

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

I-MAB BIOPHARMA,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No. 22-276-CJB
)	
INHIBRX, INC. and BRENDAN)	
ECKELMAN,)	
)	
Defendants.)	

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MEMORANDUM OPINION

September 19, 2024
Wilmington, Delaware

In this case, Plaintiff I-Mab Biopharma (“I-Mab” or “Plaintiff”) brings trade secret misappropriation claims against Defendants Inhibrx, Inc. (“Inhibrx”) and Brendan Eckelman (collectively with Inhibrx, “Defendants”). Presently pending before the Court are: (1) Defendants’ motion for summary judgment on Ground No. 1: failure to join necessary and indispensable parties (the “Motion regarding joinder”), (D.I. 347); and (2) Defendants’ motion for summary judgment on Ground No. 2: Plaintiff lacks standing to bring claims for misappropriation of Trade Secrets 2, 3, 4 and 8 (the “Motion regarding standing”), (D.I. 348). I-Mab opposes the Motions. For the reasons set forth below, the Motion regarding joinder is DENIED and the Motion regarding standing is GRANTED-IN-PART and DENIED-IN-PART.¹

I. BACKGROUND

I-Mab commenced this action on March 1, 2022. (D.I. 2) The operative First Amended Complaint (“FAC”), filed on May 12, 2022, contains two causes of action, both for trade secret misappropriation against both Defendants: Count I, which alleges a violation of the federal Defend Trade Secrets Act (“DTSA”), and Count II, which alleges a violation of the Delaware Uniform Trade Secrets Act. (D.I. 49 at ¶¶ 175-201) Trial is set for October 28, 2024. (D.I. 301 at 2)

On May 22, 2024, Plaintiff filed a motion for leave to amend the FAC (the “motion to amend”) to join I-Mab Biopharma Co., Ltd. (“I-Mab Shanghai”) as a co-Plaintiff, following a corporate restructuring; Plaintiff explained that the reason for filing this motion was that,

¹ The parties have jointly consented to the Court’s jurisdiction to conduct all proceedings in this case, including trial, the entry of final judgment and all post-trial proceedings. (D.I. 89)

pursuant to the restructuring, some of the trade secrets at issue in this case became owned (or owned-in-part) by I-Mab Shanghai as of April 2, 2024. (D.I. 312; D.I. 313 at 1) Defendants opposed the motion to amend on the ground that it would be prejudicial to add a new party at that late stage of the case. (D.I. 317) The Court ultimately denied the motion to amend. (D.I. 340) In its decision, the Court noted that the October 2024 trial could cover events occurring prior to, but not later than, April 2, 2024 (so that the fact that I-Mab Shanghai had not participated in discovery would not impact the matters to be addressed at trial). (*Id.*)

Defendants filed the instant Motions on June 14, 2024. (*See* D.I. 336) The Motions were fully briefed as of July 24, 2024. (D.I. 386)

The Court here writes primarily for the parties, and so any additional facts relevant to this Memorandum Opinion will be discussed in Section III below.

II. STANDARD OF REVIEW

Summary judgment is appropriate where “the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a). The moving party bears the burden of demonstrating the absence of a genuine issue of material fact. *See Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 585 n.10 (1986). If the moving party has sufficiently demonstrated the absence of such a dispute, the nonmovant must then “come forward with specific facts showing that there is a genuine issue for trial.” *Id.* at 587 (internal quotation marks, citation and emphasis omitted). If the nonmoving party fails to make a sufficient showing in this regard, then the moving party is entitled to judgment as a matter of law. *Celotex Corp. v. Catrett*, 477 U.S. 317, 322-23 (1986). During this process, the Court will “draw all reasonable inferences in favor of the nonmoving party, and it

may not make credibility determinations or weigh the evidence.” *Reeves v. Sanderson Plumbing Prods., Inc.*, 530 U.S. 133, 150 (2000).

However, in order to defeat a motion for summary judgment, the nonmoving party must “do more than simply show that there is some metaphysical doubt as to the material facts.” *Matsushita Elec. Indus. Co.*, 475 U.S. at 586. The “mere existence of *some* alleged factual dispute between the parties will not defeat an otherwise properly supported motion for summary judgment; the requirement is that there be no *genuine* issue of *material* fact.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-48 (1986) (emphasis in original). Facts that could alter the outcome are “material,” and a factual dispute is “genuine,” only where “the evidence is such that a reasonable jury could return a verdict for the nonmoving party.” *Id.* at 248. “If the evidence is merely colorable . . . or is not significantly probative . . . summary judgment may be granted.” *Id.* at 249-50 (internal citations omitted).

