

# **EXHIBIT B**

Miscellaneous Docket No. \_\_\_\_\_

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**United States Court of Appeals  
for the Federal Circuit**

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IN RE ASUSTEK COMPUTER, INC.  
and ASUS COMPUTER INTERNATIONAL, INC.,

*Petitioners.*

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*On Petition for a Writ of Mandamus to the U.S. District Court for the  
Eastern District of Texas in Case Nos. 2:13-cv-894  
Judge Rodney Gilstrap*

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**PETITION FOR WRIT OF MANDAMUS  
FOR ASUSTEK COMPUTER, INC. AND  
ASUS COMPUTER INTERNATIONAL, INC.**

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August 20, 2014

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## CERTIFICATE OF INTEREST

Pursuant to Federal Circuit Rule 47.4(a) and Federal Rule of Appellate Procedure 26.1, counsel for Petitioners ASUSTek Computer, Inc. and ASUS Computer International, Inc. certifies the following:

1. The full name of every party represented by the undersigned is ASUSTek Computer, Inc. and ASUS Computer International, Inc.
2. There are no other real parties in interest represented by the undersigned.
3. The parent corporations and any publicly held companies that own 10 percent or more of the stock of the parties represented by the undersigned are: ASUSTek Computer, Inc., which is the parent corporation of ASUS Computer International, Inc.
4. The names of all law firms and the partners or associates that appeared for the parties now represented by the undersigned in the trial court or are expected to appear in this Court, are:

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## **RELIEF SOUGHT**

ASUSTek Computer, Inc. (“ASUSTek”) and ASUS Computer International, Inc. (“ACI”) (collectively “ASUS”) respectfully petition for a writ of mandamus directing the United States District Court for the Eastern District of Texas (the “Texas court”) to vacate its order denying transfer or stay of this action, and to either transfer this action to the Northern District of California, or stay this action until resolution of the action filed by Google Inc. (“Google”) in the Northern District of California.

## **ISSUES PRESENTED**

1. Did the Texas court clearly abuse its discretion by not giving precedence to the manufacturer’s (Google’s) California action where Petitioners’ same products are at issue for the same patent claims?
2. Did the Texas court clearly abuse its discretion by not analyzing convenience factors in view of the precedence to be given the manufacturer’s California action?
3. Did the Texas court abuse its discretion in refusing to stay this action until resolution of Google’s California action?

## **SUMMARY OF ARGUMENT**

ASUS’s products are at issue in two different courts concerning the same patents. ASUS should not be forced to litigate in two different forums on mirror-image claims for the same accused products. These claims should be litigated in

the Northern District of California, which is undoubtedly a more convenient forum because ASUS's U.S. base of operations, Google's headquarters, and critical third party witnesses are located in that District.

For these reasons, ASUS joins the separate petition for writ of mandamus, Misc. No. 2014-147, filed by Google on August 14, 2014. ASUS writes separately to explain why the patent case that Rockstar Consortium US LP and MobileStar Technologies LLC (collectively "Rockstar") filed against Android customer ASUS in Texas should be transferred to California, where the suit filed by Android manufacturer Google is already pending.

The facts are not in dispute. The same ASUS products are at issue in both the Eastern District of Texas and Northern District of California actions. *Compare* A0015 ¶ 15 *with* A0054 ¶¶ 22, 25. Rockstar's complaint only accused ASUS products that have the Android operating system as infringing. A0014-39 ¶¶ 14, 17, 27, 43, 58, 73, 88. Google has moved to transfer the Texas action, and Rockstar, in turn, moved to transfer Google's California action.

In denying Rockstar's motion, Chief Judge Claudia Wilken of the Northern District of California correctly concluded that Google's manufacturer suit takes precedence over the Texas actions filed against Android customers such as ASUS and that Texas is not a more convenient forum. A2086. The California court

suggested that the Texas actions against Android customers be transferred to California, or stayed until Google's manufacturer suit was resolved. A2084.

