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Brown v. Alcatel USA, Inc.
Tex.App.-Dallas,2004.

SEE TX R RAP RULE 47.2 FOR DESIGNATION
AND SIGNING OF OPINIONS.

Court of Appeals of Texas,Dallas.

Evan BROWN, Appellant

v.

ALCATEL USA, INC. f/k/a DSC Communications
Corporation, Appellee.

No. 05-02-01678-CV.

June 28, 2004.

Background: Telecommunications company filed suit against former employee who had refused to provide full disclosure of a method for converting low-level computer code into high-level code that he developed during his employment, as purportedly required by his employment contract. The 199th Judicial District Court, Collin County, granted summary judgment in favor of employer. Employee appealed.

Holdings: The Court of Appeals, [Richter](#), J., held that:

(1) employment agreement was supported by sufficient consideration;

(2) method for converting computer code constituted an invention that was related to employer's business, and thus fell within scope of employment agreement;

(3) perpetual injunction against employee's further development and marketing of the method was proper;

(4) issue of whether trial court erred when it awarded employer a 20% interest in the method as a discovery sanction was rendered moot by its award of 100% of the method to employer in summary judgment; and

(5) trial court had subject matter jurisdiction, even

though judge from another district heard case and signed judgment as a judge of that district.

Affirmed.

West Headnotes

[1] Labor and Employment 231H 310

[231H](#) Labor and Employment

[231HV](#) Intellectual Property Rights and Duties

[231Hk308](#) Inventions, Discoveries, or Creations of Employees

Employment contract that required at-will employee to disclose to employer any inventions made during his employment that related to employer's business was supported by adequate consideration, even though employee could be fired at any time, since employer had performed under the unilateral contract by paying the employee a salary during the 10 years he worked for employer after signing the agreement.

[231Hk310](#) k. Contracts. [Most Cited Cases](#)

[2] Appeal and Error 30 173(6)

[30](#) Appeal and Error

[30V](#) Presentation and Reservation in Lower Court of Grounds of Review

[30V\(A\)](#) Issues and Questions in Lower Court

[30k173](#) Grounds of Defense or Opposition

[30k173\(6\)](#) k. Asserting Invalidity of Contract or Other Instrument. [Most Cited Cases](#)

Employee's claims that his employment contract violated public policy, was ambiguous, and was unconscionable, which were not raised in his response to employer's summary judgment motion in civil suit, were waived for purposes of appeal from grant of summary judgment in favor of employer. [Ver-non's Ann.Texas Rules Civ.Proc., Rule 166a\(c\)](#).

[3] Labor and Employment 231H 310

[231H](#) Labor and Employment

[231HV](#) Intellectual Property Rights and Duties

[231Hk308](#) Inventions, Discoveries, or Creations of Employees

Employment contract that required at-will employee to disclose to employer any inventions made during his employment that related to employer's business was supported by adequate consideration, even though employee could be fired at any time, since employer had performed under the unilateral contract by paying the employee a salary during the 10 years he worked for employer after signing the agreement.

[231Hk310](#) k. Contracts. [Most Cited Cases](#)
Method for converting low-level computer code into high-level code constituted an “invention,” within meaning of employment contract that required employee to disclose to employer any inventions made during his employment that related to employer's business.

[4] Labor and Employment 231H ↪310

[231H](#) Labor and Employment

[231HV](#) Intellectual Property Rights and Duties

[231Hk308](#) Inventions, Discoveries, or Creations of Employees

[231Hk310](#) k. Contracts. [Most Cited Cases](#)
Method that employee of telecommunications company developed for converting low-level computer code into high-level code was related to the employer's business, and thus came within scope of employment contract that required employee to disclose inventions he made during his employment, since employee's job was to manage a group charged with converting computer codes.

[5] Injunction 212 ↪61(2)

[212](#) Injunction

[212II](#) Subjects of Protection and Relief

[212II\(C\)](#) Contracts

[212k61](#) Contracts in Restraint of Trade

[212k61\(2\)](#) k. Contracts Not to Engage in Particular Business. [Most Cited Cases](#)
Perpetual injunction prohibiting former employee of telecommunications company from further developing or marketing a method for converting low-level computer code into high-level code to anyone other than his former employer was proper, given trial court's determination that former employer was entitled to full legal right to this method pursuant to the terms of an enforceable employment agreement.

[6] Appeal and Error 30 ↪843(2)

[30](#) Appeal and Error

[30XVI](#) Review

[30XVI\(A\)](#) Scope, Standards, and Extent, in General

[30k838](#) Questions Considered

[30k843](#) Matters Not Necessary to Decision on Review

[30k843\(2\)](#) k. Review of Specific Questions in General. [Most Cited Cases](#)
Issue of whether trial court erred when it awarded employer a 20% interest in former employee's method for converting low-level computer code into high-level code as a sanction for employee's failure to comply with discovery in action to enforce employment contract was rendered moot when trial court properly awarded 100% of the method to employer in summary judgment.

