

Exhibit B

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

CONTENTGUARD HOLDINGS, INC.,	§	
	§	
<i>Plaintiff,</i>	§	
	§	
v.	§	Civil Action No. 2:14-cv-00061-JRG
	§	
GOOGLE, INC.	§	
	§	
<i>Defendant.</i>	§	
	§	

MEMORANDUM OPINION AND ORDER

Before the Court is Defendant Google’s Motion to Transfer Venue (Dkt. No. 15), wherein Google moves this Court to transfer the above-styled action to the United States District Court for the Northern District of California pursuant to 28 U.S.C. § 1404(a). Having considered the parties’ written submissions, the Court **DENIES** Google’s motion.

Plaintiff ContentGuard Holdings, Inc. (“ContentGuard”) filed this case against Google on February 5, 2014, alleging that Google infringed, both directly and indirectly, United States Patent Nos. 6,963,859 (“the ’859 patent”), 7,523,072 (“the ’072 patent”), 7,774,280 (“the ’280 patent”), 8,001,053 (“the ’053 patent”), 7,269,576 (“the ’576 patent”), 8,370,956 (“the ’956 patent”), 8,393,007 (“the ’007 patent”), 7,225,160 (“the ’160 patent”), and 8,583,556 (“the ’556 patent”) (collectively, the “patents in suit”). The Court incorporates by reference the relevant background of this case as set forth in detail in the Court’s previous order issued on April 15, 2014. (*See* Dkt. No. 37 at 2-3.)

I. Applicable Law

Section 1404(a) provides that “[f]or the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought.” 28 U.S.C. § 1404(a). The first inquiry when analyzing a case’s eligibility for § 1404(a) transfer is “whether the judicial district to which transfer is sought would have been a district in which the claim could have been filed.” *In re Volkswagen AG*, 371 F.3d 201, 203 (5th Cir. 2004) (“*In re Volkswagen I*”).

Once that threshold is met, courts analyze both public and private factors relating to the convenience of parties and witnesses as well as the interests of particular venues in hearing the case. *See Humble Oil & Ref. Co. v. Bell Marine Serv., Inc.*, 321 F.2d 53, 56 (5th Cir. 1963); *In re Nintendo Co., Ltd.*, 589 F.3d 1194, 1198 (Fed. Cir. 2009). The private factors are: (1) the relative ease of access to sources of proof; (2) the availability of compulsory process to secure the attendance of witnesses; (3) the cost of attendance for willing witnesses; and (4) all other practical problems that make trial of a case easy, expeditious, and inexpensive. *In re Volkswagen I*, 371 F.3d at 203. The public factors are (1) the administrative difficulties flowing from court congestion; (2) the local interest in having localized interests decided at home; (3) the familiarity of the forum with the law that will govern the case; and (4) the avoidance of unnecessary problems of conflict of laws or in the application of foreign law. *In re Volkswagen I*, 371 F.3d at 203. These factors are to be decided based on “the situation which existed when suit was instituted.” *Hoffman v. Blaski*, 363 U.S. 335, 343 (1960). Though the private and public factors apply to most transfer cases, “they are not necessarily exhaustive or exclusive,” and no single factor is dispositive. *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 314-15 (5th Cir. 2008) (“*In re Volkswagen II*”).

While a plaintiff's choice of venue is not an express factor in this analysis, the appropriate deference afforded to the plaintiff's choice is reflected in a defendant's elevated burden of proof. *Id.* at 315. In order to support its claim for a transfer under § 1404(a), the defendant must demonstrate that the transferee venue is "clearly more convenient" than the venue chosen by the plaintiff. *Id.* Absent such a showing, however, the plaintiff's choice is to be respected. *Id.*

II. Analysis

The Court will examine each of the applicable private and public factors listed above, addressing the parties' specific arguments where applicable.

A. This Action Could Have Been Brought in Northern District of California

The parties do not dispute that this action could have been brought in Northern District of California. Thus, the threshold requirement for a § 1404(a) transfer has been satisfied.