ASUS filed its own motion to transfer the Texas case to California or, in the alternative, stay the Texas case until Google's manufacturer suit was resolved, consistent with this Court's precedents and Chief Judge Wilken's order. A0062-81. The Texas court denied ASUS's motion and, in doing so, did not even acknowledge Chief Judge Wilken's earlier ruling, much less follow her careful and thorough analysis. Instead, the Texas court incorrectly applied the law, erroneously holding ASUS to the burden of showing that California was a "clearly more convenient" forum without acknowledging the precedence that the Northern District of California should be given as the forum of the manufacturer suit. A0008. The Texas court's error constitutes a clear abuse of discretion in at least three ways: (1) the Texas court did not give precedence to the suit filed by Android manufacturer Google in California; (2) the Texas court did not analyze convenience factors within the context of this precedence; and (3) the Texas court refused to stay the Texas action pending resolution of Google's California action. Each of these errors is a clear abuse of discretion, and ASUS respectfully requests that this Court correct the Texas court's error.

## STATEMENT OF RELEVANT FACTS

### A. The Parties.

#### 1. Nortel, Rockstar, and MobileStar.

Google, in its separate petition for writ of mandamus, sets out the relevant facts surrounding the original ownership of the patents at issue (“Asserted Patents”) by Canada-based Nortel Networks, Rockstar’s purchase of the Asserted Patents through a bankruptcy auction conducted in New York, and the transfer of selected Asserted Patents to MobileStar, literally on the eve of Rockstar’s Android lawsuits. For the convenience of the Court, ASUS adopts and incorporates by reference those facts from Google’s separate petition for writ of mandamus, Misc. No. 2014-147.

#### 2. ASUS.

ASUSTek Computer, Inc. is headquartered in Taiwan and ASUS Computer International, Inc. is headquartered in Fremont, California, within the Northern District of California. A0073, 1446 ¶ 3, 1450 ¶ 4. ASUS’s potential witnesses and documents are located in Taiwan and California, including employees and information relating to the research, design, development, marketing, and sale of the accused products. A0073, 1446-47 ¶¶ 3, 8-10, 1450 ¶¶ 8-10. There are no relevant ASUS documents or employees located in the Eastern District of Texas. A0073, 1147 ¶ 10, 1450-51 ¶¶ 9-12.

**B. The Same Accused Products and Android Operating System is at Issue in Both the California and Texas Actions.**

Rockstar filed its Texas complaint on October 31, 2013, accusing ASUS (and several additional actions accusing other customers of Google) of infringing various patents now owned by Rockstar and MobileStar (“the Texas action”).

A0011-48. The six patents asserted against ASUS include U.S. Patent Nos. 5,838,551, 6,037,937, 6,128,298, 6,463,131, 6,765,591 and 6,937,572. A0011-48, 2207-2330. While Rockstar’s Texas complaint alleges that only ASUS devices “having a version (or an adaption thereof) of Android operating system” infringe the Asserted Patents, Rockstar did not name Google as a defendant. A0014 ¶ 14.

Google, the developer and manufacturer of the Android operating system, filed a complaint for declaratory judgment in the Northern District of California on December 23, 2013 (“the California action”). A0049-61. Google’s complaint seeks a declaration that not “any version of Google’s Android platform” infringes the Asserted Patents. A0054 ¶ 25. It identifies ASUS as a “customer” that uses the Android platform in ASUS devices. A0053 ¶ 17. Google’s complaint in the California action is not limited to any particular version of the Android platform, or to any particular ASUS devices that use the Android platform. Instead, Google broadly requests a declaration that no version of the Android platform in any ASUS device infringes the Asserted Patents. A0054 ¶ 25. Google’s complaint also requests a declaration that no version of the Android platform infringes U.S.

Patent No. 6,333,973 (the “’973 patent”), a patent Rockstar asserted against other Android customers but not ASUS. A0058 ¶ 49, 2244-69.

The same Android platform that is run on the accused ASUS devices is at issue in both actions. *Compare* A0018 ¶ 27 *with* A0056 ¶ 37 (’937 claim 13); A0023 ¶ 43 *with* A0057 ¶ 43 (’298 patent claims 27 and 31); A0028-29 ¶ 58 *with* A0059 ¶ 55 (’131 patent claim 1); A0034 ¶ 73 *with* A0060 ¶ 61 (’591 claims 1 and 8); and A0039 ¶ 88 *with* A0061 ¶ 67 (’572 patent claim 17). In particular, the Google-branded ASUS Nexus 7 is accused of infringement in both the California and Texas actions. A0054 ¶¶ 22, 25, 0015 ¶ 15.