A party asserting that a fact cannot be—or, alternatively, asserting that a fact is—genuinely disputed must support the assertion either by “citing to particular parts of materials in the record, including depositions, documents, electronically stored information, affidavits or declarations, stipulations (including those made for purposes of the motion only), admissions, interrogatory answers, or other materials;” or by “showing that the materials cited do not establish the absence or presence of a genuine dispute, or that an adverse party cannot produce admissible evidence to support the fact.” Fed. R. Civ. P. 56(c)(1)(A) & (B).

III. DISCUSSION

The Court will take up each Motion in turn below.

A. Motion Regarding Joinder

With the Motion regarding joinder, Defendants contend that this trade secret lawsuit must be dismissed because I-Mab has failed to join necessary and indispensable parties, as is required by Federal Rule of Civil Procedure 19 (“Rule 19”). (D.I. 336 at 4-12; D.I. 386 at 1-4) According to Defendants, ABL Bio Inc. (“ABL Bio”) and I-Mab Shanghai (the “absent parties”) are necessary and indispensable parties because they are co-owners of certain of the trade secrets at issue, and Plaintiff failed to name them as plaintiffs in this action.²

The Court will first set out the relevant legal standards with respect to a Rule 19 challenge like this one. Thereafter, it will address the merits of Defendants’ arguments.

1. Legal Standards

Pursuant to Federal Rule of Civil Procedure 12(b)(7), a party may seek dismissal for failure to join an absent party under Rule 19.³ In deciding whether to grant such a dismissal, the

² In their opening brief, Defendants also asserted that another entity—I-Mab Hangzhou—is an indispensable party, given its ownership interests in Trade Secrets 2, 3, 5, 6 and 7 (and that Plaintiff’s claims related to those trade secrets should be dismissed for failure to add I-Mab Hangzhou as a co-plaintiff). (D.I. 336 at 10-11) I-Mab responded that I-Mab Hangzhou does not own or co-own Trade Secrets 2, 5, 6, or 7, and that while I-Mab Hangzhou does own Trade Secret 3, I-Mab has dropped that trade secret from the case. (D.I. 367 at 7 & n.6) In their reply brief, Defendants asserted only that ABL Bio and I-Mab Shanghai were necessary and indispensable parties, thus seeming to jettison their assertion that I-Mab Hangzhou is such a party as well. (D.I. 386 at 1-4) Thus, here the Court only focuses on ABL Bio and I-Mab Shanghai.

³ Rule 12(b) further provides that a motion asserting any of the therein-listed defenses must be made before pleading if a responsive pleading is allowed; however, Rule 12(h)(2) provides that failure to join a person required by Rule 19(b) may be raised at various stages of the case, including “at trial[.]” Fed. R. Civ. P. 12(b) & (h)(2). In light of Rule 12, it appears that a motion for summary judgment filed pursuant to Rule 56 is not the proper vehicle by which Defendants should make their Rule 19-related argument; nevertheless, the Court will construe the motion as if it were a motion filed pursuant to Rule 12(b)(7). *See Ricci v. State Bd. of L. Examiners*, 569 F.2d 782, 784 (3d Cir. 1978) (explaining that the district court could not grant summary judgment because of a failure to join a needed party pursuant to Rule 19, but it could have entered an order dismissing the complaint under Rule 12); *see also E.E.O.C. v.*

Court must proceed through a number of steps. *See Gen. Refractories Co. v. First State Ins. Co.*, 500 F.3d 306, 312 (3d Cir. 2007). First, the Court must determine whether, pursuant to Rule 19(a)(1), the absent party is a “necessary” party; this is so if:

(A) in that person’s absence, the court cannot accord complete relief among existing parties; or

(B) that person claims an interest relating to the subject of the action and is so situated that disposing of the action in the person’s absence may:

(i) as a practical matter impair or impede the person’s ability to protect the interest; or

(ii) leave an existing party subject to a substantial risk of incurring double, multiple, or otherwise inconsistent obligations because of the interest.

