Courtland L. Reichman (SBN 268873)
creichman@mckoolsmithhennigan.com
McKool Smith Hennigan, P.C.
255 Shoreline Drive Suite 510
Redwood Shores, CA 94065
(650) 394-1400
(650) 394-1422 (facsimile)

ADDITIONAL COUNSEL LISTED ON SIGNATURE PAGE

Attorneys for Defendants
Rockstar Consortium U.S. LP and
MobileStar Technologies LLC

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

OAKLAND

Google, Inc. Plaintiff, vs. Rockstar Consortium U.S. LP and MobileStar Technologies LLC Defendants.	Case No. 13-cv-5933 **DEFENDANTS' MOTION TO TRANSFER UNDER 28 USC § 1404(a) OR, IN THE ALTERNATIVE, TO STAY** Date: June 26, 2014 Time: 2:00 p.m. Courtroom: TBD Judge: Hon. Claudia Wilken

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Page(s)

CASES

STATUTES

NOTICE OF MOTION

TO PLAINTIFF GOOGLE INC. AND ITS COUNSEL OF RECORD:

PLEASE TAKE NOTICE that on June 26, 2014, at 2:00 p.m. or as soon thereafter as it may be heard, Defendants Rockstar Consortium US LP and MobileStar Technologies LLC (collectively, "Defendants") will and hereby do respectfully move to transfer this case to the United States District Court for the Eastern District of Texas, or, in the alternative, stay this case pending the resolution of *Rockstar Consortium US LP v. Samsung Electronics. Co., Ltd*., Civil Action No. 13-cv-0900-JRG, pending in the United States District Court for the Eastern District of Texas. Defendants' motion is based on this notice, the accompanying memorandum of points and authorities, the pleadings on file, the record in this matter, and any other argument that the Court deems appropriate for consideration.

RELIEF REQUESTED

Defendants seek an order granting their motion to transfer this case to the United States District Court for the Eastern District of Texas, or, in the alternative, an order staying this case pending the resolution of *Rockstar Consortium US LP v. Samsung Electronics. Co., Ltd.*, Civil Action No. 13-cv-0900-JRG, pending in the United States District Court for the Eastern District of Texas.

Respectfully submitted,

Dated May 9, 2014.

By: */s/ Joshua W. Budwin*

Courtland L. Reichman (SBN 268873)
McKool Smith Hennigan, P.C.
255 Shoreline Drive Suite 510
Redwood Shores, CA 94065
(650) 394-1400
(650) 394-1422 (facsimile)

Mike McKool (Admitted *Pro Hac Vice*)
mmckool@mckoolsmith.com
Douglas A. Cawley (Admitted *Pro Hac Vice*)
dcawley@mckoolsmith.com
Ted Stevenson III (Admitted *Pro Hac Vice*)
tstevenson@mckoolsmith.com
David Sochia (Admitted *Pro Hac Vice*)

dsochia@mckoolsmith.com
McKool Smith, P.C.
300 Crescent Court Suite 1500
Dallas, TX 75201
(214) 978-4000
(214) 978-4044 (facsimile)

Joshua W. Budwin (Admitted *Pro Hac Vice*)
jbudwin@mckoolsmith.com
McKool Smith, P.C.
300 W. 6th Street, Suite 1700
Austin, TX 78701
(512) 692-8700
(512) 692-8744 (facsimile)

Attorneys for Defendants Rockstar Consortium U.S. LP and MobileStar Technologies LLC

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Pursuant to 28 U.S.C. § 1404, Rockstar Consortium US LP ("Rockstar") and MobileStar Technologies LLC's ("MobileStar") (collectively "Defendants") respectfully move this Court for an order transferring this case to the U.S. District Court for the Eastern District of Texas ("EDTX"). Transfer is appropriate under 28 U.S.C. § 1404(a).[1] Defendants have deep ties to the EDTX, where cases against Google and five other Texas defendants are already pending. Rockstar's headquarters, witnesses, and evidence are all located in the EDTX. And Google does not argue that its declaratory judgment claim could not have been brought in the EDTX.

Ultimately, the EDTX is the most convenient venue for this suit due to considerations of judicial economy: the EDTX Court is situated to resolve all of Defendants' claims against Google, as well as all of Defendants' related claims against the other Texas defendants. In its Texas case, Google has not moved to sever itself from Samsung, its EDTX-based co-defendant. Therefore, the *exact same* issues of patent infringement that are present before this Court as to Google and its Nexus devices are also present in the Texas Action. Google presents no reason—other than forum shopping—as to why it was forced to file its complaint for declaratory relief in this District as opposed to intervening in the Texas Action. Judicial economy is not served by conducting parallel proceedings in this District and the EDTX concerning Google's infringement of the patents-in-suit by the Google Nexus devices at-issue in both forums.[2]

---

[1] Google has alleged that Defendants previously raised transfer under § 1404 (Dkt. 30-4 at 23). Defendants have not. *See* Dkt. 39-4. In their Motion to Dismiss, Defendants asked the Court to decline to exercise jurisdiction—an argument that shares common factors with the § 1404(a) analysis. But Defendants have not previously moved to transfer under § 1404(a) or based on *forum non-conveniens*, nor have Defendants asked for a stay. As such, Defendants do not believe, and do not intend for this to be, a motion for reconsideration pursuant to L.R. 7-9.

[2] Google's complaint refers to and seeks an adjudication of non-infringement regarding what it terms the "Android Platform." However, that term is vague, not tied to any particular product offered by Google or any Texas defendant. *See e.g.*, Dkt. 61 at ¶ 31.

To the extent that the Court denies transfer, Defendants alternatively request that the Court stay this case pending the outcome of the related Texas Action. Google is a party to one of the Texas cases, Google's purported "customers" are parties to the other five Texas cases, and the EDTX court will be able to resolve all of the issues raised in Google's declaratory complaint, as well as the additional issues unique to each Texas defendant that are not before this Court. Additionally, the jurisdictional concerns presented in Defendants' Motion to Dismiss and request for certification for interlocutory review are not present in the Texas Action, where Defendants and each Texas defendant (including Google) are subject to personal jurisdiction.

II. LEGAL STANDARD

"For 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." *MTS Sys. Corp. v. Hy-Sitron, Inc.*, 2006 U.S. Dist. LEXIS 66338, at *5 (N.D. Cal. Sept. 1, 2006) (quoting 28 U.S.C. § 1404(a)). In addition to the three factors identified in § 1404(a), the Ninth Circuit provides other factors the Court may consider: ease of access to the evidence; familiarity of each forum with the applicable law; feasibility of consolidation of other claims; any local interest in the controversy; relative court congestion and time to trial in each forum; location where the relevant agreements were negotiated and executed; the parties' contacts with the forum; difference in the costs of litigation in the two forums; and availability of compulsory process to compel attendance of unwilling non-party witnesses. *TransPerfect Global, Inc. v. MotionPoint Corp.*, 2010 U.S. Dist. LEXIS 99947, at *4 (N.D. Cal. Sept. 13, 2010) (citing *Jones v. GNC Franchising, Inc*., 211 F.3d 495, 498-99 (9th Cir. 2000)). Another factor the Ninth Circuit has identified is the plaintiff's choice of forum. *Id*. (citing *Secs. Investor Protection Corp. v. Vigman*, 764 F.2d 1309, 1317 (9th Cir. 1985)).