[7] Appeal and Error 30 ↪226(2)

[30](#) Appeal and Error

[30V](#) Presentation and Reservation in Lower Court of Grounds of Review

[30V\(B\)](#) Objections and Motions, and Rulings Thereon

[30k226](#) Costs

[30k226\(2\)](#) k. Fees. [Most Cited Cases](#)

Claim that trial court erred in awarding attorney fees in action to enforce employment contract, which was not raised in trial court, was waived for purposes of appeal. [Vernon's Ann.Texas Rules Civ.Proc., Rule 166a\(c\)](#).

[8] Judges 227 ↪29

[227](#) Judges

[227III](#) Rights, Powers, Duties, and Liabilities

[227k29](#) k. Exercise of Powers in Different Courts. [Most Cited Cases](#)

Trial court had subject matter jurisdiction over action to enforce employment contract, even though judge of another district who was assigned to hear the lawsuit signed summary judgment as a judge of that district, rather than a judge of the district in which the case was heard. [Vernon's Ann.Texas Const. Art. 5, § 11](#); [Vernon's Ann.Texas Rules Civ.Proc., Rule 330\(e\)](#).

On Appeal from the 199th Judicial District Court, Collin County, Texas, Trial Court Cause No. 199-596-97.

Evan Brown, pro se.

[Martin L. Peterson](#), for Evan Brown.

[Basheer Youssef Ghorayeb](#), for Basheer Y. Garelick.

[Eric W. Pinker](#), for DSC Communications Corporation.

[Scott Michael Garelick](#), for Scott M. Garelick.

Before Justices [WRIGHT](#), [RICHTER](#) and [LANG](#).

MEMORANDUM OPINION

Opinion by Justice [RICHTER](#).

*1 Appellant Brown appeals from a summary judgment in favor of appellee Alcatel. In four issues he claims the trial court erred: (1) in granting summary judgment because there were disputed issues of material fact, (2) in granting a “perpetual injunction,” (3) in abusing its discretion by granting a portion of the res of the suit as a discovery sanction, and (4) in awarding attorney’s fees. In a fifth issue, Brown claims the judgment is void because the court lacked subject matter jurisdiction. We affirm. Because all dispositive issues are clearly settled in the law, we issue this memorandum opinion. [TEX.R.APP. P. 47.1](#).

I. BACKGROUND

Brown was employed in 1987 by DSC Communications Corporation, now known as Alcatel. Upon his hire, he was required to sign an employment agreement, pledging to provide the company with all information concerning any discoveries or inventions he made or conceived while in its employ which related to the nature of the company’s business. In early 1996, Brown conceived the “Solution.” The Solution was purportedly a methodology to reverse engineer and convert low-level computer code into high-level code. The ultimate benefit of the Solution was that older computer code could be converted where it would run on newer computer hardware platforms. The Solution involved a complex algorithm that would encompass some 400 pages of single spaced type were it reduced to writing.

After Brown conceived the Solution, he sent a memorandum to his immediate supervisor on April 19, 1996. The memorandum stated, in part:
I have developed a method of converting machine

executable binary code into high level source code form using logic and data abstractions. The purpose of this idea is to take existing executable programs and “reverse engineer” the intelligence from the programs and “re-code” the intelligence into a portable high level language.

Brown sent this memorandum in an effort to secure a release of the Solution from Alcatel, as required by the employee agreement [FN1](#). In response, Alcatel demanded Brown provide full disclosure of the Solution as required by the employment agreement. When Brown failed to cooperate, he was terminated. Alcatel filed suit soon thereafter.

[FN1](#). The agreement specifically required Brown to notify the company in writing before making disclosure of any invention or idea that could be construed as outside the scope of the agreement.

II. SUMMARY JUDGMENT STANDARD OF REVIEW

The standard of review in summary judgment cases is well-established. See [Tex.R. Civ. P. 166a\(c\)](#); [Black v. Victoria Lloyds Insurance Co.](#), 797 S.W.2d 20, 23 (Tex.1990). In reviewing a summary judgment, evidence favorable to the nonmovant will be taken as true. [Nixon v. Mr. Property Management Co.](#), 690 S.W.2d 546, 548-49 (Tex.1985). Every reasonable inference in favor of the nonmovant is allowed, and all doubts are resolved in his favor. [Nixon](#), 690 S.W.2d at 548-49. To prevail on summary judgment, a defendant as movant must either disprove at least one element of each of the plaintiff’s theories of recovery or plead and conclusively establish each essential element of an affirmative defense, thereby rebutting the plaintiff’s cause of action. See [City of Houston v. Clear Creek Basin Authority](#), 589 S.W.2d 671, 678 (Tex.1979); [Hoover v. Gregory](#), 835 S.W.2d 668, 671 (Tex.App.-Dallas 1992, writ denied). Once the defendant establishes its right to summary judgment as a matter of law, the burden shifts to the plaintiff to present evidence raising a genuine issue of material fact, thereby precluding summary judgment.