Fed. R. Civ. P. 19(a)(1); *Gen. Refractories Co.*, 500 F.3d at 312. If a court determines that a party is not “necessary” under Rule 19(a)(1), then “joinder, as well as further analysis, is” not needed. *Smith v. Miami Valley Hosp.*, Case No. 3:23-cv-365, 2024 WL 3043314, at *2 (S.D. Ohio June 18, 2024) (internal quotation marks and citation omitted). However, if the party is found to be “necessary,” then pursuant to Rule 19(a)(1), the Court considers whether joinder is “feasible[.]” *id.*; joinder is feasible if the absent party “is subject to service of process and [its] joinder will not deprive the court of subject-matter jurisdiction[.]” Fed. R. Civ. P. 19(a)(1). If the joinder of a necessary party is feasible, then joinder is compulsory. *Id.*

On the other hand, if joinder is necessary, but infeasible, then the Court must determine whether, “in equity and good conscience[.]” the absent party should be deemed “indispensable” under Rule 19(b). *Gen. Refractories Co.*, 500 F.3d at 312; *see also* Fed. R. Civ. P. 19(b). Rule

Peabody W. Coal Co., 400 F.3d 774, 778 (9th Cir. 2005); *Warren Hill, LLC v. Neptune Invs., LLC*, CIVIL ACTION NO. 20-452, 2020 WL 6262186, at *1 (E.D. Pa. Oct. 23, 2020).

19(b) sets forth four factors for a court to consider in determining whether an absent party is indispensable:

- (1) the extent to which a judgment rendered in the person's absence might prejudice that person or the existing parties;
- (2) the extent to which any prejudice could be lessened or avoided by:
 - (A) protective provisions in the judgment;
 - (B) shaping the relief; or
 - (C) other measures;
- (3) whether a judgment rendered in the person's absence would be adequate; and
- (4) whether the plaintiff would have an adequate remedy if the action were dismissed for nonjoinder.

Fed. R. Civ. P. 19(b). This "indispensable" inquiry requires a balancing of the interests of the plaintiff, the defendant, the absent party, the courts and the public. *See Feriozzi Co. v. Ashworks, Inc.*, 130 F. App'x 535, 538-39 (3d Cir. 2005) (citing *Provident Tradesmens Bank & Tr. Co. v. Patterson*, 390 U.S. 102, 109-11 (1968)). If an absent party is indispensable, then the Court must dismiss the action pursuant to Rule 12(b)(7). *See Gen. Refractories Co.*, 500 F.3d at 312-13; *Smith*, 2024 WL 3043314, at *2.⁴

⁴ "Federal courts are extremely reluctant to grant motions to dismiss based on non-joinder and, in general, dismissal will be ordered only when the defect cannot be cured and serious prejudice or inefficiency will result." *Int'l Union of Elec., Elec., Salaried, Mach. & Furniture Workers, AFL-CIO v. Murata Erie N. Am., Inc.*, Civ. A. No. 89-255 ERIE, 1990 WL 310625, at *7 (W.D. Pa. July 30, 1990) (citing 7C Wright, A. Miller, M. Kane, *Fed. Prac. & Proc.* § 1609 (1986)). The United States Court of Appeals for the Third Circuit has explained that "[w]hile it is true that the Federal Rules encourage the joinder of parties where such joinder would appear to avoid multiple actions or unnecessary delay and expense, this practice should not penalize bona fide litigants who have a valid cause of action, choose the forum which they

The movant “bears the burden of showing why an absent party should be joined under Rule 19.” *Disabled in Action of Pa. v. Se. Pa. Transp. Auth.*, 635 F.3d 87, 97 (3d Cir. 2011); *see also Cephalon, Inc. v. Watson Pharms., Inc.*, 629 F. Supp. 2d 338, 346 (D. Del. 2009). “When making a Rule 19 determination, the Court may consider evidence outside of the pleadings.” *Jurimex Kommerz Transit G.m.b.H. v. Case Corp.*, 201 F.R.D. 337, 340 (D. Del. 2001); *see also Arçelik A.Ş. v. E.I. du Pont De Nemours & Co.*, Civil Action No. 15-961-LPS, 2018 WL 1401327, at *3 (D. Del. Mar. 20, 2018).

