclusionary right." *Univ. of S. Fla.*, 19 F.4th at 1324. IT thus has Article III standing to sue Zebra on the '247 patent.

As for what an exclusionary right is, the Federal Circuit has explained that "exclusionary rights involve the ability … to forgive activities that would normally be prohibited under the patent statutes." *Lone Star Silicon*, 925 F.3d at 1235–36. Here, Zebra admits that it is not challenging the Federal Circuit's determination that IT possessed at least one exclusionary right, like the right to license and enforce the '247 patent. Pet. 9, n. 1. Thus, under both the Federal Circuit's long-standing case law and its recent efforts to harmonize its standing doctrine with *Lexmark* and its sister circuits, IT, as the patent owner, has Article III standing.

Neither this Court nor the Federal Circuit has ever held otherwise. Just the opposite in fact. *See, e.g.*, *Aspex Eyewear*, 434 F.3d at 1339-44 (Patent owners have Article III standing even when a third party has a "virtually unfettered right to sublicense" the patent in suit.); *Wireless Tel. Co.*, 269 U.S. at 469 (patent owner who grants another an exclusive license still suffers an Article III "injury to his exclusive right by an infringer").

Ignoring all this precedent, the *Uniloc* district courts and the District Court below took an unrelated case about exclusive licensees, *WiAV*, and extended its reasoning to patent owner standing. Contradicting cases like *Aspex Eyewear*, the *Uniloc* district courts and the District Court below all held that a patent owner lacks Article III standing when a third party has the fight to license the asserted patent to the defendant.[4]

Procedural impediments prevented the Federal Circuit from reversing the *Uniloc* courts' reasoning sooner. *Uniloc USA, Inc. v. Motorola Mobility LLC*, 52 F.4th 1340, 1345 (CAFed 2022) (declining to "resolve the question of whether a patent owner who granted a right to sublicense lacks standing" because "Uniloc is collaterally estopped from asserting that it has

---

[4] Given that language from *Lone Star* quoted above, it is a question whether *WiAV* is still good law. But it was not necessary to decide that issue below, and the parties thus didn't brief it. Zebra's Petition, as framed, however, does call into question whether *WiAV* and its discussion of exclusionary rights is still correct as a matter of law in view of *Lone Star* and *Schwendimann*. *See Univ. of S. Fla.,* 19 F.4th at 1324 (citing *WiAV* for the proposition that "constitutional standing is satisfied when a party holds at least one exclusionary right")

standing in these cases."). Still, the Federal Circuit sent strong signals to district courts and the public that the *Uniloc* standing opinions were wrong to extend *WiAV* to patent owner standing. *Id.* at 1345. 1350-52; *Uniloc 2017 LLC v. Google LLC*, No. 2021-1498, Oral Argument at 27:13 (CAFed September 6, 2022) (available at https://oralarguments.cafc.uscourts.gov/default.aspx?fl=21-1498_09062022.mp3) (noting that Google's argument assumed that a patent owner loses their exclusive rights when they give someone else the ability to potentially sublicense the patents, but questioning "where have we ever said that?").

This case next presented the issue to the Federal Circuit, and it reversed the District Court, just as it had signaled in *Uniloc*. App. 13a-14a.

And counter Zebra, the Federal Circuit's opinion below did not create confusion or uncertainty; it ended it. The *Uniloc* courts and the District Court below are responsible for any potential confusion by trying to extend *WiAV* to situations in which it does not apply.[5] But the Federal Circuit cleared that up below. App. 14a ("*WiAV* is not instructive here."). In so doing, the Federal Circuit returned the law to its long-standing status quo, thus ending any short-lived confusion or uncertainty in the law created by the *Uniloc* cases and their progeny. App. 15a-16a (transversing its case law to show that "IT still suffers an injury in fact from

[5] The only case Zebra cites in support of its uncertainty argument is *Uniloc USA, Inc. v. Motorola Mobility LLC*, 52 F.4th 1340 (CAFed 2022), highlighting that those cases are the root of any confusion that may have existed. Pet. 20.

infringement even if IT and Main Street can both license the patent" and thus has Article III standing).