**C. The California Court Concluded That Google’s Suit Takes Precedence, and That Texas Is Not a More Convenient Forum.**

In response to Google’s declaratory judgment complaint filed in the Northern District of California, Rockstar moved to dismiss or, in the alternative, transfer the action to Texas. Chief Judge Wilken denied both requests. A2086.

Chief Judge Wilken’s analysis was based on established Federal Circuit precedent, recently reaffirmed in *In re Nintendo*, Case No. 2014-132, 2014 U.S. App. LEXIS 12707, at \*4-5, that a manufacturer’s suit takes precedence. The California court articulated the standard as follows: “where the earlier action is an infringement suit against a mere customer and the later suit is a declaratory judgment action brought by the manufacturer of the accused devices,” the manufacturer suit generally takes precedence. A2082. The California court found

that “the relationships between Google and the [Texas] defendants is one of manufacturer and customer.” *Id.* Accordingly, Chief Judge Wilken concluded that, “[b]ecause the determination of the infringement issues here would likely be dispositive of the other cases, and the manufacturer presumably has a greater interest in defending against charges of patent infringement than the customers, the [California] suit takes precedence.” A2082 (citing *Kahn v. Gen. Motors Corp.*, 889 F.2d 1078, 1081 (Fed. Cir. 1989)).

Chief Judge Wilken then turned to the convenience factors to determine whether an exception should be made to the general rule giving preference to the manufacturer suit. A2082-83. As for the convenience of the parties, the California court observed that Google, the developer and manufacturer of the Android operating system, is based in the Northern District of California: “Google’s Android products, the target of this infringement action, were designed and created [in the Northern District of California.]” A2083. As for Rockstar, the California court noted that though Rockstar claims “to have substantial ties to Texas, their headquarters appear to be in Canada.” A2085.

The convenience of the Northern District of California extended to key third-party witnesses at Apple, Inc. (“Apple”). The California court described a “direct link” between various actions filed by Apple and Rockstar against Google and its customers. A2076. Chief Judge Wilken first observed that Apple

contributed \$2.6 billion, or a controlling 58% of the \$4.5 billion paid by Rockstar Bidco (a consortium consisting of Apple, Microsoft, RIM, Ericsson, Sony and EMC). A2075. The California court noted that Rockstar’s litigation strategy of suing Google’s customers “is consistent with Apple’s particular business interests.” A2077. It noted that Rockstar limited its infringement claims in Texas action “to Android-operating devices only” and, according to Chief Judge Wilken, “[t]his ‘scare the customer and run’ tactic advances Apple’s interest in interfering with Google’s Android business.” *Id.*

Based on the foregoing, the California court concluded that the convenience factors favored California over Texas: “On balance, the factors do not weigh in favor of transferring the action to the Eastern District of Texas.” A2086. As a practical matter, Chief Judge Wilken suggested that the customer suits in Texas could be transferred to the Northern District of California and consolidated for pretrial purposes or, in the alternative, stayed by the Texas court. A2084.

**D. The Texas Court’s Analysis of the Transfer Issues.**

In contrast, the Texas court did not give preference to the manufacturer suit filed by Google in California. Nor did the Texas court analyze the convenience factors within the context of the precedence to be given Google’s California action.



In fact, the Texas court never mentioned Chief Judge Wilken's ruling, which had issued more than three months earlier.<sup>1</sup> The Texas court cited the general principle that "litigation against or brought by the manufacturer of infringing goods takes precedence over a suit by the patent owner against customers of the manufacturer," A0004, but never analyzed or applied that principle as enumerated by this Court. To the contrary, the Texas court held Android customer ASUS to the burden of showing that the Northern District of California was "clearly more convenient" than the Eastern District of Texas, and ruled that ASUS had not met its burden. A0008.