Unlike the controlling standard for the motion to transfer venue under 28 U.S.C. § 1391 that was raised in Defendants' Motion to Dismiss—which required that this Court accept facts alleged in the complaint and resolve any conflicts in the allegations and evidence in the non-

movant's favor—the standard for a motion to transfer venue under 28 U.S.C. § 1404 permits fact-finding and does not require the Court to accept the allegations as plead by Google in its complaint as true. *See Stewart Org., Inc. v. Ricoh Corp*., 487 U.S. 22, 29 (1988) ("A motion to transfer under § 1404(a) thus calls on the district court to weigh in the balance a number of case-specific factors."); *Hoover Grp. v. Custom Metalcraft*, 84 F.3d 1408, 1410 (Fed. Cir. 1996) ("Venue is based on the facts alleged in the well-pleaded complaint. . . . in deciding the question of the defendants' contacts with this district for venue purposes, the Court will accept as true the facts pleaded in plaintiffs' complaint") (citations omitted).

III. STATEMENT OF FACTS

A. Nortel and Defendants' Longstanding Ties to the EDTX

Nortel, Defendants, and the Patents-in-Suit. Defendants are the assignees of intellectual property that resulted from research and development performed by Nortel Networks Ltd. (Canada) and Nortel Networks Inc. (U.S.) (collectively "Nortel"). Nortel's worldwide headquarters was located in Ontario, Canada, while its largest R&D facility was in Ottawa, Canada. Powers Decl. ¶ 8. For twenty years, the headquarters for Nortel's U.S. entity and its largest U.S. facility (with approximately 10,000 employees) was in Richardson, Texas. *Id*. Nortel conducted patent prosecution and licensing activities from Richardson. *Id*. While Nortel maintained a satellite office in Santa Clara, California (that, unlike the Texas office, had no relation to the patents-in-suit), the Santa Clara office never served as Nortel's "primary" U.S. campus. *See id*. ¶ 38.

After confronting bankruptcy in 2009, in 2011 Nortel held an auction for its patents, including the patents-in-suit. In this auction, Google made an initial stalking horse bid of $900 million. *Id.* ¶ 21. Google ultimately lost the auction to Rockstar Bidco LP, which paid $4.5 billion to acquire Nortel's patents, including the patents-in-suit. *Id*. Rockstar Bidco LP—a distinct entity from Rockstar—assigned over 1,100 of the Nortel patents directly to Apple,

assigned some of Nortel's other patents directly to Rockstar's other limited partners, and assigned most of the remaining Nortel patents (including the patents-in-suit) to Rockstar. *Id.*

Rockstar is a Delaware limited partnership. Rockstar's limited partners are: Apple, BlackBerry, Ericsson, Microsoft, and Sony, each with a minority ownership percentage. *See* Dkt. 22; Powers Decl. ¶ 10 (setting forth the legal name of each). Ericsson's U.S. headquarters are located within the EDTX; BlackBerry is in the Dallas, Texas area, within just miles of the EDTX; Microsoft is in Seattle, Washington; Apple is in the Northern District of California ("NDCA"); and Sony is in New Jersey. *See* Exs. 1-2. Rockstar's general partner is Rockstar Consortium LLC, a Delaware limited liability corporation.[3] Dkt. 30-4 at 11-12; Dkt. 58 at 17.

After receiving the assignment of patents from Rockstar Bidco LP, Rockstar subsequently created subsidiary entities for the purpose of licensing its intellectual property in different markets, which generally relate to different technologies. Powers Decl. ¶ 36. Rockstar then assigned certain patents corresponding to different market segments and technology areas to those newly-created subsidiaries. *Id*. For example, MobileStar focuses on licensing patents related to mobile device technology, NetStar Technologies focuses on search engine technology, Bockstar Technologies focuses on technology for network and computer components, and Constellation Technologies focuses on technology for telecommunications service providers to deliver cable, telecommunications, and other multimedia services. *Id*. Today Rockstar owns two of the patents-in-suit. *Id*. ¶ 5. MobileStar owns five of the patents-in-suit and is the exclusive licensee (from Rockstar) of the other two patents, within its field of use. *Id.* ¶ 5.[4]

---

[3] Google's Opposition to Rockstar's Motion to Dismiss incorrectly identified Kasim Alfahali, Ericsson's Chief Intellectual Property Officer, as the President of Rockstar Consortium LLC. Dkt. 30-4 at 11-12. Google's identification of Rockstar Consortium LLC's officers was incorrect. Rockstar Consortium LLC's CEO is John Veschi. Ex. 3.

[4] MobileStar was not created as a "sham entity" for the purpose of venue manipulation. MobileStar, like Rockstar, is resident in the EDTX (just like Nortel before) and both Rockstar and MobileStar are party to the Texas Actions. Had Rockstar created MobileStar as a "sham" entity for the purpose of evading personal jurisdiction or manipulating venue, Rockstar would have assigned all of the patents-in-suit to MobileStar and would not have made itself a party to

Defendants' Roots in the EDTX. With the formation of Rockstar, which acquired the patents-in-suit from Rockstar Bidco LP, Rockstar also acquired many former Nortel employees responsible for licensing and prosecuting the Nortel patents, including the patents-in-suit. Powers Decl. at ¶ 22. Additionally, Rockstar leased Nortel's Richardson, Texas office space where many of Nortel's patent files were already located, including files relevant to the patents-in-suit. *Id.* ¶ 31. In August 2012, after Nortel sold its Richardson campus during its bankruptcy proceedings, Rockstar signed a seven-year lease for its current offices in nearby Plano, Texas, within the EDTX. *Id*. ¶ 23. Today both Rockstar and MobileStar are headquartered out of the Plano office. *Id*. ¶ 28. The office contains 8,125 square feet, with 10 assigned offices, 2 guest offices, 4 conference rooms, 7 work areas, and storage space. *Id*. ¶ 24. Rockstar has 15 full-time employees in the U.S., including five full-time employees in Plano and others who spend significant time there. *Id*. ¶ 25. No employees live or work in California.[5] *Id*. ¶ 29. Eight of Rockstar's U.S. employees have relevant information about the patents-in-suit; three of them work full-time out of the Plano office, one lives in Pennsylvania, one lives in Colorado, one lives in Massachusetts, one lives in North Carolina, and one lives in Florida.[6] *Id*. ¶ 30.

---

the Texas Actions. That Rockstar and MobileStar are both resident in the EDTX, Rockstar maintained ownership of certain of the patents-in-suit, and Rockstar made itself a party to the Texas Actions belies any suggestion that MobileStar's creation constitutes some jurisdiction or venue-driven machination. Additionally, Rockstar and MobileStar have jointly communicated with potential licensees regarding the patents-in-suit—sending correspondence to licensees regardless of location. *See* Ex. 4.

[5] Mark Wilson was previously an independent contractor of Rockstar who resided in California. Mr. Wilson had provided Rockstar with "licensing consulting services." Powers Dec. ¶ 37. Mr. Wilson never had any substantive involvement with any of the patents-in-suit or any of the Texas defendants. *Id*. In addition, Mr. Wilson never had any contact whatsoever with any potential licensees in California regarding Rockstar's patents. *Id*. His contract ended on March 31, 2014, was not renewed, and he no longer consults for Rockstar. *Id*.