***

Under *Aspex Eyewear*, *Lone Star*, and *Schwendimann*, among other precedent, IT, as patent owner, has Article III standing to sue Zebra even if the Court finds that Main Street also has the unfettered right to license the '247 patent to Zebra.

II. Zebra's redressability argument lacks merit.

A plaintiff meets Article III's redressability requirement when the defendant's challenged action is "likely to be redressed by a favorable judicial decision." *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 125 (2014); *Applied Med. Res. Corp. v. U.S. Surgical Corp.*, 435 F.3d 1356, 1362 (CAFed 2006) ("the determination of reasonable royalty damages is tied to the infringement being redressed"). So when a plaintiff alleges that it is the patent owner and that the defendant infringes on the plaintiff's patent, "it is clear that a court could redress an injury caused by that infringement." *Lone Star Silicon*, 925 F.3d at 1234; *see also Schwendimann*, 959 F.3d at 1071 ("Because Ms. Schwendimann's Complaint contained such allegations—that she is the owner by assignment of the '845 patent and Appellants infringed that patent—there is no 'standing' issue to be decided in this appeal.").

The Federal Circuit was thus right to reject Zebra's redressability argument. App. 9a, n.2. Zebra's argument over who is the proper party to the hypothetical negotiation "is an argument about IT's ability to prove substantive elements of its claims instead of a jurisdictional argument." *Id.* No matter who is the correct party to that negotiation, IT, as the patent owner and the plaintiff, is entitled to no "less than a reasonable royalty for the use made of the invention by" Zebra. 35 U.S.C. § 284; *Dow Chem. Co. v. Mee Indus., Inc.*, 341 F.3d 1370, 1381 (CAFed 2003) ("[T]he district court must award damages in an amount no less than a reasonable royalty" when infringement is found).

But Zebra's argument is also wrong on the merits. First, contrary to Zebra's petition, the hypothetical negotiation construct is not the only way to determine a reasonable royalty. In fact, "[l]itigants routinely adopt several approaches for calculating a reasonable royalty. The first, the analytical method, focuses on the infringer's projections of profit for the infringing product." *Lucent Techs., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1324 (CAFed 2009). The analytical method thus has nothing to do with "knowing whether Zebra would have negotiated with IT or with Main Street." Pet. at 18. Instead, the analytical method focuses "on the infringer's projections of profit for the infringing product." *Summit 6, LLC v. Samsung Elecs. Co.*, 802 F.3d 1283, 1296 (CAFed 2015).

But who the parties are to the hypothetical negotiation also has nothing to do with standing. The parties to the hypothetical negotiation are the relevant parties at the time of first infringement. *Applied Med.*, 435 F.3d at 1361 ("We are required to identify the infringement requiring compensation, and evaluate damages based on a hypothetical negotiation at the time that infringement began, not an earlier one"); *Mahurkar v. C.R. Bard, Inc.,* 79 F.3d 1572, 1579 (CAFed 1996) (the hypothetical negotiation takes place "between the patentee and infringer ... at the time infringement began."). And the parties to the hypothetical negotiation often do not include the plaintiff, the defendant, or both. *See, e.g.*, *Oracle Am., Inc. v. Google Inc.*, 798 F. Supp. 2d 1111, 1117 (N.D. Cal. 2011) ("At the time the alleged infringement began, Sun was the patentee, not Oracle. … Injecting Oracle into the bargaining room was wrong.").