### STANDARD OF REVIEW

Writs of mandamus are available for "extraordinary situations to correct a clear abuse of discretion or usurpation of judicial power." *In re TS Tech. USA Corp.*, 551 F.3d 1315, 1318 (Fed. Cir. 2008). A clear abuse of discretion occurs when the district court reaches a "patently erroneous result." *Id.* at 1319. A "district court abuses its discretion if it relies on an erroneous conclusion of law." *In re EMC Corp.*, 677 F.3d 1351, 1355 (Fed. Cir. 2012). "An abuse of discretion may be established by showing that the district court either made a clear error of judgment in weighing relevant factors, or exercised its discretion based on an error

<sup>1</sup> Chief Judge Wilken's order denying Rockstar's motion to dismiss, or transfer, issued on April 17, 2014. A2059-86. The Texas court's order denying ASUS's motion to transfer, or in the alternative, stay issued on July 28, 2014. A0001-10.

of law or on findings which were clearly erroneous.” *Joy Techs., Inc. v. Flakt, Inc.*, 6 F.3d 770, 772 (Fed. Cir. 1993) (citing *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1039 (Fed. Cir. 1992) and *Seattle Box Co. v. Indus. Crating & Packing*, 756 F.2d 1574, 1581 (Fed. Cir. 1985)). “If the district court clearly abused its discretion,” the moving party’s “right to issuance of the writ is necessarily clear and indisputable.” *In re TS Tech.*, 551 F.3d at 1318-19; *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 311 (5th Cir. 2008) (en banc).

### **REASONS WHY THE WRIT SHOULD ISSUE**

#### **I. THE TEXAS DISTRICT COURT CLEARLY ABUSED ITS DISCRETION BY NOT GIVING PRECEDENCE TO GOOGLE’S CALIFORNIA ACTION.**

When a manufacturer files a suit for declaratory relief of non-infringement in response to an earlier filed suit against customers, the manufacturer’s suit takes precedence. *See Spread Spectrum Screening LLC v. Eastman Kodak Co.*, 657 F.3d 1349, 1357 (Fed. Cir. 2011). This case fits squarely within that rule. As Google confirms, ASUS is a customer of Google’s Android platform. A0053 ¶ 17. The Texas action against Android customer ASUS, alleging that ASUS devices running any version of the Android operating system infringe the Asserted Patents, was filed on October 31, 2013. A0011-48. Google, the manufacturer of the Android operating system, filed in California on December 23, 2013, seeking a declaration that no version of the Android platform infringes any of the Asserted Patents.

A0049-61. Google's California action is even broader than Rockstar's Texas action against ASUS because it includes a seventh patent, the '973 patent, which is not asserted against ASUS in the Texas action. A0058 ¶ 49. Under controlling law, Google's California action takes precedence.

Under similar circumstances, this Court recently reaffirmed that “[w]hen a patent owner files an infringement suit against a manufacturer’s customer and the manufacturer then files an action of noninfringement or patent invalidity, the suit by the manufacturer generally take[s] precedence.” *In re Nintendo of America, Inc.*, Case No. 2014-132, 2014 U.S. App. LEXIS 12707, at \*4-5 (Fed. Cir. June 25, 2014) (citing *Spread Spectrum Screening LLC*, 657 F.3d at 1357; *Katz v. Lear Siegler, Inc.*, 909 F.2d 1459, 1464 (Fed. Cir. 1990)). The purpose of the rule is “to avoid, if possible, imposing the burdens of trial on the customer, for it is the manufacturer who is generally the ‘true defendant’ in the dispute.” *Id.* at \*5 (citing *Codex Corp. v. Milgo Elec. Corp.*, 553 F.2d 735, 737-38 (1st Cir. 1977)). It is meant to “facilitate just, convenient, efficient, and less expensive determination.” *Id.* (citing *Katz*, 909 F.2d at 1464). When evaluating the customer suit exception, the “primary question is whether the issues and parties are such that the disposition of one case would be dispositive of the other.” *Katz*, 909 F.2d at 1463.

The Texas court cited to this standard, but failed to analyze it, apply it, or give any precedence to the manufacturer’s suit filed by Google in California. The

Texas court's failure to follow clearly articulated controlling law is a clear abuse of discretion. *Joy Techs.*, 6 F.3d at 772 (citing *A.C. Aukerman Co.*, 960 F.2d at 1039 and *Seattle Box Co.*, 756 F.2d at 1581).

Simply put, this case is about the Android platform used by various devices. Android functionality is at the heart of both the Texas and California actions. The Texas complaint alleges that “mobile communication devices having a version (or an adaption thereof) of Android operating system” infringe each of the Asserted Patents. A0014-39 ¶¶ 14, 17, 27, 43, 58, 73, 88. Nowhere does the Texas complaint allege that software functionality separate from the Android operating system infringes the Asserted Patents. The California complaint encompasses the scope of the Texas complaint, alleging that no version of the Android platform on any mobile device infringes the same Asserted Patents. A0054 ¶ 25. In addition, the California case puts all seven Asserted Patents at issue. A0053-54 ¶¶ 19, 25.<sup>2</sup> As previously noted, the Texas action against ASUS only addresses six of the seven patents at issue in the California action. A0014 ¶ 14.