[6] Additionally, two Rockstar board members live and work in EDTX or nearby. Kasim Alfalahi, a Rockstar Board member and Chief IP officer at Ericsson, works in the EDTX, across the street from Rockstar's Plano office. Powers Decl. ¶ 18. Randy Mishler, another Rockstar Board member and Senior Director of IP Licensing at BlackBerry, works in nearby Irving, Texas. *Id.* ¶ 28. Mr. Mishler is also a former Nortel patent attorney. *Id*.

B. Google's Connections to the Eastern District of Texas

Although in 2013 Google closed its EDTX office, Google still maintains at least two Texas offices, in Dallas (approximately 20 miles from the EDTX) and Austin. Exs. 5, 6. Google's Austin office focuses on developer relations and technical solutions, among other issues. Ex. 5. Google's Dallas office contains departments for design and engineering, as well as sales. Ex. 6. Publicly available information suggests that Google's Texas employees work on the development of the Android platforms. Specifically, Jeff Hamilton, a software engineer on Google's Android team who specializes in "[o]perating systems development for mobile devices," lives in Austin, Texas. Ex. 24.

C. Defendants File the Texas Actions, Google Files This Case

On October 31, 2013, Defendants filed lawsuits in the EDTX (the "Texas Actions") against mobile device manufacturers ASUS, HTC, Huawei, LG, Pantech, Samsung, and ZTE (the "Texas defendants") alleging infringement of the patents at issue in this case. Ex. 7. The EDTX was the logical choice of forum because Defendants, along with Texas defendant Samsung, are each headquartered in the EDTX (and Texas defendant ZTE is also headquartered in Texas, only a few miles from the EDTX border). Exs. 8-11. Moreover, each of the Texas defendants sells infringing products within the EDTX and is subject to personal jurisdiction there. *See, e.g.,* Ex. 12 at 4-5. Rather than intervene in the Texas Action, however, Google filed this action. Dkt 1. On December 31, 2013, Defendants added Google as a co-defendant to the Texas Action involving EDTX-headquartered defendant Samsung, and subsequently added claims of infringement as to each of the patents-in-suit. Case No. 2:13-cv-00900, Dkt. 19; Ex. 12. As of this date, neither Google nor EDTX-based Samsung have moved to sever their joinder in a single action in the EDTX. *See* Ex. 13.

IV. THE COURT'S PERSONAL JURISDICTION DECISION SHOULD NOT IMPACT THE TRANSFER ANALYSIS

The Court's decision regarding personal jurisdiction should not impact its transfer analysis.[7] The Court decided the personal jurisdiction question in the context of a motion to dismiss and/or transfer venue under 28 U.S.C. § 1391. *See* Dkt. 58 at 5-7. Its decision was therefore based on facts from Google's complaint, and the controlling standard required resolving any "conflicts in the allegations and evidence . . . in [Google's] favor." *Id*. at 5; *see also id*. at 19 ("with conflicts in the allegations and evidence resolved in its favor, Google has shown that it is likely that Defendants have created continuing obligations with a forum resident…"). As a result, the Court's personal jurisdiction decision accepted Google's pleaded allegations as true—including allegations that (as shown of the facts presented herein) are demonstrably false.

Three examples underscore the relevant errors in Google's pleadings which the Court was bound to accept as true in deciding Defendants' Motion to Dismiss. First, Google has "allege[d] that Apple is a majority shareholder of Defendants. . . ." Dkt. 58 at 17. Apple is not a majority shareholder of Defendants. Powers Dec. ¶ 35; *see also* Ex. 14 (article cited by Google and the Court referring to each Rockstar limited partner, including Apple, as a "minority" owner).[8] Second, Google "allege[d] that Rockstar created MobileStar solely to dodge jurisdiction. . . ." Dkt. 58 at 10. But the sworn facts, contrary to Google's unsupported pleadings, show that Rockstar formed MobileStar to function as its mobile device licensing entity, resident

---

[7] Nor should the Court's denial of Rockstar's Motion to Dismiss under 12(b)(2) and 12(b)(3) control here. Rockstar's Motion to Dismiss was based on the application of the first-to-file rule and the Court's discretionary power to entertain this declaratory action. Dkt. 19-4 at 17-23. Contrary to Google's contention, Defendants have not yet filed a motion to transfer venue under 28 U.S.C. § 1404(a) on the basis of *forum non conveniens* under § 1404(a). Dkt. 39-4 at 15.

[8] Rockstar is a Delaware limited partnership comprised of partners, not shareholders. Powers Decl. ¶ 10. Rockstar's limited partners each hold a minority ownership percentage. *Id*. Rockstar's general partner is Rockstar Consortium LLC, a Delaware limited liability corporation. Dkt. 58 at 17.

in the EDTX together with Rockstar. Powers Dec. ¶ 36. As explained above, Rockstar creates different legitimate business entities to license its intellectual property in different market and technology areas, including NetStar Technologies, Bockstar Technologies, and Constellation Technologies. Powers Dec. ¶ 34. Third, "Google allege[d] that Apple . . . exerts substantial control over [Defendants], and as a result Defendants are obliged to act on Apple's behalf in a campaign to attack Google's Android platform." Dkt. 58 at 17. But the facts, contrary to Google's allegations, show that Apple does not control Rockstar's litigation decisions, and that Rockstar consists of five minority limited partners of which Apple is only one. Powers Dec. ¶ 33. Rockstar has "an arm's length relationship" with its minority limited partners, including Apple. Ex. 14 at 66.[9] Unlike in the personal jurisdiction context—where the Court was required to accept Google's pleaded "facts" as true—the Court now has the benefit of weighing the sworn evidence before it. *Stewart*, 487 U.S. at 29.

V. THE SECTION 1404 FACTORS WEIGH HEAVILY IN FAVOR OF TRANSFER

This action "might have been brought" in the EDTX because there is no dispute that Defendants are subject to personal jurisdiction there. *See* 28 U.S.C. § 1404(a). In contrast, Defendants contest personal jurisdiction here (a question which the Court has resolved against Defendants). *See* Dkt. 58; Dkt. 66. Accordingly, the analysis will turn on the private and public interest factors. While a number of the factors weigh heavily in favor of transfer, ultimately consideration of efficient use of judicial resources should weigh dispositively in favor of transfer to the EDTX.

A. The Interests of Justice and Efficient Use of Judicial Resources Weigh Dispositively in Favor of Transfer

[9] Even if Apple could act to cause Rockstar to undertake certain litigation decisions, under the Delaware limited liability partnership statute that Rockstar is organized under, a limited partner may "act . . . [to] cause a general partner or any other person to take . . . any action" without being found to direct or control the limited partnership. Del. Code Ann. tit. § 17-303 (2014).