B. Private Interest Factors

i. Relative Ease of Access to Sources of Proof

Despite technological advances in transportation of electronic documents, physical accessibility to sources of proof continues to be a private interest factor to be considered. *See Volkswagen II*, 545 F.3d at 316. In this case, Plaintiff ContentGuard is a Texas corporation maintaining its principal place of business in Plano, Texas. Defendant Google is a Delaware corporation with its principal place of business in Mountain View, California.

The parties have identified relevant evidence and witnesses physically located within or near both the Eastern District of Texas ("EDTX") and the Northern District of California ("NDCA"). ContentGuard itself is headquartered in Plano, Texas, well within the boundaries of EDTX. Its home office houses hard-copy documents, electronic servers, as well as key personnel such as Vice President of Licensing and General Manager James Baker, Senior Research

Engineers Mai Vu and Michael Raley, and Engineer Jeremy Tan. (Richardson Decl. ¶¶ 4-5.) Ms. Vu is also the named inventor of two of the patents in suit. (Lelutiu Decl. Ex. 20, Vu Decl. ¶ 4.) Additionally, Mr. Scott Richardson – ContentGuard’s Vice President of Product Development, and Chief Product Officer for ContentGuard’s parent company, Pendrell Corporation – spends forty percent of his time in ContentGuard’s Plano Office managing the development of new products. (Richardson Decl. ¶¶ 2, 5.) Mr. Eddie Chen and Ms. Mai Vu, named inventors of the ’280 and ’053 patents, Mr. Guillermo Lao and Mr. Thanh Ta, named inventors of the ’280 patent, Mr. Peter Priolli and Mr. Mark Stefik, named inventors of the ’859, ’072, ’160, ’576, ’956 and ’007 patents, declare that “all of [their] documents relating to conception, development and reduction to practice” of those patents are “in the possession of ContentGuard and located in Plano, Texas.” (Lelutiu Decl. Ex. 13, Chen Decl. ¶ 6; Ex. 16, Lao Decl. ¶ 6; Ex. 17, Priolli Decl. ¶ 6; Ex. 18, Stefik Decl. ¶ 6; Ex. 19, Ta Decl. ¶ 6; Ex. 20, Vu Decl. ¶ 5.) Ms. Vu resides in EDTX, and another inventor, Mr. Edward Lambert, splits his time between Farmers Branch, Texas and Mercer Island, Washington. (Lelutiu Decl. Exs. 15, 20.)

On the other hand, Google is based in Mountain View, California, where material decisions relating to the “development, engineering and marketing” of the accused Google Play apps occurred. (Dubey Decl. ¶¶ 3, 4, 6.) The majority of Google employees involved in the development and management of Google Play are located in the Northern District of California, including Mr. Ficus Kirkpatrick, Software Engineer for the Google Play team, Nicolas Catania, Staff Software Engineer on the Google Play team, and Debajit Ghosh, Principal Engineer on the Google Play team. (Dubey Decl. ¶ 6.) Three named inventors reside in NDCA, and five reside near or south of Los Angeles in California. (Lelutiu Decl. Exs. 13-14, 16-19; Dkt. No. 15-8.)

Google argues that this Court should discount the significance of ContentGuard’s presence

in EDTX, because ContentGuard moved its headquarters to Texas from El Segundo, California in August 2013, about four months before filing the Amazon Action and six months before filing the instant case, “suggesting an effort to justify venue” in this Court. The Court disagrees. Google relies on *In re Zimmer Holdings, Inc.*, where the Federal Circuit noted that the plaintiff’s presence in Texas appeared to be “recent, ephemeral and an artifact of litigation.” *In re Zimmer Holdings, Inc.*, 609 F.3d 1378, 1381 (Fed. Cir. 2010). There, to support its purported presence in Texas, the *In re Zimmer* plaintiff transported copies of its patent prosecution files from Michigan to its Texas office space, which it shared with another of its trial counsel’s clients, while all of the plaintiff’s research, development and patent prosecution work took place in Michigan. *See id.* Finding such circumstance convenient only for the plaintiff’s litigation counsel, the Federal Circuit held that the plaintiff had no presence in Texas that should be given weight in the transfer analysis. *See id.* Similarly, in *In re Microsoft Corp.*, the Federal Circuit discounted the plaintiff’s purported presence in EDTX as being made “in anticipation of litigation and for the likely purpose of making that forum appear convenient,” where the plaintiff company maintained an office in EDTX with no employees and was operated instead from the United Kingdom. *See In re Microsoft Corp.*, 630 F.3d 1361, 1362, 1363-64 (Fed. Cir. 2011). In this case, however, ContentGuard’s presence in Texas, though fairly recent, appears to have been made out of legitimate business considerations and has not been shown to be “an artifact of litigation.” *See In re Zimmer Holdings, Inc.*, 609 F.3d at 1381. The un-contradicted declaration of Mr. Scott Richardson, Vice President of Product Development of ContentGuard, demonstrates that ContentGuard moved from California to Texas for three primary reasons: (1) doing business in Plano, Texas costs less; (2) North Texas is home to “a corridor of telecommunication companies and companies that manufacture telecommunications and digital technologies, making it a good

