UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS, MARSHALL DIVISION

PLS IV, LLC v. B&B Theatres Operating Company, Inc.; PLS IV, LLC v. The Marcus Corporation and Marcus Theatres, LLC

PLS IV · No. 2:25-CV-00067-JRG (lead case); 2:25-CV-00068-JRG (member case) · Decided November 21, 2025

SUMMARY

The United States District Court for the Eastern District of Texas denied Marcus Corporation’s motion to dismiss for improper venue in a patent infringement action. Applying Fifth Circuit alter-ego principles, the Court held that venue could be imputed from subsidiary Marcus Theatres, LLC to its parent based on the totality of the circumstances, including shared ownership, officers, headquarters, business functions, and accounting responsibilities.

CASE DETAILS

COURT	United States District Court for the Eastern District of Texas, Marshall Division
WRITING FOR THE COURT	Rodney Gilstrap
JURISDICTION	United States District Court for the Eastern District of Texas, Marshall Division
DECIDED	November 21, 2025
DOCKET	2:25-CV-00067-JRG (lead case); 2:25-CV-00068-JRG (member case)
DISPOSITION	dismissed
PROCEDURAL POSTURE	Defendant The Marcus Corporation moved to dismiss the patent-infringement complaint against it for improper venue. Plaintiff did not contest that Marcus Corporation did not reside or commit infringing acts in the district, but argued that venue should be imputed from its subsidiary, Marcus Theatres, under an alter ego theory.
STANDARD OF REVIEW	The opinion applies the alter-ego venue inquiry under a totality-of-the-circumstances and heavily fact-specific standard, with a relaxed standard where alter ego is asserted to establish venue rather than liability.
PRECEDENTIAL VALUE	unpublished district-court memorandum opinion

TOPICS

venue · motions to dismiss · corporate veil piercing · civil procedure · patent law

PRACTICE AREAS

civil procedure · patent litigation · corporate law · commercial litigation

QUESTIONS PRESENTED

1. Whether venue may be imputed from a subsidiary to its parent corporation under an alter ego theory.
2. Whether the evidence established that Marcus Theatres was the alter ego of Marcus Corporation under the applicable Fifth Circuit factors.
3. Whether Marcus Corporation's motion to dismiss for improper venue should be granted.

HOLDINGS

1. Venue may be imputed from a subsidiary to its parent corporation when the entities are so closely integrated that the corporate separateness between them is insufficient for venue purposes.
2. The five Hargrave factors, rather than the twelve Bridas factors, appropriately guide an alter-ego inquiry directed to imputing venue.
3. Plaintiff met its burden to establish that Marcus Theatres was Marcus Corporation's alter ego for purposes of imputing venue.

KEY QUOTATIONS

> *"To impute venue from one entity to another, courts must test whether "the lines between the [entities] become 'so blurred that the two become one.'""* (II)

> *"Given the totality of the circumstances, the Court finds that four of five Hargrave factors weigh in favor of imputing venue from Marcus Theatres onto Marcus Corp., with the fifth weighing only slightly against such a finding."* (III.F)

FACTUAL BACKGROUND

Marcus Corporation is the sole owner of Marcus Theatres. The entities share a headquarters, numerous directors and officers, and business departments including accounting, payroll, legal services, human-resources benefits administration, and information technology. The record also indicated commingling of accounting responsibilities, deficiencies in evidence of separate corporate formalities, financing of Marcus Theatres by Marcus Corporation, and use of Marcus Theatres' property to secure Marcus Corporation's debt. Although Marcus Theatres maintained separate operational reporting lines for theatre-specific activities, the court found that four of five applicable alter-ego factors favored imputing venue.

PROCEDURAL HISTORY

PLS IV filed the member case against Marcus Theatres and Marcus Corporation on January 23, 2025. The member case was consolidated with the lead case on April 7, 2025. The court granted venue discovery, and

Plaintiff later voluntarily dismissed without prejudice claims concerning two patents; claims concerning U.S. Patent Nos. 7,340,602 and 7,406,603 remained pending. The court denied Marcus Corporation's motion to dismiss for improper venue and directed the parties to prepare a redacted public version of the sealed order.

DISPOSITION

dismissed

CASES CITED

- Celgene Corp. v. Mylan Pharms. Inc., 17 F.4th 1111, 1125 (Fed. Cir. 2021)
- Insituform Technologies, Inc. v. CAT Contracting, Inc., 385 F.3d 1360, 1380 (Fed. Cir. 2004)
- Sightline Payments, LLC v. Everi Holdings Inc., 2022 WL 2078215, at *4 (W.D. Tex. June 1, 2022)
- Minnesota Mining & Manufacturing Co. v. Eco Chem, Inc., 757 F.2d 1256, 1265 (Fed. Cir. 1985)
- National Steel Car Ltd. v. Greenbrier Companies Inc., 2020 WL 4289388, at *2 (W.D. Tex. July 27, 2020)
- Wapp Tech. Ltd. Partnership v. Micro Focus International, PLC, 406 F. Supp. 3d 585, 595 (E.D. Tex. 2019)
- QR Spex, Inc. v. Motorola, Inc., 507 F. Supp. 2d 650, 663 (E.D. Tex. 2007)
- U.S. v. Jon-T Chemicals, Inc., 768 F.2d 686, 691, 694 (5th Cir. 1985)
- Bridas S.A.P.I.C. v. Government of Turkmenistan, 447 F.3d 411, 418 (5th Cir. 2006)
- Conti 11. Container Schiffarts-GMBH & Co. KG M.S., MSC Flaminia v. MSC Mediterranean Shipping Co., S.A., 91 F.4th 789, 801 (5th Cir. 2024)
- Dieuce-Lisa Industries, Inc. v. Disney Enterprises, Inc., 942 F.3d 239, 251 (5th Cir. 2019)
- Hargrave v. Fibreboard Corp., 710 F.2d 1154, 1160 (5th Cir. 1983)
- Freudensprung v. Offshore Technical Services, Inc., 379 F.3d 327, 346 (5th Cir. 2004)
- Dickson Marine, Inc. v. Panalpina, Inc., 179 F.3d 331, 338 (5th Cir. 1999)

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