Here principles of judicial economy and comity weigh in favor of transfer of Google's declaratory judgment action to the EDTX. Indeed, these considerations should be determinative of the transfer analysis in this case. *See Cadence Design Sys. v. OEA Int'l, Inc.*, 2011 U.S. Dist. LEXIS 106739, at *10-12 (N.D. Cal. Sept. 19, 2011) (Wilken, J.). "The Supreme Court has emphasized that judicial economy should play a role in transfer matters." *In re Microsoft Corp.*, No. 2014-123, slip op. at 2 (Fed. Cir. May 5, 2014) (non-precedential) (citing *Van Dusen v. Barrack*, 376 U.S. 612, 643-46 (1964)). As the Supreme Court said in *Continental Grain*, "[t]o 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. The FBL-585*, 364 U.S. 19, 26 (1960)). Accordingly, "courts have consistently held that judicial economy plays a paramount role in trying to maintain an orderly, effective, administration of justice." *In re Vistaprint Ltd.*, 628 F.3d 1342, 1346 (Fed. Cir. 2010); *see also In re Eli Lilly & Co.*, 541 Fed. App'x 993, 994 (Fed. Cir. 2013). Indeed, "[c]onsideration of the interest of justice, which includes judicial economy, may be determinative to a particular transfer motion, even if the convenience of the parties and witnesses might call for a different result." *Regents of the Univ. of California v. Eli Lilly & Co.*, 119 F.3d 1559, 1565 (Fed. Cir. 1997); *see also London & Hull Mar. Ltd. v. Eagle Pac. Ins. Co.*, 1996 U.S. Dist. LEXIS 22893, at *12-13 (N.D. Cal. Aug. 14, 1996) (Wilken, J.) ("The 'interests of justice' consideration is the most important factor a court must consider, and may be decisive in a transfer motion even when all other factors point the other way.").

1. *Failure to Transfer Will Result In Waste of Judicial Resources*

The Texas Action involving Google as a co-defendant with Samsung is one of six filed by Defendants in the EDTX involving the same patents and technologies, which the EDTX has already consolidated for all pretrial purposes (other than deciding the Texas defendants' respective challenges to venue). Ex. 15, Case 2:13-cv-00894, Dkt. 31. At a minimum, the six cases in the Texas Action will call for common information regarding claim construction, the

technology of the patents-in-suit, industry information regarding operating systems for mobile devices, the Nortel auction, as well as Nortel's and Rockstar's history and corporate structure. Powers Dec. ¶ 3. If both this Court and the EDTX decline to grant the motions to stay or transfer venue presently pending before them, Google and Defendants would continue to litigate duplicative claims in both places, in addition to Defendants' other claims in the EDTX against each of the Texas defendants.[10] The prospect of parallel litigation is a very real specter: Google has not moved to sever its case in the EDTX from the joinder with Samsung—whose headquarters, witnesses, and documents are located within the EDTX.

Entertaining Google's action in this Court will be a waste of judicial resources given the existence of the parallel Texas Actions and the overlap in the patents and the parties (Google, Rockstar, and MobileStar) between the actions. Google is a party to one of the Texas Actions, each of those actions has been consolidated for pre-trial purposes, and Google can raise its infringement concerns there as a counterclaim. *See Proofpoint, Inc. v. InNova Patent Licensing, LLC*, 2011 U.S. Dist. LEXIS 120343, *22-23 (N.D. Cal. Oct. 17, 2011) (encouraging the declaratory judgment plaintiff "to move to intervene in the Texas Action or bring a separate action for declaratory judgment in the Eastern District of Texas and seek to relate that claim to the Texas Action"). In contrast, none of the Texas defendants are party to this case, and Defendants' claims against the Texas defendants will not, for the reasons set forth below, be resolved here.

2. *Denying Transfer Creates the Risk of Inconsistent Judgments*

A related case involving the same parties as this case, issues, witnesses, and similar facts, is pending in the EDTX. Therefore, "[i]f this case is not transferred, inconsistent judgments

[10] More of the Texas defendants are closer to the EDTX than the NDCA. *See* Budwin Dec. ¶ 2. Here, as in *In re Apple*, "[a]s compared to those cases in which this court granted mandamus, here there are fewer defendants in the [NDCA] and potential evidence identified in the [EDTX], along with defendants and witnesses that will find it easier and more convenient to try this case in the Eastern District of Texas." *In re Apple Inc.*, 456 F. App'x 907, 909 (Fed. Cir. 2012).

could result, which could work an injustice." *London & Hull Mar. Ltd. v. Eagle Pac. Ins. Co.*, 1996 U.S. Dist. LEXIS 22893, at *12-13 (N.D. Cal. Aug. 14, 1996) (Wilken, J.). Under these circumstances, judicial economy mandates that this case be transferred to the EDTX. *See id*.

3. *The Texas Actions Can Resolve "Major Issues" Not Before This Court*

The EDTX may properly resolve all of the issues raised by Defendants and the Texas defendants (including Google). In contrast, even if the EDTX court were to grant a stay of the Texas Actions, this Court cannot resolve the "major issues" of infringement, invalidity, and damages raised in the Texas Actions. *Spread Spectrum Screening LLC v. Eastman Kodak Co.*, 657 F.3d 1349, 1358 (Fed. Cir. 2011); Dkt. 65 at 3 (articulating Google's position that "whether the results of this action will bind parties to Rockstar's Halloween actions in the Eastern District of Texas . . . [is] not before this Court"). Accordingly, judicial economy dictates that the EDTX should resolve Defendants' claims against Google *and* the Texas defendants.

First and foremost, none of the Texas defendants have agreed to be bound by the resolution of this case (*i.e.* infringement). *See, e.g.*, *Kahn v. Gen. Motors Corp.,* 889 F.2d 1078, 1082 (Fed. Cir. 1989) (noting that GM had "not agreed to be bound by the Illinois decision or any injunction against Motorola"); *Pragmatus*, 2012 U.S. Dist. LEXIS 189149, at *8 (observing that "it appears there is still some indecision regarding agreements to be bound by the Google"). Nor would any Texas defendant agree to be bound by the infringement determinations in this case—because each Texas defendant's accused products reflect differences that are material to adjudicating infringement. Each of the accused devices in each of the Texas Actions are independently designed, manufactured, and imported into the U.S. by each Texas defendant. While the accused products use a version of the "Android" operating system, Android is only one part of the infringing devices and is an open-source software project with many non-Google contributors. Ex. 16; Ex. 17 at ¶ 4. Each of the Texas defendants develops and contributes to the source code to create its own, unique version of the Android code that is used in the products accused of infringement in the Texas actions. *See* Exs. 18-23, 25-26.

The Texas defendants do not use Android in the form that it "originates from Google." *See, e.g.*, Exs. 18-20. Defendants' infringement contentions (created without the benefit of discovery and served after this Court's ruling on Defendants' Motion to Dismiss) reveal considerable differences between each Texas defendants' implementation of Android in their accused products suggesting that each Texas defendant individually customizes Android for use in its accused products—and that those changes are material to the infringement allegations in the Texas Actions. *See, e.g.*, Exs. 21, 28-29; *see also* Ex. 22. Thus, none of the Texas defendants have conceded that they make use of Android or the "Android platform" (the term used in Google's Complaint) as that open-source software project is managed by Google, without making modifications material to Defendants' infringement claims in the Texas Actions. Indeed, many of the Texas defendants openly admit that they modify the open-source Android code and employ many people who have the sole job of modifying the open-source Android code for use in defendant-specific products.[11] *See, e.g.*, Exs. 23-26; *see also* Ex. 27, *Mycone Dental Supply Co. v. Creative Nail Design, Inc.*, No. C 12-747, Dkt. 52 at 5 (N.D. Cal. May 30, 2012) (declining to find that claims against third-party "customers" would be "largely resolved" by claims against party-manufacturer where "there is at least some indication that the third-party defendants may alter the products they purchase from [manufacturer] before reselling them to consumers or retailers").