Thus whether IT or Main Street is the proper party to the hypothetical negotiation does not affect standing. It is instead an evidentiary issue that goes to the merits, not the availability, of IT's damages claim. *Georgia-Pac. Corp. v. U.S. Plywood Corp.*, 318 F. Supp. 1116, 1120 (S.D.N.Y. 1970), *modified sub nom. Georgia-Pac. Corp. v. U.S. Plywood-Champion Papers, Inc.*, 446 F.2d 295 (2d Cir. 1971) (Describing the *Georgia-Pacific* factors as a "comprehensive list of evidentiary facts relevant, in general, to the determination of the amount of a reasonable royalty for a patent license.").

Lastly, Zebra is not challenging the Federal Circuit's ruling that IT has exclusionary rights, including the right to license and enforce the '247 patent. Pet. at 9, n.1. As the Federal Circuit found, IT as the "patent owner has exclusionary rights sufficient to meet the injury-in-fact requirement even where, without more, it grants another party the ability to license." App. 13a-16a ("Main Street and IT's shared ability to license while a default existed did not divest IT, the patent owner, of *all* exclusionary rights."). And again, "it is clear that a court could redress [such] an injury caused by [patent] infringement." *Lone Star Silicon*, 925 F.3d at 1234; *Intell. Prop. Dev.*, 248 F.3d at 1347 (the plaintiff's "injury is redressable because, if successful in an infringement suit against [defendant], [plaintiff] could recover damages pursuant to 35 U.S.C. § 284 and could prohibit defendant from further making, using and selling its allegedly infringing products under 35 U.S.C. § 283").

IT's claim for patent infringement is redressable at least through an award of no less than a reasonable royalty.

III. This case is a poor vehicle for reconsidering decades of Federal Circuit precedent.

This case is a poor vehicle for reconsidering decades of Federal Circuit precedent, like *Aspex Eyewear*, because it does not guarantee the Court will address the main question presented. If this Court grants review, it would first have to answer several antecedent questions. U.S. Sup. Ct. R. 14.1(a) ("The statement of any question presented is deemed to comprise every subsidiary question fairly included therein.").

Before deciding whether Main Street's purported right to license deprives IT of standing, the Court must decide whether Main Street has the right to license. The Court would thus need to decide the scope of Main Street's rights, such as whether it can grant Zebra a license at all, whether it can do so as Main

Street, the effect of its option to act in the name and on behalf of IT, and so on. Depending on the answers to these antecedent questions, there is a substantial risk the Court will not resolve the question presented.

As the District Court conceded, "it is more accurate to say that, on default, Main Street has an unfettered right to license and/or assign the '247 patent *in IT's name*." App. 45a. The District Court nevertheless dismissed IT's case for lack of Article III standing. The Federal Circuit then reversed but without deciding whether Main Street could exercise exclusionary rights as Main Street. App. 13a, n.4 ("We need not address the parties' dispute about the agency-based implications of the attorney-in-fact provision in section 3(j) because our conclusion is the same even if, upon default, Main Street could grant licenses on behalf of itself."). Before getting to the main question presented, the Court would thus need to resolve the parties' disputes over the scope of Main Street's rights under Texas law.

And IT has the better of the argument on that front, because Main Street cannot grant a license, as Main Street. First, under Texas law, a "power of attorney is a written instrument by which one person, the principal, appoints another person, the attorney-in-fact, as agent and confers on the attorney-in-fact the authority to perform specified acts on behalf of the principal." *Comerica Bank-Texas*, 2 S.W.3d at 725. But a power of attorney "does not itself provide the agent with a substantive right," so "the agent cannot bring suit in its own name," for example. *Pyramid Transp*, 2013 WL 3834626, at *3. Instead, courts treat the actions of an agent on behalf of the principal as the principal's acts. *Holloway*, 898 S.W.2d at 795.