2. Analysis

By way of background, in the operative complaint, Plaintiff asserts that Defendants misappropriated 10 trade secrets (that correspond to molecules designed to treat cancer): Trade Secret 1, Trade Secret 2, Trade Secret 3,⁵ Trade Secret 4, Trade Secret 5, Trade Secret 6, Trade Secret 7, Trade Secret 8, Trade Secret 9 and Trade Secret 10. (*See, e.g.*, D.I. 49 at ¶¶ 50, 59-70; D.I. 337, ex. 6 at 7-23) It is undisputed that ABL Bio owns the sole rights to Trade Secret 1⁶ in Greater China (“China”) and Korea, (D.I. 333 at ¶ 22; D.I. 369 at ¶ 22; *see also* D.I. 337, ex. 11 at 104-05; *id.*, ex. 12 at 76), and that ABL Bio and I-Mab are co-owners of Trade Secret 1 in the United States, (D.I. 333 at ¶ 22; D.I. 369 at ¶ 22; *see also* D.I. 313, ex. 3 at IMAB-DE367142). As for I-Mab Shanghai, as of April 2, 2024, it owns the rights to Trade Secret 5, Trade Secret 6, Trade Secret 7, Trade Secret 9 and Trade Secret 10 in China, while I-Mab has ownership of these

think proper, and ask for specific relief.” *Field v. Volkswagenwerk AG*, 626 F.2d 293, 302 (3d Cir. 1980).

⁵ As the Court will further discuss below, Plaintiff no longer wishes to proceed with asserting Trade Secret 3. (D.I. 367 at 7 n.6)

⁶ Trade Secret 1 relates to the L14B molecule. (D.I. 49 at ¶ 60)

five trade secrets in the United States. (D.I. 333 at ¶¶ 24-25; D.I. 369 at ¶¶ 24-25) And I-Mab Shanghai currently has sole ownership of Trade Secret 2, Trade Secret 4 and Trade Secret 8; I-Mab had previously owned the rights to those three trade secrets, but it transferred full ownership rights to I-Mab Shanghai as of April 2, 2024. (D.I. 333 at ¶ 26; D.I. 369 at ¶ 26)

With the above facts understood, the Court turns to the arguments regarding joinder as they relate to the two absent parties. It starts with those relating to ABL Bio; there, Defendants argue that the company is a necessary party for two reasons.

First, Defendants assert that because ABL Bio is a co-owner of the rights to Trade Secret 1 in the United States (and is the sole owner of Trade Secret 1 in China and Korea), its absence as a party here “creates a substantial risk that Defendants will incur double or multiple damages verdicts, and/or incur inconsistent outcomes in subsequent identical lawsuits because ABL [Bio] has rights to one of the same trade secrets that Defendants are accused of misappropriating in this suit.” (D.I. 336 at 5) For example, Defendants posit that if I-Mab were to prevail in this lawsuit with respect to Trade Secret 1, “nothing would prevent” ABL Bio from bringing an identical suit against Defendants alleging misappropriation of Trade Secret 1 based on the same conduct at issue in this action, which risks double recovery and inconsistent outcomes regarding the same disputes. (*Id.* at 5-6)

Second, Defendants argue that as co-owner of Trade Secret 1 (and the sole owner in China and Korea), ABL Bio has an “obvious interest” in the subject matter of this lawsuit. (*Id.* at 6) To that end, Defendants point out that I-Mab is making assertions with respect to the value of Trade Secret 1 (and the measures it has taken to keep information regarding Trade Secret 1 confidential) in this case, which will “impact ABL Bio” as the sole owner of the trade secret in China and Korea. (*Id.*)

As for I-Mab Shanghai, Defendants argue that the company is a necessary party because it currently has sole ownership of Trade Secret 2, Trade Secret 4 and Trade Secret 8, and it also owns the rights to Trade Secret 5, Trade Secret 6, Trade Secret 7, Trade Secret 9 and Trade Secret 10 in China. (*Id.* at 9; D.I. 386 at 3) Defendants assert that I-Mab cannot enforce trade secret rights that it does not have, and so I-Mab cannot prevent I-Mab Shanghai from filing a duplicate lawsuit against Defendants. (D.I. 386 at 3-4)

In response to all of this, I-Mab first responds by arguing that: (1) a necessary party under Rule 19(a) must also be “subject to service of process”—an inquiry that involves an analysis of whether the Court has personal jurisdiction over that party; but (2) Defendants have not attempted to demonstrate whether the absent parties are subject to personal jurisdiction in the Court, and so (3) Defendants’ motion must be summarily denied on this basis. (D.I. 367 at 2 & n.2 (quoting Fed. R. Civ. P. 19(a)); *Cheese Depot, Inc. v. Sirob Imports, Inc.*, Case No. 14-CV-1727, 2016 WL 6804561, at *2 (N.D. Ill. Nov. 17, 2016) (“A personal jurisdiction analysis has been employed to decide whether a party is subject to service of process under Rule 19(a)(1).”).⁷

