

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

TV GUIDE ON-LINE, INC. and )  
TV GUIDE ONLINE, LLC, )  
 )  
Plaintiffs, )  
 )  
v. ) Civ. No. 05-725-SLR/LPS  
 )  
TRIBUNE MEDIA SERVICES, INC., )  
 )  
Defendant. )

**ORDER**

At Wilmington this 30th day of September, 2008, having reviewed the report and recommendation concerning defendant's motion to dismiss plaintiff TV Guide Online, Inc. ("TVGI") for lack of standing, as well as defendant's objections thereto and the papers filed in connection therewith;

IT IS ORDERED that the report and recommendation (D.I. 269) is adopted to the following extent:

1. Defendant has moved to dismiss plaintiff TVGI for lack of subject matter jurisdiction, pursuant to Fed. R. Civ. P. 12(b)(1), based on the contention that TVGI is a non-exclusive licensee of the patent-in-suit ("the '078 patent") and, therefore, lacks standing. Because defendant has raised a factual challenge to TVGI's standing to sue, I may consider evidence outside the pleadings to resolve factual disputes bearing on jurisdiction.

2. The license at issue is characterized as an "exclusive" license by the parties

and grants to TVGI: (a) “an exclusive license to the ‘078 patent” “subject to pre-existing nonexclusive licenses;” (b) “the right to sue and recover for past infringement of the ‘078 patent and any and all causes of action and remedies, either legal and/or equitable, related thereto;” and (c) “the exclusive right under the ‘078 patent to grant sublicenses to others.”

3. Defendant argues that the intent of the parties is not dispositive. I agree. Intent is but one factor a court looks to in determining whether a license agreement confers to the licensee a legally protected interest in the patent. The license at issue is an expression of plaintiffs’ intent to grant to TVGI an exclusive license to the ‘078 patent; therefore, it is a factor that weighs in favor of finding standing.

4. Defendant argues that TVGI cannot be an exclusive licensee when there are pre-existing nonexclusive licenses. The Federal Circuit has found that a party given an exclusive license made subject to prior licenses can still have standing to participate as a party to a patent infringement lawsuit. See *Abbott Labs. v. Diamedix Corp.*, 47 F.3d 1128, 1132-33 (Fed. Cir. 1995). The Federal Circuit has not overruled the above case; the cases cited by defendant are distinguishable on their facts.

5. Defendant contends that the right to sue and sublicense is not sufficient to confer standing. Consistent with the Federal Circuit’s holding in *Propat Int’l Corp. v. RPost, Inc.*, 473 F.3d 1187, 1194 (Fed. Cir. 2007), a licensee must be given some “indicia of a true ownership interest in the patent,” such as control over its licensing and enforcement efforts. The license at issue explicitly grants to TVGI an exclusive right to grant sublicenses; although TVGI has the power to institute and prosecute actions for infringement, that power is not explicitly exclusive. Nevertheless, the license at issue

does not impose upon TVGI any conditions relating to its licensing and enforcement efforts.<sup>1</sup> Moreover, the grant to TVGI of an exclusive license “to the ‘078 patent” is an express grant of an exclusive license to practice the patent.

6. Considering the entire license agreement, I agree with the report and recommendation that TVGI has standing to bring suit as an exclusive licensee, along with the patent owner, plaintiff TV Guide Online, LLC (“TVGL”).

THEREFORE, IT IS FURTHER ORDERED that defendant’s motion to dismiss (D.I. 145) is denied.

  
United States District Judge

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<sup>1</sup>To the extent that defendant contends that TVGI does not, in reality, have the exclusive right to sublicense the ‘078 patent to others, I am not prepared to grant the motion to dismiss based on the record presented. However, subject matter jurisdiction cannot be waived and can be challenged at any time. See, e.g., *Ins. Corp. of Ireland, Ltd. v. Compagnie des Bauxites di Guinee*, 456 U.S. 694, 702 (1982); *Brown v. Philadelphia Hous. Auth.*, 350 F.3d 338, 346 (3d Cir. 2003). Therefore, if the record subsequently demonstrates that TVGI’s exclusive right to sublicense is illusory or substantially limited by conditions imposed by TVGL, it is appropriate for the matter to be reviewed again on the merits.