Google understands the reality that its so-called "customers" in the Texas Action independently modify the Android code to suit their own needs, and has sought to downplay its importance before the Court. In the Joint Case Management Statement, Google takes the position that "questions regarding whether the results of this action will bind parties to Rockstar's Halloween actions in the Eastern District of Texas . . . are not before this Court." Dkt. 65 at 3.

[11] Samsung's employment of many "Android" engineers, including those located at its EDTX headquarters, suggests the scope and importance of its work to customize Android for its own needs. *See* Ex. 25. Indeed, Samsung's extensive modifications to the open-source Android code has been an ongoing source of contention between Google and Samsung. Ex. 26.

Google also refused to ask this Court to require Google to explain whether Google's complaint has sufficiently identified the "Android Platform" or to identify any specific product using the "Android Platform." *Id*. at 4. This is an implicit admission that Google does not have access to the Android code used by each Texas defendant because each Texas defendant has its own unique source code and hardware configurations that are not supplied by Google, or shared by the Texas defendants with Google.

Absent each Texas defendant agreeing to be bound by this Court's determination of infringement, each Texas defendant being added to as a party to this case, or Google's ability to produce the code and hardware used by each Texas defendant's accused products for an infringement adjudication by this Court, there is no reason to believe that resolution of this case will resolve *any* of the infringement issues related to any of the Texas defendants other than Google. *Pragmatus*, 2012 U.S. Dist. LEXIS 189149, at *8.[12]

Second, this case cannot resolve the major, hardware-specific issues raised by Rockstar's infringement claims against the Texas defendants. While the devices accused of infringement in the Texas Action each run different versions of the Android operating system, the Texas Action is *not* about Android. Of the seven patents at-issue in this case and the Texas Action, *none* is alleged by Defendants, Google, or the Texas defendants to read solely on functions or features found in Android software. *See, e.g.*, Dkt. 1; Exs. 12, 28-29. As recognized by this Court, at least the '551 Patent is hardware specific with no tie to Android whatsoever alleged by any party. *See*

[12] Google represented in its Complaint and in its Opposition to Defendants' Motion to Dismiss that its Declaratory Complaint was proper because Defendants were suing its customers in Texas and that its Declaratory Complaint was first filed under the "manufacturer-customer" exception to the first-to-file rule. *See e.g.* dkt. 1 at 1 (Defendants have "filed seven lawsuits claiming that Google's customers infringe . . ."); dkt. 30-4 at 20 (Defendants have "sue[d] Google's customers, the Android manufacturers named in the Halloween actions"); *see also* dkt. 58 at 24 (Court finding "the relationship between Google and the Halloween defendants is one of manufacturer and customer."). If this case is truly a "manufacturer-customer lawsuit" then Google as the "manufacturer" should have access to the "Android" code used by its "customers" that forms the basis for its Declaratory Complaint of non-infringement before this Court—Google should have this information without having to join those "customers" to this case.

Dkt. 58 at 22 n.10; Exs. 28-29.[13] As to the other six patents at-issue, each covers the combination of hardware (designed solely by the Texas defendants and *not* Google) with software. These patents require "sending,"[14] "receiving,"[15] "displaying,"[16] and "storing"[17]—functionality that occurs within the Texas defendant-specific hardware.[18]

Third, Google has not pled invalidity of any of the patents-in-suit this case, whereas each of the Texas defendants will almost certainly file invalidity defenses and counterclaims. Even if Google adds invalidity claims to this case, no Texas defendant has agreed to be bound by the validity determination in this case nor has any Texas defendant agreed to be estopped from making any invalidity arguments that it or Google could have made before this Court.

Fourth, even if resolution of the claims against Google would resolve the issues of infringement and invalidity related to the Texas defendants and their unique products (which it would not), it would not resolve any of the Texas defendant-specific damages issues.[19] As

---

[13] Rockstar has attached selected examples of the 181 infringement contention claim charts and teardowns that it separately prepared for each product accused of infringing the '551 patent in the Texas Action. *See* Exs. 28-29. Should the Court wish to review some or all of the additional infringement contentions for the '551 patent to confirm that they all relate solely to hardware, Rockstar would be happy to file them or serve courtesy copies on chambers.

[14] Claims 14, 15, 19, 23, 24, 27, 28, and 31 of the '298; claims 1, and 5 of the '131.

[15] Claims 1, 2, 13 and 14 of the '937; claims 11, 12, 14, 15, 16, 19, 23, 24, 25, 27, 28, 29, 31, and 32 of the '298; claims 1, 4, 8, 21, and 33 of the '973; claims 1 and 5 of the '131; claim 17 of the '572; claim 1 of the '591.

[16] Claims 1-3, 8-11, 13-15, 19, and 20-23 of the '937; claims 1-6, 8-12, 21, and 24-26 of the '973; claim 1 of the '591; claim 17 of the '572.

[17] Claims 17, 19, 23, and 30 of the '298; claim 20 of the '572.

[18] *See Cadence Design Sys..*, 2011 U.S. Dist. LEXIS 106739, at *6 (citing *Microsoft Corp. v. Commonwealth Sci. & Indus. Res. Org.*, 2007 U.S. Dist. LEXIS 91550, at *10 (E.D. Tex. Dec. 13, 2007)) (the customer-suit exception is "inapplicable when a manufacturer makes but a component of an end product, where the end product is accused of infringement.").

[19] "Damages is no less a core issue in a patent infringement case than the issues of infringement and validity." *Secure Axcess, LLC v. Nintendo of Am., Inc.*, 2014 U.S. Dist. LEXIS 30115, at *21 (E.D. Tex. Mar. 7, 2014) (Gilstrap, J.). *See also Nat'l Broom Co. of Cal. v. Brookstone Co.*, 2009 U.S. Dist. LEXIS 69630, at *8-9 (N.D. Cal. July 30, 2009) (ellipsis in original) (citing *Codex Corp. v. Milgo Elec. Corp.*, 553 F. 2d 735, 738 n.6 (Fed. Cir. 1977)) ("[t]here may be situations,

required by the Federal Circuit, Defendants' damages model against each Texas defendant will necessarily be distinct, grounded in the specific facts relating to each defendant and based on an individualized analysis of the sales of the different accused products. *See Uniloc USA, Inc. v. Microsoft Corp*., 632 F.3d 1292, 1317-18 (Fed. Cir. 2011). Here, "as to the issue of damages, the claims against [the Texas defendants] are not peripheral to those of" Google. *Secure Axcess*, 2014 U.S. Dist. LEXIS 30115, at *21. As with Google's apparent inability to provide the code and schematics used by its purported "customers" in the Texas Action, Google has also refused to agree to provide damages information related to the products accused of infringement in the EDTX—implicitly confirming that it lacks access to such information. Budwin Dec. ¶ 7.

Finally, there is no dispute that Defendants and each Texas defendant are subject to personal jurisdiction in the EDTX. *See, e.g.*, Dkt. 9 ¶¶ 5-7. Defendants respectfully contest the Court's order denying its Motion to Dismiss and Defendants have asked the Court to certify the issue for review. Dkt. 66.