Plaintiff is correct that Defendants did not address whether the absent parties are subject to personal jurisdiction in this Court. (*See* D.I. 336 at 4-11) The Court agrees with Plaintiff that this constitutes a failure on Defendants’ part to meet their burden to demonstrate that joinder of these parties is infeasible pursuant to Rule 19(a)(1). Other courts have denied a defendant’s Rule 12(b)(7) motion to dismiss for failure to join a party for this very reason. *See, e.g., Bobby Goldstein Prods., Inc. v. E.W. Scripps Co.*, Civil Action No. 3:22-CV-2780-D, 2023

⁷ Plaintiff notes that ABL Bio is a “South Korean company” and that I-Mab Shanghai is “based in China with no United States operations.” (D.I. 367 at 2 & n.2) So it might be that the Court would not have personal jurisdiction over these parties, though in the absence of any record, the Court can’t be certain one way or the other.

WL 4748208, at *4-5 (N.D. Tex. July 25, 2023) (denying a Rule 12(b)(7) motion, where the defendants failed to satisfy their burden of demonstrating that joinder is not feasible, because they admittedly did not know whether the absent party would be subject to the court’s jurisdiction) (citing cases); *Cheese Depot, Inc.*, 2016 WL 6804561, at *2-3 (explaining that where the defendant failed to conduct a personal jurisdiction analysis with respect to the absent party, the defendant failed to “shoulder its burden” of demonstrating that the requirements of Rule 19(a)(1) are satisfied—and that the Rule 19(a)(1) analysis ends there). And it is one reason why the Court will do the same here.

But even assuming *arguendo* that Defendants’ failure to address the court’s personal jurisdiction over the absent parties is not fatal to their motion (and thus assuming that the absent parties are necessary parties but that joinder is not feasible), denial of the Motion is also warranted because Defendants have failed to meet their burden with respect to Rule 19(b).⁸ In their opening brief, Defendants barely address the four Rule 19(b) factors that courts use to assess whether an absent party is indispensable. (D.I. 336 at 11-12) The totality of Defendants’ argument here, with respect to both absent parties, is as follows:

- I-Mab has known long before it filed this action that ABL Bio alone owns the rights to Trade Secret 1 in China and Korea, but it has refused to join ABL Bio as a co-plaintiff, and it delayed seeking to join I-Mab Shanghai until June 2024, (*id.* at 11);
- “Defendants will be prejudiced if judgment is rendered in ABL Bio’s absence, and the Court has been presented with no means to prevent that prejudice. . . . This exposes

⁸ Aside from its argument regarding personal jurisdiction, I-Mab does not substantively take up the other requirements relating to whether a party is necessary under Rule 19(a)(1); instead, in its briefing, I-Mab moved straight to an analysis of Rule 19(b). (D.I. 367 at 3 (“But even if Defendants could satisfy the requirements of Rule 19(a), they fail to demonstrate that ABL Bio is an indispensable party under [Rule] 19(b).”)) So too will the Court here.

Defendants to the risk of incurring double or multiple damages verdicts arising from the same conduct that I-Mab argues constitutes misappropriation.” (*Id.* at 11-12)

- “Also, given the interests to the Court and the public ‘in complete, consistent, and efficient settlement of controversies[,]’ . . . those interests would be best served by adjudicating all rights and liabilities related to the trade secrets at once; the public has a stake in ‘settling disputes by wholes, whenever possible.’” (*Id.* at 12 (quoting *Meggitt Orange Cnty. Inc. v. Nie*, Case No. SACV 13-0239-DOC (DFMx), 2014 WL 12588633, at *8 (C.D. Cal. July 17, 2014)))⁹

Defendants’ argument ignores nearly all of the Rule 19(b) factors—such as: (1) the extent to which a judgment rendered in ABL Bio and I-Mab Shanghai’s absence would prejudice those parties; (2) the extent to which any prejudice could have been lessened or avoided; (3) whether a judgment rendered in ABL Bio and I-Mab Shanghai’s absence would be adequate; and (4) whether Plaintiff would have an adequate remedy if this action were dismissed for nonjoinder. Fed. R. Civ. P. 19(b).¹⁰ And while Plaintiff in its answering brief pointed out