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<sup>2</sup> That there may be additional issues in the Texas actions against Google's customers does not prohibit application of the customer suit exception. *Katz*, 909 F.2d at 1464 (“Although there may be additional issues involving the defendants in the [customer] action, their prosecution will be advanced if [plaintiff] is successful on the major premises being litigation in [the manufacturer suit], and may well be mooted if he is unsuccessful.”).

The California court, when presented with these same facts, correctly concluded that Google and ASUS have a manufacturer-customer relationship. A2082. As a result, determining infringement issues in the California manufacturer suit “would likely be dispositive” of the Texas action against ASUS. *Id.* Further, Google, as the manufacturer of the Android platform, would “presumably ha[ve] a greater interest in defending against charges of patent infringement than the customers.” *Id.* Thus, the California court held that the case was properly litigated in California. *Id.*

Rockstar’s attempt to avoid Google’s California action, by arguing that it has now sued Google in Texas, is unavailing. As noted above, Rockstar filed an amended complaint on December 31, 2013 - adding Google as a defendant to the related Texas action filed against Samsung - a week *after* Google had filed its California complaint. In that amended complaint, however, Rockstar only asserted three of the seven patents against Google. On March 10, 2014, Rockstar moved to file a Second Amended Complaint, now asserting all seven of the patents. On July 1, 2014, over six months after Google filed the California action, the Texas court granted Rockstar’s motion and allowed all seven patents to be asserted against Google.

Rockstar’s attempt to distinguish the Android operating system at issue in the California and Texas actions is equally unavailing. In both cases, it is devices

running versions of Google's Android operating system that are at issue. There are no claims in either case that ASUS devices with other operating systems, such as the Windows operating system, infringe any of the software-based Asserted Patents. Rockstar has pointed to no evidence in the record that ASUS modifies the Android operating system in any way that impacts the infringement analysis. This fact is confirmed by Rockstar's infringement contentions in the Texas case, which only cite to Google's stock Android code as providing the purported infringing functionality. *See* A2160-65.

Rockstar's attempt to distinguish the '551 patent as not involving Google's Android operating system is undermined by Rockstar's complaint, which alleges that only ASUS devices having a version of the Android operating system infringe the '551 patent, just like its allegations for each of the other Asserted Patents.<sup>3</sup> A0014 ¶ 14. Chief Judge Wilken pointed to this fact, noting that Rockstar had gone so far as to limit its infringement claims to "Android-operating devices only" even where they asserted hardware claims, such as this in the '551 patent. A2077.

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<sup>3</sup> Given Rockstar's admissions, the fact that three of the ten ASUS products that Rockstar subsequently identified of infringing the hardware claims of the '551 patent may be running a different operating system is inconsequential and does not affect the application of the customer-suit rule. *See Katz*, 909 F.2d at 1464. To be sure, these three products are not accused of infringing the claims of any of the other Asserted Patents.

**II. THE TEXAS DISTRICT COURT CLEARLY ABUSED ITS DISCRETION BY NOT ANALYZING CONVENIENCE FACTORS IN VIEW OF THE PRECEDENCE TO BE GIVEN GOOGLE'S CALIFORNIA ACTION.**

**A. California is the Presumptive Forum.**

Once Google's California action is given the precedence to which it is entitled, the issue under § 1404(a) becomes whether the "convenience of parties and witnesses, in the interest of justice" justify proceeding in the other forum -- here, the Eastern District of Texas. 28 U.S.C. § 1404(a); *see In re Toyota Motor Corp.*, 747 F.3d 1338, 1341 (Fed. Cir. 2014) (emphasis in original); *see Micron Tech., Inc. v. Mosaid Techs., Inc.*, 518 F.3d 897, 904 (Fed. Cir. 2008). Chief Judge Wilken understood this analysis, and took the additional step of determining whether "an exception to the general rule giving preference" to the California action was merited. A2082-83. As Chief Judge Wilken correctly concluded after analyzing the factors considered in a transfer motion under § 1404, the answer is no: the relevant factors favor the Northern District of California. A2083.