place to develop relationships with customers”; and (3) due to the presence of these telecommunications companies and manufacturers, ContentGuard considers this area suitable for finding new talents. (Richardson Decl. ¶ 6.) Unlike the *In re Zimmer* and the *In re Microsoft* plaintiffs who hired no employees in Texas, ContentGuard’s home office in Plano, Texas houses key business personnel such as Vice President of Licensing, and research and development personnel such as Senior Research Engineers. In addition, even before the move, ContentGuard has been cooperating with Plano-based software developers to design and write codes for new applications. (Richardson Decl. ¶ 12.) Therefore, ContentGuard’s presence in EDTX is much more extensive than those contemplated by the Federal Circuit in *In re Zimmer* and *In re Microsoft*. The Court is not persuaded that the timing of ContentGuard’s move from California to Texas alone demonstrates an improper motive to manipulate venue. ContentGuard’s presence in Texas is entitled to proper weight in the Court’s venue analysis.

In sum, the parties have identified relevant evidence and witnesses located in or near both EDTX and NDCA. That said, the Federal Circuit has noted that “[i]n patent infringement cases, the bulk of the relevant evidence usually comes from the accused infringer.” *In re Genentech*, 566 F.3d at 1345. It, however, has also cautioned district courts against evaluating the significance of the identified evidence in venue analysis, instead instructing the courts to focus on the “relevance and materiality” of the information. *See id.* at 1343-44 (“Requiring a [party] to show that a potential witness has more than relevant and material information [for purpose of venue analysis]...is unnecessary ...It was not necessary for the district court to evaluate the significance of the identified witnesses’ testimony.”). To the extent the parties identify any evidence and witnesses that are both “relevant and material” to this litigation, this Court is obligated to consider them. Here, weighing Google’s primary operation in NDCA and eight

inventors' residence in California, against ContentGuard's headquarters and key personnel (including one inventor) in EDTX as well as the relevant documents housed in ContentGuard's EDTX home office relating to "conception, development and reduction" of eight out of the nine asserted patents, this Court finds that the ease of access to sources of proof weighs slightly in favor of transfer.

ii. Availability of Compulsory Process

The second private interest factor instructs the Court to consider the availability of compulsory process to secure the attendance of witnesses, particularly non-party witnesses whose attendance may need to be secured by a court order. *See In re Volkswagen II*, 545 F.3d at 316. Third-party subpoena is governed by Fed. R. Civ. P. 45, which, as recently amended in 2013, provides the presiding court with nationwide subpoena power to order third-party witnesses to attend deposition, so long as the deposition is to take place within 100 miles of the witness's residence or regular place of business. Fed. R. Civ. P. 45(a)(2), 45(c)(1)(A); *see VirtualAgility, Inc. v. Salesforce.com, Inc.*, 2:13-CV-00011-JRG, 2014 WL 459719, at *4 (E.D. Tex. Jan. 31, 2014).