⁹ At times in their briefing, Defendants seem to suggest that, as a matter of law, a co-owner to a trade secret is a necessary party to a trade secret misappropriation action. (*See* D.I. 336 at 9) However, Defendants have pointed to no legal authority establishing such a bright line rule, (*see* D.I. 367 at 6), and indeed, as Plaintiff explains, the law does not seem to contain such a requirement, (*id.* at 5 (citing 18 U.S.C. § 1836(b); 18 U.S.C. § 1839(4)); *see also, e.g., Williams-Sonoma Direct, Inc. v. Arhaus, LLC*, 304 F.R.D. 520, 533 (W.D. Tenn. 2015) (holding that entity that “also possessed the trade secrets in this case” was not a necessary party under Rule 19); Peter S. Menell et al., *Trade Secret Case Mgmt. Jud. Guide*, 2023 WL 4687411 at § 3.4.1.2 (2023) (“Unlike patent law, trade secret law does not impose separate joinder obligations apart from the general rules on joinder set forth in Fed. R. Civ. P. 19 and the rules on intervention set forth in Fed. R. Civ. P. 24. There is no uniform or federal statutory requirement that each owner or licensee be joined in a trade secret dispute before the case can proceed[.]”)).

¹⁰ In contrast, in *Meggitt Orange Cnty. Inc. v. Nie*, Case No. SACV 13-0239-DOC (DFMx), 2014 WL 12588633 (C.D. Cal. July 17, 2014), a case that Defendants cite repeatedly in their briefing, (D.I. 336 at 5, 8, 11-12), the defendants there provided a declaration explaining how the plaintiff and absent parties would have an adequate remedy at law if the action were dismissed, and had also agreed to accept service of process and waive any statute of limitations

Defendants’ failure to fully engage with these Rule 19(b) factors, (D.I. 367 at 3), Defendants did not revisit the factors in their reply brief, (D.I. 386 at 1-4).

Defendants’ main argument seems to be that absent joinder, they face the risk of “incurring double or multiple damages verdicts” arising from the purported trade secret misappropriation conduct at issue in this case. (D.I. 336 at 12) But Defendants point to no evidence signaling that ABL Bio or I-Mab Shanghai are poised to file future lawsuits against them. Indeed, Plaintiff cites to at least some record evidence to the contrary—i.e., [REDACTED]

[REDACTED] (D.I. 367 at 4, 7 (citing D.I. 372, ex. 61 at § 11.9; D.I. 313, ex. 4 at § 9))¹¹ Moreover, Plaintiff points out that its damages expert “excluded certain Asian markets” when calculating Inhibrx’s maximum willingness to pay (lowering the amount by 20%), such that any recovery in a hypothetical future case brought by ABL Bio would not be duplicative of the damages I-Mab claims in this case. (*Id.* at 5 (citing D.I. 372, ex. 27 at ¶ 104)) Defendants make no response to this argument. (D.I. 386 at 1-4)¹² Mere speculation that ABL Bio and I-Mab Shanghai *might* bring future lawsuits against Defendants, and that there *could* be

defenses in a subsequent suit to be filed with the absent parties, 2014 WL 12588633, at *8 (“Here, the Court would condition the dismissal on Defendants’ consent to jurisdiction of Chinese courts and waiver of any defense of statute of limitations.”).

¹¹ The Court will not consider any information or evidence referred to by Plaintiff in its briefing on this score if the evidence was not provided to the Court or shared with Defendants. (*See* D.I. 367 at 4 & n.5)

¹² As for liability and damages issues relating to I-Mab Shanghai, its ownership interests only materialized in light of I-Mab’s April 2024 restructuring; this in turn resulted in the Court’s order stating that the trial would cover events occurring prior to, but no later than, April 2, 2024. In light of that order, it is not immediately clear to the Court how any damages in a hypothetical future lawsuit brought by I-Mab Shanghai would in fact be duplicative of the damages sought at the upcoming trial by Plaintiff. (D.I. 369 at ¶¶ 24-26)