So even if it exercised its optional right to act as attorney-in-fact for IT, Main Street could only cause IT to take certain actions, like to "sell, assign, transfer, pledge, encumber or otherwise dispose of" the'247 patent, among others, "in the name and on behalf of" IT. Thus, Main Street's actions "on behalf of [IT] are deemed [IT's] acts." *Id.*

Second, to read Section 6 as giving Main Street the ability to exercise those exclusionary rights on their own without a "present grant" assignment of rights or title, as the District Court did below, renders Section 3(j) meaningless. That is improper under Texas law. As the Texas Supreme Court has held, in construing an agreement, Courts "must examine and consider the entire writing in an effort to harmonize and give effect to all the provisions of the contract so that none will be rendered meaningless." *J.M. Davidson, Inc. v. Webster*, 128 S.W.3d 223, 229 (Tex. 2003). But if Main Street could exercise those rights on their own, without an assignment of rights or title, rather than "in the name and on behalf of" IT, there would be no need for Section 3(j). Interpreting Section 3(j) such that it is meaningless defeats "the true intentions of the parties as expressed in the instrument." *Id.*

Lastly, under Texas law, a "contract's overriding purpose is to capture the parties' intent, meaning [the Court] must construe it in light of how the parties meant to construe it." *Intercontinental Grp. P'ship v. KB Home Lone Star L.P.,* 295 S.W.3d 650, 657–58 (Tex. 2009). So "a court should construe a contract from a utilitarian standpoint, bearing in mind the particular business activity sought to be served." *Lenape Res. Corp. v. Tenn. Gas Pipeline Co.*, 925 S.W.2d 565, 574 (Tex.1996). And "[w]hen discerning the contracting parties' intent, courts must examine the entire agreement and give effect to each provision so that none is rendered meaningless. No single provision taken alone will be given controlling effect; rather, all the provisions must be considered with reference to the whole instrument." *Tawes v. Barnes*, 340 S.W.3d 419, 425 (Tex. 2011) (internal citations and quotations omitted). Zebra's proposed reading of the agreements would violate each of these principles.

For example, in the same "Power of Attorney" section discussed above, Main Street has the right to act as attorney-in-fact "in the name and on behalf of" IT to "enforce" the '247 patent. But under Zebra's analysis, which the District Court adopted below, the same provision that would permit Main Street to act "in the name and on behalf of" IT to enforce the '247 patent against Zebra in this lawsuit deprives IT of standing to enforce the '247 patent against Zebra in this lawsuit. Such a reading that frustrates the express intent of the parties, to the sole benefit of a non-party to the agreements, violates basic tenets of contract interpretation under Texas law and cannot be correct.

Because the Court must answer the antecedent question of whether Main Street can grant Zebra a license to the '247 patent, as Main Street, the risk is heightened that the ultimate opinion of the Court would be fractured and thus prevent the Court from resolving the question presented. That risk is reason enough to deny review. If the Court feels a need to consider patent owner standing, it should await a case in which there is no dispute that the accused infringer could obtain a license from someone other than the patent owner. If Zebra's statistics are accurate and "the increase[e in the] use of complex contracts that disperse and divide patent rights under various circumstances" comes to fruition, there will be no shortage of such opportunities in the future that don't have the antecedent issues here. Pet. at 19.

CONCLUSION

The Federal Circuit merely reaffirmed the long-standing status quo for patent owner standing: a third party's right to also grant the defendant a license does not defeat a patent owner's Article III standing. In so doing, the Federal Circuit cleared up any confusion that the *Uniloc* district courts and the District Court below might have injected and made clear, as this Court had previously in *Lexmark*, that whether a party possesses all substantial rights in a patent does not implicate standing.

In any event, given the antecedent questions this Court would have to resolve before addressing the main question presented, this case is a poor vehicle for reassessing decades of standing doctrine.

The Court should thus deny Zebra's petition for writ of certiorari.

October 16, 2024 Respectfully submitted,

COLE SCHOTZ P.C.

Rajkumar Vinnakota
Counsel of Record
Gary R. Sorden
901 Main Street
Suite 4120
Dallas, Texas 75202
469.208.3283
kvinnakota@coleschotz.com

James R. Perkins
2255 Glades Road
Suite 300E
Boca Raton, FL 33308