Here, both Google and ContentGuard have purportedly identified third-party witnesses located in NDCA and EDTX respectively, albeit both have done so in conclusory fashion. Without identifying specific witnesses or evidence, Google alleges that it will need to subpoena documents and testimony from third party Adobe Systems Inc. ("Adobe"), which is headquartered in NDCA, because Google Play Books "uses technology provided by Adobe." (Dubey Decl. ¶ 10.) Likewise, without providing details, ContentGuard asserts that evidence from certain alleged third-party direct infringers, such as Samsung and Huawei, will be relevant to its indirect infringement claims against Google. Both Samsung and Huawei maintain U.S. headquarters

within EDTX. (Lelutiu Decl. Exs. 4, 7.) The Court, however, finds it difficult to evaluate the need for compulsory process as to these alleged third parties, since neither side has identified specific witnesses or their relevance to the instant case. While the Court is mindful that third-party witnesses might exist in both NDCA and EDTX, it declines to give substantial weight to either side's conclusory assertion of the need to subpoena such unidentified witnesses. *See In re Apple Inc.*, 743 F.3d 1377, 1378-79 (Fed. Cir. 2014) (holding that the district court did not abuse discretion in denying a motion to transfer venue based on, among other things, its inability to evaluate the convenience of witnesses because of the defendant's "vague assertions and unknown relevance and location of potential sources.")

The parties further dispute the need for compulsory process as to the named inventors in this case. Nine out of the ten identified named inventors are non-parties, and only Ms. Vu is currently employed by party ContentGuard. As noted above, three of the non-party inventors reside in NDCA. Five reside near or south of the Los Angeles area in California, and one splits his time between Texas and the State of Washington. It is undisputed that both this Court and NDCA may subpoena all non-party inventors to attend deposition, as long as the deposition is to take place within 100 miles of the witness's residence or regular place of business. *See Fed. R. Civ. P. 45(a)(2), 45(c)(1)(A)*. The non-party inventors' testimony therefore may be secured at least through such deposition.

On the other hand, while NDCA has the so called "absolute subpoena power" – the subpoena power for both deposition and trial – over the three non-party inventors living within that district, neither this Court nor NDCA clearly has the power to command the remaining inventors to attend trial.¹ *See Fed. R. Civ. P. 45(c)*. In other words, the compulsory process available at

¹ For example, under Rule 45(c)(1)(B)(ii), for NDCA to subpoena any of the California inventors outside NDCA to

NDCA only works to secure the attendance of three non-party inventors. Seven out of the nine non-party inventors, however, have declared their willingness to voluntarily appear in person at trial “if [the case] is held in Texas.” (See Lelutiu Decl., Exs. 13-19 (emphasis added).) These seven inventors have not expressed similar willingness to voluntarily appear at trial should the case be tried in NDCA. As such, despite the availability of compulsory process at NDCA for the three inventors residing there, transferring the case to NDCA may actually result in a *lesser* attendance of these non-party witnesses.² Accordingly, the availability of compulsory process is effectively neutral in this situation.

iii. Cost of Attendance for Willing Witnesses

The third private interest factor is the cost of attendance for willing witnesses. “The convenience of the witnesses is probably the single most important factor in a transfer analysis.” *In re Genentech, Inc.*, 556 F.3d at 1342. “When the distance between an existing venue for trial of a matter and a proposed venue under § 1404(a) is more than 100 miles, the factor of inconvenience to witnesses increases in direct relationship to the additional distance to be travelled.” *Id.* at 1343 (citing *In re Volkswagen II*, 545 F.3d at 317).

Here, Google is headquartered in the Northern District of California, and has identified three employees who are expected to provide testimony in this case. (Dubey Decl. ¶ 6.) On the other hand, ContentGuard is headquartered within EDTX, which houses its corporate representative and one of the named inventors, Ms. Mai Vu, among other personnel. Therefore, regardless of whether the case is kept in this Court or transferred to NDCA, one party would have to send certain employees to a court far away from its headquarter, while the other side gets to

attend trial, or for this Court to subpoena the inventor who splits his time between Texas and Washington to attend trial, the requesting party must demonstrate that such attendance “would not incur substantial expense.”

² The three inventors residing in NDCA (Stefik, Pirolli and Merkle) do not cover all nine of the asserted patents, while the seven inventors who have declared their willingness to attend trial before this Court do cover every asserted patent. (See Dkt. No. 15 at 13; Lelutiu Decl., Exs. 13-19.)

conveniently stay in its home district. The decision thus comes down to the inconvenience of third-party witnesses.