double damages verdicts arising from the same conduct at issue here, does not equate to a finding that this action *must* be dismissed pursuant to Rule 19(b).¹³ *See, e.g., Emergency Med. Servs. Auth. v. Am. Med. Response Ambulance Serv., Inc.*, Case No. 20-cv-455-GKF-FHM, 2020 WL 8270521, at *3 (N.D. Okla. Nov. 16, 2020) (considering Rule 19(b) and determining that “[a]ny prejudice the existing parties may suffer should this court determine the gain sharing provisions are lawful and the governments successfully argue otherwise in a future prosecution is speculative” and that “[a]ccordingly, the court determines, in equity and good conscience, the action should proceed among the existing parties”); *cf. Visión en Análisis y Estrategia, S.A. de C.V. v. Andersen*, No. 14-cv-8016 (SAS), 2015 WL 4510772, at *4 (S.D.N.Y. July 24, 2015) (finding that any potential prejudice with respect to the absent parties was “speculative and would not make resolution of the case impossible [which is] not the type of ‘immediate and serious’ prejudice that Rule 19(b) was intended to cover”). In the end, then, Defendants have not come close to meeting their burden of demonstrating that the Rule 19(b) factors require dismissal “in equity and good conscience.” Fed. R. Civ. P. 19(b).

For these reasons, the Motion regarding joinder is DENIED.

B. Motion Regarding Standing

¹³ The advisory committee’s note with respect to Rule 19(b)(1) explains that the first factor considers “what a judgment in the action would mean to the absentee. . . . [such as] would the prejudice be immediate and serious, or remote and minor” and also considers whether any party in the action would be “exposed to a fresh action by the absentee, and if so, how serious is the threat?” Fed. R. Civ. P. 19(b) advisory committee’s note to 1966 amendment. There is no indication from Defendants here that a judgment in this action would cause any prejudice to the absent parties (let alone serious and immediate prejudice). And, as the Court has noted above, the current record does not suggest that there is a “serious” risk that Defendants will be sued again by the absentee parties over these same facts.

With their Motion regarding standing, Defendants contend that they are entitled to summary judgment because Plaintiff lacks standing to bring claims for misappropriation with respect to Trade Secrets 2, 4 and 8 (since I-Mab Shanghai obtained sole ownership of those trade secrets as of April 2, 2024). (D.I. 336 at 12-14; D.I. 386 at 4-5)¹⁴ In support of this argument, Defendants assert that “[o]wnership of a trade secret is an express statutory requirement under the DTSA” and that because Plaintiff is not now an owner of Trade Secrets 2, 4 and 8, then it cannot satisfy a required element of the DTSA. (D.I. 336 at 12 (citing 18 U.S.C. § 1836(b)(1)); D.I. 386 at 4-5)¹⁵

Plaintiff retorts that standing in trade secret cases is established at the time of filing, and because Plaintiff had ownership of Trade Secrets 2, 4 and 8 at the time of the alleged misappropriation and when it filed this lawsuit, then it has standing to maintain the suit. (D.I. 367 at 6-7) The Court agrees with Plaintiff, as its position aligns with the express language of the DTSA. The DTSA provides that “[a]n owner of a trade secret that is misappropriated *may bring a civil action*” pursuant to the DTSA. 18 U.S.C. § 1836(b)(1) (emphasis added). When used in a federal statute, “bring a civil action” means “to commence” an action. *Redmond v. ACE Am. Ins. Co.*, 614 F. App’x 77, 79-80 & n.3 (3d Cir. 2015) (internal quotation marks and

¹⁴ Defendants also move for summary judgment with respect to Trade Secret 3 on standing grounds, since I-Mab Hangzhou owns that trade secret and Plaintiff says it has dropped the trade secret from the case. (D.I. 336 at 14 n.4; D.I. 367 at 7 n.6) Plaintiff does not further respond on this front. (D.I. 367 at 7-9) Therefore, in light of Plaintiff’s decision to drop its claims based on this trade secret, Defendants’ Motion regarding standing is GRANTED with respect to Trade Secret 3.

¹⁵ Accordingly, it seems that Defendants’ challenge here implicates statutory standing (and not Article III standing)—i.e., the question of whether the DTSA accords Plaintiff the right to sue. *See, e.g., Fiorentino v. Bricklayers & Allied Craftworkers Loc. 4 Pension Plan*, Civil Action No. 15-02065 (FLW)(LHG), 2016 WL 5723660, at *7 (D.N.J. Sept. 30, 2016) (citing cases), *aff’d sub nom.*, 696 F. App’x 594 (3d Cir. 2017).