The California court correctly found that the convenience and availability of witnesses, which this Court has deemed the "single most important factor" in the transfer analysis, actually favors the Northern District of California. A2083; *In re Genentech, Inc.*, 566 F.3d 1338, 1343 (Fed. Cir. 2009). "Google's Android products, the target of this infringement action, were designed and created here [in the Northern District of California]. Many of the witnesses who can testify to the

design and development of the accused Android platform's features reside near Google's headquarters in Mountain View, California." A2083. Further, Apple, the majority shareholder of Rockstar and the 58% contributor to the purchase of the total investment in Rockstar's predecessor entity, is in the Northern District of California. A2075. There is a "direct link between Apple's unique business interests, separate and apart from mere profitmaking, and [Rockstar's] actions against Google and its customers." A2076.

As to the other factors relevant to a transfer analysis, Rockstar's "primary operations and headquarters are in Canada," not the Eastern District of Texas, and many of the inventors of the Asserted Patents are in Canada. A2085. In fact, Rockstar represented to the Texas State tax authority that its mailing address was in Canada. A0729.

Courts in the Eastern District of Texas have recognized that the "Northern District of California has an interest in protecting intellectual property rights that stem from research and development in Silicon Valley." A2085 (citing *Affinity Labs of Texas v. Samsung Elecs. Co., Ltd.*, 2013 WL 5508122, at \*3 (E.D. Tex.)). Based on a thorough analysis of these factors, Chief Judge Wilken correctly concluded that "the factors do not weigh in favor of transferring the action to the Eastern District of Texas." A2086.



**B. The Texas District Court Did Not Analyze Convenience Factors in View of the Forum Given Precedence.**

As explained in Section I, *supra*, the Texas court erred in not giving precedence to the California action filed by Android manufacturer Google. The Texas court compounded the error by then requiring ASUS to show that it would be “clearly more convenient” to transfer the Texas action to the Northern District of California. A0008. That is the wrong standard. In view of the precedence given Google’s California action, the correct standard is whether it is more convenient for the parties and witnesses to proceed in Texas.<sup>4</sup>

As detailed above, the Texas court never even acknowledged Chief Judge Wilken’s opinion, much less her analysis of the convenience factors. Instead, the Texas court seemingly went out of its way to avoid the convenience of the California forum, giving weight to inaccurate “Texas” facts and drawing inaccurate inferences from the evidence. We address those inaccuracies below.

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<sup>4</sup> Under Fifth Circuit law, the question is articulated as whether it is “clearly more convenient” to proceed in the other forum after balancing the relevant factors. *See In re Nintendo*, 589 F.3d 1194, 1200 (Fed. Cir. 2009). Under Ninth Circuit law, the question is articulated as whether the other forum is the “more appropriate forum for the action.” *Jones v. GNC Franchising, Inc.*, 211 F.3d 495, 499 (9th Cir. 2000). Even giving Rockstar the benefit of the doubt and applying the less stringent formulation of the question, the convenience factors dictate that the Northern District of California, not the Eastern District of Texas, is the more convenient forum. The case should not proceed in the Eastern District of Texas, under either standard.

**1. Key Witnesses and Documents from Google and Apple Are Located in the Northern District of California.**

There is no dispute that Google is in the Northern District of California, and even the Texas court acknowledged that Google documents would be relevant to the case. A0005. The Texas court suggested, however, that it did not “believe that Google’s documentary evidence is located on servers located at its Mountain View, California headquarters.” *Id.* The Texas court is simply mistaken. It is undisputed that Google is headquartered in Mountain View, California and Chief Judge Wilken correctly determined that Google’s witnesses and documents are located in the Northern District of California. A0005, 2083.

There is also no dispute that Apple is in the Northern District of California, and that the bulk of its documents are located there. The Texas court, however, suggested that ASUS had not identified any particular Apple witness expected to testify at trial. A0006. The Texas court is again mistaken. ASUS identified Kyle Krpata, Apple’s attorney who is located in the Northern District of California, A0075, and Apple employees involved in the Nortel bidding process. A0074-75, A0089. ASUS explained that testimony from Mr. Krpata and Apple employees is relevant to the valuation of Rockstar’s patent portfolio. A0075. Chief Judge Wilken also suggested that Apple would have testimony relevant to “a direct link between Apple’s unique business interests, separate and apart from mere profitmaking, and Defendants’ actions against Google and its customers.” A2076.