As noted above, Google and ContentGuard have asserted the existence of unspecified third-party witnesses in both NDCA (from Adobe) and EDTX (from Samsung and Huawei). Beyond that, three non-party inventors reside within NDCA, five reside elsewhere in California and one splits his time between Texas and Washington. The eight inventors residing in California would ordinarily be inconvenienced by having to travel to Texas to attend trial. Six of them, however, together with the inventor who splits his time between Texas and Washington, have volunteered to travel to Texas to attend trial as well as declaring that such live appearances will not be inconvenient. (*See* Lelutiu Decl., Exs. 13-19.) As such, the convenience of witnesses weighs in favor of transfer, but only slightly. *See In re Affymetrix, Inc.*, 913, 2010 WL 1525010, at *2 (Fed. Cir. Apr. 13, 2010) (finding no “patent error” in the district court’s finding that the convenience of the witnesses weighed only slightly in favor of transfer, when half of the identified third-party witnesses had already volunteered to travel to the transferor forum for trial).

iv. All Other Practical Problems

“Practical problems include those that are rationally based on judicial economy. Particularly, the existence of duplicative suits involving the same or similar issues may create practical difficulties that will weigh heavily in favor or against transfer.” *Eolas Technologies, Inc. v. Adobe Sys., Inc.*, 6:09-CV-446, 2010 WL 3835762 (E.D. Tex. Sept. 28, 2010), *aff’d In re Google, Inc.*, 412 Fed. Appx. 295 (Fed. Cir. 2011).

Here, as set forth in detail in the Court’s April 15, 2014 opinion, the instant case and the co-pending Amazon Action before this Court substantially overlap as to whether the accused Google Play apps infringe ContentGuard’s asserted patents. (*See* Dkt. No. 37 at 5-6.)

Transferring the instant case alone to NDCA would result in two district courts making independent decisions regarding whether the same accused technology infringes the same set of patents. Such runs directly counter to the principles of judicial economy and comity. This factor therefore weighs heavily against transfer.

C. Public Factors

i. The Administrative Difficulties Flowing From Court Congestion

Google asserts, and ContentGuard does not dispute, that the median time to trial for patent cases in this Court is 2.19 years, compared to 2.72 years in NDCA. The six-month difference in medial time, though not substantial, is not negligible. This factor therefore weighs slightly against transfer.

ii. Local Interest in Having Localized Interests Decided at Home

The Court must consider local interest in the litigation because “[j]ury duty is a burden that ought not to be imposed upon the people of a community which has no relation to the litigation.” *In re Volkswagen I*, 371 F.3d at 206 (5th Cir. 2004). Interests that “could apply virtually to any judicial district or division in the United States,” such as the nationwide sale of infringing products, are disregarded in favor of particularized local interests. *In re Volkswagen II*, 545 F.3d at 318.

In this case, the Northern District of California has a vested interest in the outcome of the case because Defendant Google is headquartered in Mountain View, California. Meanwhile, this district also has a local interest in this dispute because Plaintiff ContentGuard is a Texas corporation based in EDTX. This factor is therefore neutral.

iii. Avoidance of Unnecessary Conflicts of Law

The Court agrees with Google that there are no conflict-of-law issues apparent in this case.

This factor is also neutral.

iv. The Familiarity of The Forum With The Governing Law

The parties agree that both courts are equally familiar with patent law. The final public factor is neutral.

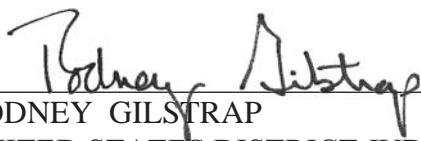
III. Conclusion

In sum, relative ease of access to sources of proof and convenience of witnesses both weigh slightly in favor of transfer. Court congestion weighs slightly against transfer. Judicial economy and considerations of comity weigh heavily against transfer. The balance of the private and public factors demonstrates that Google has fallen short of establishing that the Northern District of California is “a clearly more convenient forum.” *In re Volkswagen II*, 545 F.3d at 315. Google having failed to do so, Plaintiff ContentGuard’s choice of venue must remain undisturbed.

Id

For the reasons stated above, the Court hereby **DENIES** Google’s Motion to Transfer Venue (Dkt. No. 15).

So ORDERED and SIGNED this 16th day of April, 2014.



RODNEY GILSTRAP
UNITED STATES DISTRICT JUDGE