citations omitted); *see also Sierra v. Trafigura Trading LLC*, Civil Action No. 22-366-JLH-CJB CONSOLIDATED, 2024 WL 4104131, at *2 (D. Del. Sept. 6, 2024). And when it commenced this lawsuit in March 2022 (a time in which the alleged misappropriation it complains of was said to be occurring), Plaintiff owned Trade Secrets 2, 4 and 8. Thus, Plaintiff complied with this ownership provision of the DTSA.¹⁶ *Cf. Jasmine Networks, Inc. v. Superior Ct.*, 103 Cal. Rptr. 3d 426, 428-49 (Cal. Ct. App. 2009) (rejecting the defendant’s argument that, as to a misappropriation of trade secrets claim made pursuant to the California Uniform Trade Secrets Act, a plaintiff could no longer bring suit, where the plaintiff had owned the trade secrets at issue at the time of suit but then sold them at some point thereafter; the court found no support for such a “current ownership” requirement in general principles of property or tort law, existing

¹⁶ The cases cited by Defendants do not compel a different outcome. (D.I. 336 at 13) That is because they are not in line with the facts in this case, i.e., a case in which Plaintiff owned Trade Secrets 2, 4 and 8 *at the time that it filed suit* against Defendants (*and at a time when the complained-of misappropriation had occurred*). (*Id.* at 12, 13; D.I. 386 at 5 n.7) For example, in *BlueEarth Biofuels, LLC v. Hawaiian Elec. Co.*, CIV. No. 09-00181 DAE-KSC, 2011 WL 2116989 (D. Haw. May 25, 2011), *aff’d*, 531 F. App’x 784 (9th Cir. 2013), the court granted summary judgment with respect to defendant’s assertion that the plaintiff did not have standing to pursue its trade secret misappropriation claim. But there, the plaintiff transferred its ownership rights in the trade secrets at issue pursuant to an operating agreement signed in February 2008, and *then* it filed the lawsuit in October 2008. 2011 WL 2116989, at *2-3, *17-21. Similarly, in *Tang v. E. Va. Med. Sch.*, Civil Action No. 2:20cv575 (RCY), 2022 WL 981942 (E.D. Va. Mar. 30, 2022), *reconsideration denied*, 2022 WL 16922820 (E.D. Va. Nov. 14, 2022), the plaintiff (who filed suit in November 2020) signed an employment agreement when she was hired in December 2009 that assigned the trade secrets at issue to her employer; this agreement led to the court’s conclusion that the plaintiff could not establish ownership or lawful possession of a trade secret under the DTSA. 2022 WL 981942, at *1, *3, *10.

Defendants also cite to *Brigham Young Univ. v. Pfizer, Inc.*, No. 2:06-CV-890 TS, 2012 WL 1032769 (D. Utah Mar. 27, 2012), noting that “[t]here is ample authority for the proposition that one must own a trade secret to sue for its misappropriation.” 2012 WL 1032769, at *2 (*cited in* D.I. 336 at 12; D.I. 386 at 5 n.7). The facts here do not fly in the face of such authority, however. Plaintiff *sued* for misappropriation of Trade Secrets 2, 4 and 8 *when it owned* those trade secrets.

authority, or in analogous trademark, patent and copyright law, and it ultimately concluded that the plaintiff's "sale of the trade secrets in question [wa]s not an impediment to its maintenance of this action").

Therefore, the Motion regarding standing is GRANTED-IN-PART and DENIED-IN-PART, in that it is GRANTED as to Trade Secret 3 and otherwise DENIED.

IV. CONCLUSION

For the foregoing reasons, the Court finds that Defendants' Motion regarding joinder is DENIED, and Defendants' Motion regarding standing is GRANTED-IN-PART and DENIED-IN-PART. An appropriate Order will issue.

Because this Memorandum Opinion may contain confidential information, it has been released under seal, pending review by the parties to allow them to submit a single, jointly proposed, redacted version (if necessary) of the Memorandum Opinion. Any such redacted version shall be submitted no later than **September 24, 2024** for review by the Court. It should be accompanied by a motion for redaction that shows that the presumption of public access to judicial records has been rebutted with respect to the proposed redacted material, by including a factually-detailed explanation as to how that material is the "kind of information that courts will protect and that disclosure will work a clearly defined and serious injury to the party seeking closure." *In re Avandia Mktg., Sales Pracs. & Prods. Liab. Litig.*, 924 F.3d 662, 672 (3d Cir. 2019) (internal quotation marks and citation omitted). The Court will subsequently issue a publicly-available version of its Memorandum Opinion.