[City of Houston, 589 S.W.2d at 678](#). A matter is conclusively established if ordinary minds could not differ as to the conclusion to be drawn from the evidence. See [Triton Oil & Gas Corp. v. Marine Contractors & Supply, Inc., 644 S.W.2d 443, 446 \(Tex.1982\)](#).

III. PURPORTED ISSUES OF MATERIAL FACT

*2 In his first issue, Brown claims material issues of disputed fact exist, which preclude the granting of summary judgment. The gist of his claim is that the Solution is not complete and concrete to the point at which it is a viable concept. He asserts much more research and labor is required to render the Solution practical and useful. He claims the Solution has not been fully “made or conceived,” which would trigger the contractual provisions of the employment agreement. As an additional fact issue, Brown claims the employment agreement contract was not supported by consideration, violates public policy, is ambiguous, and is unconscionable.

A. Validity of Employment Agreement

Brown claims there is no consideration to support the employment contract because Alcatel could fire him at any time since he was an at-will employee. Thus, he claims Alcatel's promise of continued employment and payment of wages was illusory. Relying on the Texas Supreme Court's opinion in [Light v. Centel Cellular Co., 883 S.W.2d 642 \(Tex.1994\)](#), he claims “when illusory promises are all that support a bilateral contract, there is no contract.” [Id. at 645](#).

Brown reads *Light* too narrowly. *Light* recognized the situation where a unilateral contract could still be formed even where one promise is illusory. *Id.* at 645 n. 6. In this situation, the non-illusory promise can serve as the offer, which the promisor who made the illusory promise can accept by performance. *Id.* The fact the employer was not bound to perform because it could have fired the employee is irrelevant; if it has performed, it has accepted the employee's offer and created a binding unilateral

contract. *Id.*

[1] Here, Alcatel employed Brown for a period of ten years after he signed the employee agreement and paid him a salary during that time. The evidence shows that Brown's continued employment was conditioned on his signing the employee agreement. The continued employment and payment of salary, which would not have occurred but for Brown signing the employee agreement, was Alcatel's performance under the unilateral contract. See [In re Halliburton, 80 S.W.3d 566, 569 \(Tex.2002\)](#). Thus, a unilateral contract, though it is not mutual at the time it was made, becomes enforceable if the party seeking to enforce the contract has performed, conferring even a remote benefit on the other party. [Cherokee Communications, Inc. v. Skinny's, Inc., 893 S.W.2d 313, 316 \(Tex.App.-Eastland 1994, writ denied\)](#). Accordingly, there was consideration to support the unilateral contract in this case.

[2] Brown's claim that the contract violates public policy, is ambiguous, and is unconscionable likewise fails. Brown did not urge these arguments in his response or amended response to Alcatel's summary judgment motion and has therefore waived them. Issues not expressly presented to the trial court by written motion, answer, or other response shall not be considered on appeal as grounds for reversal. [TEX.R. CIV. P. 166a\(c\)](#); [City of Houston, 589 S.W.2d at 676](#).

B. The Status of the “Solution”

*3 [3] Brown repeatedly claims there is a fact issue that the Solution was not an invention, or even a conception falling under the terms of the employment agreement. However, he claimed in his April 1996 memo to management, “I have developed a method of converting machine executable binary code into high level source code form using logic and data abstractions....” Brown has not presented any other credible evidence to contradict this assertion.

[4] Brown also claims Alcatel was not in the business of designing software, but was in the telecom-

munications business. Thus, the employment agreement is not applicable to the Solution. However, the evidence in the record establishes that Brown managed the group at Alcatel charged with maintaining and developing automated conversion tools for converting high-level code to low-level code. The record further shows that one of Brown's job functions was to manually convert Alcatel's existing low-level code to high-level code. The evidence shows Alcatel twice investigated automated conversion tools in 1993 and 1995. In addition, in 1993, Brown managed the employee charged with investigating the low-level to high-level automated code conversion process and received a status report on his research on October 18, 1993.

We do not believe the court below erred in concluding Alcatel, pursuant to the employment agreement, "owns full legal right, title and interest to the process and/or method" that is known as the Solution. We overrule Brown's first issue in its entirety.

IV. PERPETUAL INJUNCTION

[5] In his second issue, Brown claims the trial court erred by granting a "perpetual injunction" against Brown's further development of the Solution. The judgment provides, "Evan Brown cannot further develop or market the Solution to anyone other than Alcatel." Since we have concluded the trial court did not err by awarding the Solution to Alcatel, Brown's claim has no merit. We overrule Brown's second issue.