B. Google's Choice of this Forum Amounts to Forum Shopping

If there is any indication that a plaintiff is forum shopping, its choice of forum will be given little deference. *JACO Envtl. Inc. v. Appliance Recycling Ctrs. of Am.*, 2007 U.S. Dist. LEXIS 27421, at *7 (N.D. Cal. Mar. 27, 2007). In light of the fact that Defendants filed the Texas Actions nearly two months before Google filed this action and that Google could have intervened in the Texas Actions, Google's declaratory judgment action can only be viewed as an attempt at forum shopping. Google "does not argue that its declaratory judgment claim could not have been brought in the Eastern District of Texas." *Cadence Design Sys.*, 2011 U.S. Dist. LEXIS 106739, at *10-12. Yet instead of intervening in the previously-pending Texas Actions to protect the interests of its alleged customers, Google first invited Rockstar to a meeting in

---

due to the prospects of recovery of damages or other reasons, in which the patentee has a special interest in proceeding against a customer itself, … and therefore, less weight should be given to the manufacturer's forum.").

California, which Rockstar and MobileStar accepted in good faith, and then six days later Google filed this case—using that meeting as a basis for venue and jurisdiction. Dkt. 19-6 at ¶ 12-13.

Rather than filing this declaratory judgment action in the NDCA, there is no dispute that Google could have moved to intervene in the Texas Actions. Encouraging such venue gamesmanship by Google would set a disturbing precedent—conduct that has been "knowingly undertaken to manipulate venue in this case . . . should not be rewarded." *MobileMedia Ideas LLC v. HTC Corp.*, 2012 U.S. Dist. LEXIS 62153, at *8 (E.D. Tex. May 3, 2012). It would also chill extra-judicial meetings between parties who may have adverse legal interests, as parties will be afraid to meet without unintended consequences related to venue or jurisdiction.

C. Convenience of The Parties and Party Witnesses Favors Transfer

It would be inconvenient for Defendants to litigate this matter in this District. Defendants' only office is located in Plano, Texas. Powers Dec. ¶ 23; *see Transperfect*, 2010 U.S. Dist. LEXIS 99947, *7. Defendants have no ties to the NDCA. Rockstar employees with relevant knowledge live and work in the EDTX. The EDTX is also more convenient for those employees who are home-based (primarily on the East Coast) and regularly commute to Plano. Fako Dec. ¶ 4; Veschi ¶ 2; McColgan ¶ 3. Rockstar employees with relevant knowledge include Donald Powers, who works full-time in the Plano headquarters and has material information related to this suit, including knowledge of Nortel and Rockstar's corporate organization and structure, documents investigated for purposes of this suit, and employees and other parties with knowledge about the patents-in-suit. Powers Decl. ¶¶ 1-3, 30. Bernard Tiegerman, Rockstar's Senior Patent Counsel, and formerly Nortel's licensing counsel, possesses material information related to Defendants' licensing efforts and was involved in the prosecution of U.S. Patent No. 6,463,131. Tiegerman Decl. ¶¶ 3-4. Mr. Tiegerman works full-time out of Rockstar's Plano, Texas headquarters and lives in Dallas. *Id*. Erik Fako is Rockstar's Senior Patent Counsel for Assertion and Litigation and was formerly Nortel's in-house prosecution counsel involved in the prosecution of U.S. Patent No. 6,128,298. Fako Decl. ¶¶ 3-4. Mr. Fako routinely works out of

Rockstar's Plano, Texas headquarters. *Id*. Mark Hearn is currently Senior Licensing Counsel for Rockstar and for over 13 years was Senior Licensing counsel for Nortel (in its Richardson, Texas office). Hearn Decl. ¶ 1. He currently works full-time out of Rockstar's Plano, Texas office and lives in Dallas. *Id*.; *see also* McColgan Decl. and Veschi Decl.

D. Convenience of Non-Party Witnesses Favors Transfer

The most important non-party witnesses will likely be located in the EDTX, on the East Coast, or in Canada. On balance, this factor cuts decisively in favor of transfer.[20]

***Prior Artists*.** The *hundreds* of inventors on the prior art patents cited by the patents-in-suit are scattered throughout the world, including at least 12 in Texas, 91 on the East Coast, and 24 outside the U.S. Budwin Decl. ¶ 4. Of the prior art inventors residing in Texas, three appear to reside in the Dallas area—within the subpoena power of the EDTX court. *Id.* And importantly, inventors of prior art rarely, if ever, actually testify at trial, and therefore it is more important to examine other categories of witnesses.[21]

Rockstar Limited Partners and Nortel Bidders Will Be Irrelevant. Rockstar's limited partners do not direct or control Rockstar's licensing efforts, nor does any limited partner have a majority stake in Rockstar. Powers Dec. ¶¶ 34-35; *see also* Ex. 14 (each of Rockstar's limited partners act at "arm's length" and each limited partner, including Apple, owns a "minority" stake). Any focus on Apple as a non-party witness is inapposite because the parties do not dispute the amounts of the bids placed for the Nortel patent portfolio. In addition, any unidentified "witnesses from Apple" warrant no weight in the § 1404 analysis because such

---

[20] The convenience of witnesses includes "a separate but related concern, the availability of compulsory process to bring unwilling witnesses live before the jury." *Transperfect*, 2010 U.S. Dist. LEXIS 99947, *8. *See also Applied Elastomerics*, 2006 U.S. Dist. LEXIS 75339, at *16 (noting that "live testimony is preferable to depositions" and that "transfer of this action would allow for live testimony of important witnesses.") (citing *Geo. F. Martin Co. v. Royal Ins. Co. of Am.*, 2004 U.S. Dist. LEXIS 8927, at *3 (N.D. Cal. May 14, 2004)).

[21] *Synopsys Inc. v. Mentor Graphics Corp.*, 2013 U.S. Dist. LEXIS 48544, at *15 (N.D. Cal. Apr. 3, 2013) (explaining that it "it appears unlikely [prior art] witnesses would be needed, even if a claim of invalidity is based on any such prior art.").

assertions lack the required level of specificity.[22] However, to the extent that testimony from Apple is relevant, testimony from the other Nortel bidders (such as Google)[23] and other Rockstar limited partners would be equally relevant. Rockstar has two limited partners in Texas: Ericsson in the EDTX and BlackBerry in the Dallas area, just a few miles from the EDTX. Exs. 1, 2.

Inventors Across the Country. The majority of the inventors of the patents-in-suit reside in Canada or the East Coast (New York, Massachusetts, New Hampshire, North Carolina). Budwin Decl. ¶ 3-5. Five named inventors of the patents-in-suit (two from Canada and subject to the Hague Convention) have agreed to travel to EDTX to provide testimony.[24] *See* Wooten Decl., Colvin Decl., Poisson Decl., St. George Decl., and Egan Decl. Each has declared that the EDTX is a more convenient forum than the NDCA. *Id.* None have agreed to travel to the NDCA to provide testimony, and none have agreed the NDCA is more convenient. *Id.*

Prosecuting Attorneys. The attorneys who prosecuted the patents-in-suit are likely to have material information related to this case.[25] In addition to the prosecuting attorneys presently employed by Rockstar, two of the third-party attorneys responsible for prosecuting the patents-in-suit also live and work in Texas (one in Richardson, within the EDTX), three live in North Carolina, one lives in New Jersey, and none live in California. Budwin Decl. ¶ 6.