In analyzing whether compulsory process of any non-party witnesses for trial might be affected by Federal Rule of Civil Procedure 45, the Texas court also ignored ASUS's identification of Google as a particular non-party witness who is expected to testify at trial. A0071-72. A corporate representative of Google is located in the Northern District of California and would be subject to that Court's compulsory process. A0073-74. Similarly, both Mr. Krpata and Apple's employees, located in the Northern District of California, would be subject to that Court's compulsory process but not the Eastern District of Texas'. Fed. R. Civ. P. 45(c).

In view of Google and Apple witnesses, as well as Google and Apple documents, being located in the Northern District of California, the Texas forum is not a *more* convenient forum.

**2. Neither ASUS Witnesses Nor Documents Are Located in the Eastern District of Texas.**

There is no dispute that ASUS's potential witnesses are located in the Northern District of California and Taiwan. The Texas court correctly declined to simply redistribute the inconvenience of travel or substantially increase the cost of attendance for willing witnesses. But the evidence supports that proceeding with the case in the Northern District of California imposes fewer, not equivalent, costs on Rockstar witnesses than the cost on ASUS witnesses to litigate this case in the Eastern District of Texas. A0073-74. The Texas court also ignored

uncontroverted evidence of the increased inconvenience and cost of requiring ASUS's witnesses located in Taiwan to travel to the Eastern District of Texas versus the Northern District of California. *Id.*

The Texas court correctly noted that ASUS maintains business documents and records related to marketing and sales in Fremont, California and research and development documents in Taiwan. A0004. Yet, the Texas court then discounted the inconvenience to ASUS in transferring documents to the Eastern District of Texas while it also gave weight to the assertion that Rockstar's documents are located in the Eastern District of Texas. A0005. To be consistent under the Texas court's reasoning, the "ease in the modern era of transferring electronic data" should be applied equally to Rockstar's ability to produce documents in the Northern District of California. A0005.

With the location of ASUS witnesses and documents in Taiwan and the Northern District of California, the Texas forum is not a *more* convenient forum.

**3. Rockstar's Claimed Ties to Texas Are Entitled to Minimal Weight.**

Rockstar's claimed ties to Texas are not entitled to little or no weight. Chief Judge Wilken, after reviewing the evidence, concluded that "the circumstances here strongly suggest that Rockstar formed MobileStar as a sham entity for the sole purpose of avoiding jurisdiction in all other fora except MobileStar's state of incorporation (Delaware) and claimed principal place of business (Texas)."

A2067. Indeed, Rockstar has told the Texas State tax authority that it is a Canadian corporation. A0729.

“A mere day before it initiated litigation against Google’s customers, Rockstar freshly minted MobileStar...and assigned the asserted patents to that subsidiary.” A2067-68. The plaintiff’s choice of its “home” forum does not require the Court to “honor connections to a preferred forum made in anticipation of litigation and for the likely purpose of making that forum appear convenient.” *In re Microsoft Corp.*, 630 F.3d 1361, 1364 (Fed. Cir. 2011).

The Texas court strained to find any real connection that Rockstar and MobileStar had with Texas. It resorted to identifying two prosecuting attorneys and two former Nortel employees as potential non-party witnesses that lean towards convenience of the Eastern District of Texas. A0006. Rockstar never claims that any of these people will be testifying witnesses. In fact, Rockstar admits that its inventors are mostly located in Canada or elsewhere outside of Texas, and most prosecuting attorneys are also outside Texas. A1465-67. Thus, the location of these non-party, non-witnesses has no bearing on the transfer analysis.

**C. Litigating the Texas Action Creates a Direct Conflict.**

A foundational goal of § 1404(a) is to “facilitate just, convenient, efficient, and less expensive determination.” *In re Nintendo*, 2014 U.S. App. LEXIS, at \*5.

