

STATE OF NORTH CAROLINA  
DURHAM COUNTY

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION  
19 CVS 2828

GRID THERAPEUTICS, LLC, f/k/a  
CUE BIOLOGICS, LLC,

Plaintiff,

v.

YUPENG SONG, JIANLI WANG,

Defendants.

**ORDER ON DESIGNATION**

1. **THIS MATTER** is before the Court pursuant to the Determination Order issued on May 28, 2019 by the Honorable Cheri Beasley, Chief Justice of the Supreme Court of North Carolina directing the undersigned to determine whether this action is properly designated as a mandatory complex business case in accord with N.C. Gen. Stat. § 7A-45.4(a) (the “Determination Order”).

2. Plaintiff filed the Verified Complaint initiating this action in Durham County Superior Court on May 23, 2019, asserting two claims for breach of contract and one for declaratory judgment. Plaintiff timely filed the Notice of Designation (“NOD”) on the same day.

3. Plaintiff contends that designation as a mandatory business case is proper under N.C. Gen. Stat. § 7A-45.4(a)(1) and (a)(5). Designation under section 7A-45.4(a)(1) is proper if the action involves a material issue related to “[d]isputes involving the law governing corporations, except charitable and religious organizations qualified under G.S. 55A-1-40(4) on the grounds of religious purpose, partnerships, and limited liability companies, including disputes arising under

Chapters 55, 55A, 55B, 57D, and 59 of the General Statutes.” Designation under section 7A-45.4(a)(5) is proper if the action involves a material issue related to “[d]isputes involving the ownership, use, licensing, lease, installation, or performance of intellectual property, including computer software, software applications, information technology and systems, data and data security, pharmaceuticals, biotechnology products, and bioscience technologies.”

4. In support of designation under section 7A-45.4(a)(1), Plaintiff avers that “this matter involves the breach of investment agreements and the proper determination of ownership shares in a North Carolina Limited Liability Company under the terms of the investment agreements and the Limited Liability Company agreement.” (NOD 2.) Plaintiff also asserts that designation under section 7A-45.4(a)(5) is proper because “this matter involves a dispute over the continued viability of a sublicense for the use and commercial exploitation of certain intellectual property.” (NOD 2.)

5. As made plain by a review of the NOD and confirmed by the allegations in the Verified Complaint, however, the resolution of Plaintiff’s claims requires only a straightforward application of contract law. While, as Plaintiff posits, the contracts at issue may include provisions for determining ownership shares in a North Carolina LLC and the sublicensing of intellectual property, the claims do not require a court to apply the law governing LLCs, *see Southeastern Auto. Inc. v. Genuine Parts Co.*, 2016 NCBC LEXIS 63, at \*7 (N.C. Super. Ct. Aug. 17, 2016) (declining to find designation under (a)(1) based on an alleged breach of a merger agreement), or

consider a material issue relating to a dispute that is “closely tied to the underlying intellectual property aspects” of the intellectual property subject to the sub-license agreement, *Cardiorentis AG v. IQVIA Ltd.*, 2018 NCBC LEXIS 64, at \*6–7 (N.C. Super. Ct. June 27, 2018).

6. As such, the Court concludes that designation of this action as a mandatory complex business case under (a)(1) and (a)(5) is not proper. *See Lee Ins. & Fin. Servs., Inc. v. Bembridge Ins. Servs., Inc.*, 17 CVS 8585, Revised Order Regarding Designation at 2, ECF No. 17 (N.C. Super. Ct. Sept. 6, 2017) (finding designation under (a)(1) and (a)(5) improper where the action did not involve material issues related to disputes regarding the law of corporations and the use and performance of intellectual property); *see also Cornerstone Health Care, P.A. v. Moore*, 2015 NCBC LEXIS 65, at \*7–9 (N.C. Super. Ct. June 22, 2015).

7. Based on the foregoing, the Court determines that this action is not properly designated as a mandatory complex business case in accord with N.C. Gen. Stat. § 7A-45.4(a) and thus shall not be assigned to a Special Superior Court Judge for Complex Business Cases.

8. Consistent with the Determination Order, the Court hereby advises the Senior Resident Superior Court Judge of Judicial District 14 that this action is not properly designated as a mandatory complex business case so that the action may be treated as any other civil action, wherein designation as a Rule 2.1 exceptional case may be pursued with the Senior Resident Judge.

9. The Court's ruling is without prejudice to the right of any other party to seek designation of this matter as a mandatory complex business case as provided under section 7A-45.4.

**SO ORDERED**, this the 31st day of May, 2019.

/s/ Louis A. Bledsoe, III  
Louis A. Bledsoe, III  
Chief Business Court Judge