Former Nortel Employees. Several third-party former Nortel employees who possess material information reside in or near the EDTX. Art Fisher, Nortel's VP for IP Law from 1998–

---

[22] *See Natural Wellness Ctrs. of Am., Inc. v. Golden Health Prods.*, 2013 U.S. Dist. LEXIS 8658, at *16 (N.D. Cal. Jan. 22, 2013) (Wilkens, J.) (denying transfer where while Defendants "fail[ed] to explain adequately how these [non-party] witnesses' testimony is material to this dispute."); *see also Wi-Lan Inc. v. HTC Corp*., 2013 U.S. Dist. LEXIS 99635, at *30 (E.D. Tex. July 17, 2013) ("Defendants are asking the Court to attribute more weight based on this assertion of a potential likelihood that an un-named and otherwise unidentified third-party witness may or may not be used for trial sometime in the future.").

[23] The former head of patent strategy for Google, who likely has relevant knowledge regarding Google's bidding for the patents-in-suit, now lives on the East Coast. Ex. 35.

[24] *Synopsys Inc.*, 2013 U.S. Dist. LEXIS 48544, at *14.

[25] *See In re Acer Am. Corp.*, 626 F.3d 1252, 1255 (Fed. Cir. 2010) (prosecuting attorneys are likely witnesses).

2004, resides in the Dallas area. Powers Decl. ¶ 33. Rich Weiss served as Nortel's Deputy IP Counsel from 1997–2008 and works in McKinney, in the EDTX. *Id.* Mr. Fisher and Mr. Weiss possess knowledge related to Nortel's licensing practices and policies during the years of their employment, which may in turn relate to the damages issues in this case. *Id*. No relevant former Nortel employee has been shown to reside within the NDCA.

E. Ease of Access To Evidence Weighs in Favor of Transfer

While the bulk of documents generally reside with the infringers, that evidence "cannot be the sole focus of this Court's venue analysis." *Virtualagility, Inc. v. Salesforce.com, Inc.*, 2014 U.S. Dist. LEXIS 12015, at *12 (E.D. Tex. Jan. 31, 2014); *see also Panavision Int'l L.P v. Toeppen*, 141 F.3d 1315, 1323 (9th Cir. 1998).[26] The location of Defendants' and non-parties' evidence weighs against transfer. Documents related to the patents-in-suit are stored at Defendants' Plano, Texas headquarters within the EDTX. Powers Decl. ¶ 31. Relevant documents in Plano also include historical Nortel files relating to patent licenses, patent licensing efforts, and payment of royalties. *Id*. Many of the documents concerning licensing and monetization of the patents-in-suit have resided in or near the EDTX since their time of creation in the Nortel era. Hearn Decl. ¶ 6.

Courts also routinely look to non-parties' documents. *Mts Sys.*, 2006 U.S. Dist. LEXIS 66338, at *7. Here those may include documents from the non-party inventors who reside outside of California; the patents-in-suits' prosecuting attorneys who reside in Richardson and Irving, Texas; the Texas defendants, including EDTX-headquartered Samsung, and ZTE, which is headquartered only a few miles from the EDTX. *See* Budwin Dec. at ¶ 2; Powers Dec. at ¶ 30.

F. Feasibility of Consolidation Favors Transfer

[26] *See also Silverlit Toys Manufactory, LTD. v. Absolute Toy Mktg.*, 2007 U.S. Dist. LEXIS 14538, at *31 (N.D. Cal. Feb. 15, 2007) (finding ease of access to evidence to weigh in favor of transfer because "the location of the evidence and witnesses . . . is no longer weighed heavily given the modern advances in communication and transportation.") (citing *Panavision Int'l L.P. v. Toeppen*, 141 F.3d 1316, 1323 (9th Cir. 1998)).

"The feasibility of consolidation is a significant factor in a transfer decision, although even the pendency of an action in another district is important because of the positive effects it might have in possible consolidation of discovery and convenience to witnesses and parties." *Bite Tech, Inc. v. X2 Impact, Inc.*, 2013 U.S. Dist. LEXIS 31791, at *16 (N.D. Cal. March 7, 2013) (quoting *A.J. Indus., Inc. v. U.S. Dist. Court for C.D. Cal*., 503 F.2d 384, 389 (9th Cir. 1974)). This case and Defendants' case against Google in the EDTX involve wholly overlapping issues as to infringement and damages, including whether and to what extent Google's products (including the Nexus 5, Nexus 7 and Nexus 10) infringe one or more claims of the patents-in-suit. (Defendants contest Google's identification of the "Android Platform.") Each of the claims in this case could be raised by Google as a defense in the Texas Action.

Defendants' claims of infringement against Google are pending in the EDTX. There the same infringement issues raised here as to Google's products are at issue, as well as the infringement claims brought by Rockstar against five other defendants. "Under such circumstances, it is more than simply 'feasible' that the Texas action and the instant action could be consolidated if they were pending in the same district; rather, such consolidation is highly likely." *CoxCom, Inc. v. Hybrid Patents, Inc.*, 2007 U.S. Dist. LEXIS 67168, at 5 (N.D. Cal. Aug. 30, 2007). These cases may be consolidated—indeed Google and EDTX-based Samsung are co-defendants in one action and that action has been consolidated with each of the other Texas Actions for all pre-trial purposes (with the exception of venue). *See id.*; *see also GLT Technovations, LLC v. Fownes Bros. & Co.*, Inc. 2012 U.S. Dist. LEXIS 56028, at *17 (N.D. Cal. April 20, 2012) (considering that "transfer will allow for better coordination with the action currently pending in New York, which involves substantially the same subject matter and parties" and granting transfer).

G. Rockstar's Meaningful, Longstanding Connections to the EDTX

Defendants' principal place of business is in Plano, Texas, in the EDTX. The Plano office is a fully operational office with full-time employees doing substantial patent prosecution,

licensing, and litigation support work.[27] Powers Decl. at ¶ 26. For over a decade, Nortel had more than 10,000 employees in Texas, including those persons responsible for prosecuting patents and running programs to monetize patents (including the patents-in-suit) out of Richardson, Texas, less than a mile from the EDTX. Today, Rockstar employs five full-time employees in its Plano office, including three patent attorneys and an office administrator. *Id*. ¶ 25. Rockstar's licensing and litigation activities conducted in the Plano office are within Rockstar's normal course of business, and track Nortel's prior Texas-based activities. *Id.*¶¶ 26, 27. Additionally, Rockstar's in-person board meetings are held at the Plano office, as are its quarterly operations reviews and its annual strategy sessions. *Id.* ¶ 23. Like Nortel before it, Rockstar conducts its ordinary patent prosecution and monetization business out of Texas.

H. Local Interest Is, At The Very Least, Neutral

"Local interest arises when a district is home to a party because the suit may call into question the reputation of individuals that work in the community." *In re Hoffman-La Roche*, 587 F.3d 1333, 1336 (Fed. Cir. 2009). Defendants run their business from the EDTX. Powers Decl. ¶ 26. In addition, the patents-in-suit are the result of Nortel's research, and Nortel's long-standing U.S. headquarters was in Richardson, Texas. *Id.* Thus, this factor either favors transfer to the EDTX or is neutral.[28]

---

[27] Rockstar's meaningful ties to the EDTX are a far cry from the type of presence that courts consider ephemeral or an artifact of litigation. *See In re Zimmer Holdings, Inc.*, 609 F.3d 1378, 1381 (Fed. Cir. 2010) (suggesting that the record will reveal attempts at venue manipulation where a plaintiff's alleged place of business for purposes of the litigation "is nothing more than a mail drop box, a bare office with a computer, or the location of an annual executive retreat . . ."). Unlike the venue manipulation facts of *In re Zimmer* and *In re Microsoft*, here Rockstar's licensing and patent prosecution employees in the EDTX are the successors to Nortel's long-standing Texas-based patent prosecution and licensing business. Like Nortel before it, Rockstar conducts its ordinary business out of Texas. Powers Decl. ¶ 26-37; *see In re Microsoft Corp.,* 630 F.3d 1361, 1364-65 (Fed. Cir. 2011); *In re Zimmer,* 609 F.3d at 1381.