“To permit a situation in which two cases involving precisely the same issues are simultaneously pending in different District Courts leads to the wastefulness of time, energy and money that § 1404(a) was designed to prevent.” *Continental Grain Co. v. Barge FBL-585*, 364 U.S. 19, 26 (1960). The Texas court’s refusal to transfer the Texas action to California creates a direct conflict that § 1404(a) and the customer suit exception are expressly designed to avoid: two district courts making independent determinations about whether the same accused technology infringes the same patents. Principles of judicial economy and comity counsel against the result reached by the Texas court.

Remarkably, the Texas court ignored Chief Judge Wilken’s decision entirely and pointed only to the presence of the other Texas litigations as a factor favoring denial of transfer to the Northern District of California. A0008. This ignores that each of the other customer defendants also moved to transfer to the Northern District of California and each provided ample justification for doing so. Google, the developer of the Android platform at the heart of the dispute, is litigating the same issues in California. The issues Google is currently litigating in California span all of the customer defendants. Judicial economy points only to the Northern District of California, and it was error for the Texas court to reach the contrary result by ignoring the presence of the California action.

Google's manufacturer suit in California action will be dispositive of almost all of the issues in the Texas action. The alleged infringement of the ASUS and Google Nexus 7 product is at issue in both actions. A0054 ¶¶ 22, 25, 0015 ¶ 15. The issues of invalidity are identical in both cases, and the issues of infringement are identical for the Nexus 7 and are likely to be indistinguishable for the remaining accused ASUS products. Chief Judge Wilken stated in no uncertain terms that Google's manufacturer suit addresses the same issues as the Texas action. The Texas District Court's refusal to transfer the Texas action therefore creates the exact type of wasteful, duplicative litigation that § 1404(a) was designed to prevent.

**D. Purported Jury Bias Is Not a Relevant Factor.**

Without support in the record, the Texas court states that the "Court has previously been highly skeptical of arguments that a particular jurisdiction has a 'local interest' that amounts to a bias in its jury pool." A0008. The Texas order also infers that an interest in resolving cases involving intellectual property developed within a particular district amounts to a "predisposition toward one party, independent of the merits of the case." *Id.* There is no basis in the record for a conclusion that the Northern District of California contains a biased jury pool or that a Northern California jury would overlook the merits of a case to blindly

favor a particular party.<sup>5</sup> To conclude so, and to therefore give this factor no weight in the transfer analysis, is error.

### **III. THE TEXAS DISTRICT COURT ABUSED ITS DISCRETION IN REJECTING ASUS'S MOTION TO STAY THE TEXAS ACTION.**

As discussed in Sections I and II, the California case between Google and Rockstar will dispose of most if not all of the key issues in this case, including infringement and invalidity. This Court has recognized that the precedence taken by manufacturer suits “need only have the potential to resolve the ‘major issues’ concerning the claims against the customer - not every issue - in order to justify a stay of the customer suites.” *Spread Spectrum*, 657 F.3d at 1358. For the reasons stated in Sections I and II, above, at the very least the Texas action against ASUS should be stayed pending resolution of Google’s California action.

### **CONCLUSION**

Based upon the foregoing, ASUS respectfully requests that this Court issue a writ of mandamus directing to the United States District Court for the Eastern District of Texas to vacate its order denying transfer or stay of this action, and to

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<sup>5</sup> In fact, the record suggests the opposite conclusion. As Chief Judge Wilken recognized, Apple, which is based in the Northern District of California, controls a majority interest in Rockstar and there is a “direct link” between Apple and Rockstar’s actions against Google and its customers. A2075-76. There are also a number of third party Apple witnesses that will be called in both actions. Thus, given its close connection to Apple, it is highly unlikely that Rockstar would suffer any local bias.



transfer this action to the Northern District of California, or to stay this action until resolution of Google's action in the Northern District of California.

Respectfully submitted,

DATED: August 20, 2014

By



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## CERTIFICATE OF SERVICE

UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

Misc. No. \_\_\_\_\_

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IN RE ASUSTEK COMPUTER, INC.  
and ASUS COMPUTER INTERNATIONAL, INC.,  
*Petitioners.*

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I, John C. Kruesi, Jr., being duly sworn according to law and being over the age of 18, upon my oath depose and say that:

Counsel Press was retained by K&L Gates LLP, attorneys for Petitioners to print this document. I am an employee of Counsel Press.

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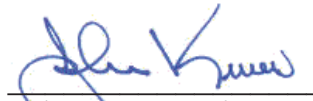
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August 20, 2014

  
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