V. DISCOVERY SANCTION

[6] The trial court awarded Alcatel a 20% interest in the Solution as a graduated sanction after Brown repeatedly failed to comply with discovery. In his third issue, Brown claims the trial court abused its discretion in ordering the sanction. Due to our conclusion the trial court properly awarded 100% of the Solution to Alcatel in summary judgment, this claim is rendered moot. *E.g.*, [In re Salgado, 53 S.W.3d 752, 757 \(Tex.App.-El Paso 2001, no pet.\)](#) (If a judgment cannot have a practical effect on an existing controversy, the issue or case is moot.) We overrule Brown's third issue.

VI. ATTORNEY'S FEES

[7] In his fourth issue, Brown claims the trial court erred in awarding attorney's fees to Alcatel or, in the alternative, the fees awarded were not reasonable. Brown did not raise this issue in the trial court. Issues not expressly presented to the trial court by written motion, answer, or other response shall not be considered on appeal as grounds for reversal of a summary judgment. [TEX.R. CIV. P. 166a\(c\)](#); [City of Houston, 589 S.W.2d at 676](#). Accordingly, we overrule Brown's fourth issue.

VII. SUBJECT MATTER JURISDICTION

*4 [8] In his fifth and final issue, Brown claims the final judgment is void because it does not show it was rendered in the proper district court. During the pendency of the case, the cause was assigned to the sitting judge of the 219th Judicial District Court to be heard in the 199th Judicial District Court. There is no dispute the sitting judge was authorized to hear the case, but Brown claims error because the judgment reflects the judge signed the document as judge of the 219th District Court, as opposed to judge of the 199th District Court.

Brown bases his argument on [Alexander v. Russell, 699 S.W.2d 209 \(Tex.1985\)](#). However, *Alexander* was a family law case governed by former [section 11.05 of the Texas Family Code](#). That provision, recodified at section 155.001(c), governing continuing court jurisdiction in family law cases, has no applicability to the instant dispute. [TEX. FAM.CODE ANN. § 155.001\(c\)](#) (Vernon 2002).

District judges may exchange districts or hold court for each other when they consider it expedient. [TEX. CONST. art. V, § 11](#); [TEX.R. CIV. P. 330\(e\)](#); [European Crossroads' Shopping Ctr. v. Criswell, 910 S.W.2d 45, 51 \(Tex.App.-Dallas 1995, writ denied\)](#). The trial court has discretion to decide when to transfer a case. [TEX. CONST. art. V, § 11](#); [TEX.R. CIV. P. 330\(e\)](#); [European Crossroads, 910 S.W.2d at 51](#). The trial court may exchange or transfer a case on its own initiative. [European Crossroads, 910 S.W.2d at 51](#). Exchange or transfer does not require a formal order. *Id.* The minutes

of the court do not need to show the reason for the exchange. *Id.* A litigant does not have a protected proprietary interest in having his case heard by a particular judge or a particular court. *Id.* We use an abuse of discretion standard to review the trial court's decision to transfer a case, exchange benches, or hold court for each other. *Id.*

(Tex.App.-Dallas), 21 IER Cases 1158

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In [Gaspard v. Gaspard, 582 S.W.2d 629, 630-31 \(Tex.Civ.App.-Beaumont 1979, no writ\)](#), one issue was that the judge of the 58th District Court wrongfully exercised jurisdiction because he tried the case as the 58th District Court and not as the “presiding judge of the 317th Judicial District Court.” In *Gaspard*, after the case was brought before the Judge of the 58th District Court, the judge signed several orders as “Presiding Judge” of the 317th Judicial District Court and entered the final judgment as “Presiding Judge.” *Id.* at 631. Finding the jurisdictional argument had no merit, the court concluded it was immaterial as to whether the judge tried the case as the Judge of the 58th District Court or as “Presiding Judge” of the 317th Judicial District Court. *Id.* Citing [article 5, section 11 of the Texas Constitution](#), the *Gaspard* court concluded the trial judge could act in either capacity. [TEX. CONST. art. V, § 11](#); [Gaspard, 582 S.W.2d at 631](#).

Because a transfer or exchange does not require a formal order, the order allegedly transferring this case is not in the record before us, the parties agree the proper judge heard the case, and the fact that Brown appeared and litigated the case for over five years-himself filing documents in both the 199th Judicial District Court, as well as the 219th Judicial District Court-we conclude that there was no reversible error on the basis of improper subject matter jurisdiction. We overrule Brown's fifth and final issue.

VIII. CONCLUSION

*5 Having overruled all of appellant Brown's issues, we affirm the judgment of the trial court.

Tex.App.-Dallas,2004.

Brown v. Alcatel USA, Inc.

Not Reported in S.W.3d, 2004 WL 1434521