[28] *See Applied Elastomerics, Inc. v. Z-Man Fishing Prods*., 2006 U.S. Dist. LEXIS 75339, at *18-19 (N.D. Cal. Oct. 6, 2006) (Wilkens, J.); *GLT Technovations, LLC v. Fownes Bros. & Co.*, 2012 U.S. Dist. LEXIS 56028, at *18-19 (N.D. Cal. Apr. 20, 2012).

I. Relative Court Congestion and Time to Trial Somewhat Favor Transfer

The median time to trial for patent cases in this District is 2.72 years. Ex. 31; *see also* Ex. 32, *Contentguard Holdings, Inc., v. Google, Inc.,* No. 2:14-cv-00061-JRG, Dkt. 38 at 11 (E.D. Tex. Apr. 16, 2014). In contrast, the median time to trial in the EDTX is only 2.19 years. *Id.* The Texas Actions have been set for trial in July 2015—just over sixteen months from now, less than two years from their October 31, 2013 filing. Ex. 33. Thus, this factor favors transfer.

J. Difference in the Costs of Litigation Favor the EDTX

Litigating this case in the EDTX will be substantially less expensive than in the NDCA. First, the cost savings afforded by judicial economy alone weigh heavily in favor of transfer. This District has recognized that "[w]ith respect to . . . the difference in the costs of litigation in the two forums, logic and experience dictate that litigating two cases in the same forum, whether or not they are ultimately consolidated, will generally entail less expense than litigating two separate cases in widely separated forums." *Sorensen v. Phillips Plastics Corp.*, 2008 U.S. Dist. LEXIS 81710, at *13 (N.D. Cal. Oct. 9, 2008). As discussed above, six cases regarding infringement of the same patents-in-suit remain pending before Judge Gilstrap in the EDTX. Ex. 7 . It will be substantially less expensive for the EDTX to adjudicate Google's already-pending claims there than for both courts to proceed with duplicative, two-track parallel litigation of overlapping issues. *Sorensen*, 2008 U.S. Dist. LEXIS 81710, at *13. Second, regardless of where the trial is held, both parties will likely require witnesses to travel. *See, e.g.*, Ex. 35. "[O]nce such travel occurs, the other costs incurred by foreign and out-of-state witnesses (e.g. food and lodging) are substantially less expensive in Marshall, Texas as opposed to San Francisco, California." *Mears Techs., Inc. v. Finisar Corp.*, 2014 U.S. Dist. LEXIS 56880, at *10 (E.D. Tex. Apr. 24, 2014). Third, any travel required will be less burdensome on Google than on Rockstar, as Google is a "large and sophisticated compan[y], quite accustomed to operating - and litigating - all around the country, including in the E.D. Tex." *Cisco Sys. v. TiVo, Inc.*, 2012 U.S. Dist. LEXIS 112923, at *22 (N.D. Cal. Aug. 10, 2012). Thus, this factor favors transfer.

K. Familiarity With Applicable Law Factor Is Neutral

Both this Court and the EDTX are well versed in patent law. Thus, this factor is neutral.

VI. IN THE ALTERNATIVE, THE COURT SHOULD STAY THIS ACTION PENDING RESOLUTION OF THE TEXAS ACTION

The Texas Action will resolve "major issues" and will simplify this litigation, and may obviate the need for it altogether. Because the Texas Action will answer many, if not all, of the central questions at issue here, if the Court denies transfer then it should at least stay this case and allow the Texas Action to proceed to judgment. *See* Ex. 34, *Google, Inc. v. Contentguard Holdings, Inc.*, No. C 14-00498 WHA, Dkt. 42 at 2 (N.D. Cal. Apr. 15, 2014) (staying Google's declaratory judgment claim in the NDCA and allowing related EDTX cases against Google's alleged "customers" to proceed in the EDTX). This Court should stay this action under its inherent authority because this case is in its early stages (with a case management conference set for May 14, 2014), a stay will simplify the issues, and will not prejudice Google. *See Hynix Semiconductor, Inc. v. Rambus, Inc.*, 2009 U.S. Dist. LEXIS 10939, at *15 (N.D. Cal. Feb. 3, 2009). "A stay may be the most efficient and fairest course when there are 'independent proceedings which bear upon the case.'" *Nat'l Broom Co. of Cal.*, 2009 U.S. Dist. LEXIS 69630, at *4-5 (citing *Levya v. Certified Grocers of California, Ltd.*, 593 F.2d 857, 863 (9th Cir. 1979)).

The Texas Actions will resolve each of the infringement claims presently before this Court as to Google's devices, will resolve the infringement of the '551 patent by each of the Texas defendants, and will also resolve whether and to what extent the proprietary modifications made by each Texas defendant to the open-source version of Android, together with the Texas defendant-specific hardware, infringe the other six patents-in-suit in the Texas Actions. This "will efficiently dispose of the infringement issues" present in this case. *Ricoh Company v. Aeroflex Inc.*, 279 F. Supp. 2d 554, 558 (D. Del. 2003); *see also Leviton Mfg. Co., Inc. v. Interline Brands, Inc.*, 2006 U.S. Dist. LEXIS 61944, at *5 (M.D. Fla. Aug. 30, 2006) (stay will "preserve judicial resources, prevent duplicative expenses, and prevent the possibility of

inconsistent judgments"). Therefore, in the absence of transfer of this case to the EDTX, the Court should stay this case pending resolution of the Texas Action.

VII. CONCLUSION

For the reasons discussed above, the Court should transfer this action to the EDTX or, in the alternative, stay this case pending the resolution of Defendants' claims against Google in the Texas Action.

Respectfully submitted,

Dated May 9, 2014.

By: /s/ *Joshua W. Budwin*

Courtland L. Reichman (SBN 268873)
MCKOOL SMITH HENNIGAN, P.C.
255 Shoreline Drive Suite 510
Redwood Shores, CA 94065
(650) 394-1400
(650) 394-1422 (facsimile)

Mike McKool (Admitted *Pro Hac Vice*)
mmckool@mckoolsmith.com
Douglas A. Cawley (Admitted *Pro Hac Vice*)
dcawley@mckoolsmith.com
Ted Stevenson III (Admitted *Pro Hac Vice*)
tstevenson@mckoolsmith.com
David Sochia (Admitted *Pro Hac Vice*)
dsochia@mckoolsmith.com
McKool Smith, P.C.
300 Crescent Court Suite 1500
Dallas, TX 75201
(214) 978-4000
(214) 978-4044 (facsimile)

Joshua W. Budwin (Admitted *Pro Hac Vice*)
jbudwin@mckoolsmith.com
McKool Smith, P.C.
300 W. 6th Street, Suite 1700
Austin, TX 78701
(512) 692-8700
(512) 692-8744 (facsimile)

Attorneys for Defendants Rockstar Consortium US LP and MobileStar Technologies LLC