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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

MULTIMEDIA PATENT TRUST,	
	Plaintiff,
vs.	
TANDBERG, INC.,	
	Defendant.

**CASE NO. 09-CV-1377 H (CAB)**  
**ORDER GRANTING  
DEFENDANT'S MOTION TO  
DISMISS**

16           On July 6, 2009, Defendant Tandberg filed a motion to dismiss this action in light of  
17 its earlier-filed action in the District of Delaware, or to transfer this case to the District of  
18 Delaware. (Doc. No. 9.) On July 20, 2009, Plaintiff MPT filed an opposition to Defendant's  
19 motion to dismiss. (Doc. No. 16.) On July 27, 2009, Defendant filed a reply in support of its  
20 motion to dismiss. (Doc. No. 18.) On August 3, 2009, the Court heard oral argument on  
21 Defendant's motion to dismiss or transfer. Frank Pietrantonio appeared on behalf of the  
22 Plaintiff. Raymond Coughlan and Robert Mattson appeared on behalf of the Defendant. For  
23 the following reasons, the Court grants Defendant's motion and dismisses this action without  
24 prejudice.

**Background**

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26           This is a patent infringement action brought by Plaintiff Multimedia Patent Trust  
27 ("MPT"). Plaintiff's Complaint alleges causes of action for infringement of U.S. Patent Nos.  
28 4,958,226 ("the '226 Patent"), 5,227,878 ("the '878 Patent"), 5,500,678 ("the '678 Patent"),

1 and 5,136,377 (“the ‘377 Patent”). (Compl. ¶¶ 12-20.) Plaintiff filed its Complaint on June  
2 25, 2009. (Doc. No. 1.)

3 Two days earlier, on June 23, 2009, Defendant Tandberg filed a complaint against MPT  
4 in the United States District Court for the District of Delaware seeking declaratory judgment  
5 of non-infringement or invalidity as to each of the patents in suit here, as well as an additional  
6 patent, No. 5,563,593. (Coughlan Decl. ISO MTD [“Coughlan Decl.”] Ex. A.)

7 Plaintiff Multimedia Patent Trust is a Delaware statutory trust under the Delaware  
8 Statutory Trust Act. Defendant Tandberg is a Delaware corporation with its principal place  
9 of business in Reston, Virginia. (Peri Decl. ISO MTD ¶ 2.) Defendant is a wholly owned  
10 subsidiary of Tandberg ASA – a company headquartered in New York and Norway that  
11 designs and produces video conferencing products. (*Id.* ¶¶ 2-4.)

12 Defendant seeks dismissal of this action or transfer to the District of Delaware, relying  
13 on the “first to file” rule and the convenience factors of 28 U.S.C. § 1404(a). Plaintiff opposes  
14 dismissal and transfer, arguing that convenience and judicial efficiency warrant the Court’s  
15 retention of this case.

## 16 Discussion

### 17 **I. The First-to-File Rule**

18 Generally, under the first-to-file rule, when cases involving the same parties and issues  
19 are filed in two different districts, the court with the later-filed action has discretion to transfer,  
20 stay, or dismiss the second case in the interest of efficiency and judicial economy. Cedars-  
21 Sinai Med. Ctr. v. Shalala, 125 F.3d 765, 769 (9th Cir. 1997). “The first-to-file rule was  
22 developed to serve the purpose of promoting efficiency well and should not be disregarded  
23 lightly.” Alltrade, Inc. v. Uniweld Prods., Inc., 946 F.2d 622, 625 (9th Cir. 1991) (quotation  
24 omitted). “While no precise rule has evolved, the general principle is to avoid duplicative  
25 litigation, and to promote judicial efficiency.” Barapind v. Reno, 225 F.3d 1100, 1109 (9th  
26 Cir. 2000) (quotation omitted).

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1 In the patent context, even where the alleged infringer acts first, the Federal Circuit  
2 observes the first-to-file rule, holding that “[t]he general rule favors the forum of the first-filed  
3 action.” Micron Tech., Inc. v. Mosaid Techs., Inc., 518 F.3d 897, 904 (Fed. Cir. 2008) (citing  
4 Genentech, Inc. v. Eli Lilly & Co., 998 F.2d 931, 937 (Fed. Cir. 1993)). In this case, it is  
5 undisputed that Tandberg filed its Delaware complaint for declaratory judgment before MPT  
6 filed its complaint for infringement in this Court. (Coughlan Decl. Ex. A.) Additionally, the  
7 two cases involve the same parties, and the patents in suit in this action are also contested in  
8 the Delaware action. (Id.)

9 The fact that Tandberg’s complaint was for declaratory judgment does not substantially  
10 weaken its argument. The Federal Circuit generally gives priority to the oldest case “whether  
11 or not it is a declaratory judgment action.” Micron Tech., 518 F.3d at 904. Stressing this  
12 point, the Micron Tech. court stated that “the considerations affecting transfer to or dismissal  
13 in favor of another forum do not change simply because the first-filed action is a declaratory  
14 action.” Id. This is especially true following the Supreme Court’s ruling in MedImmune Inc.  
15 v. Genentech Inc., 549 U.S. 118 (2007). Before MedImmune, the Federal Circuit applied the  
16 “reasonable apprehension of imminent suit” test to determine subject matter jurisdiction over  
17 declaratory judgments. Id. at 132 n.11. However, the Supreme Court criticized that test and  
18 held that an accused infringer need not have a reasonable apprehension of suit by the patentee  
19 in order to maintain a preemptive declaratory judgment action. Id.; Micron Tech., 518 F.3d  
20 at 900-01. The MedImmune holding increases the likelihood of jurisdiction for declaratory  
21 judgment filers and provides potential defendants with “greater opportunity to race to the  
22 courthouse to seek a forum more convenient and amenable to their legal interests.” Micron  
23 Tech., 518 F.3d at 904. Patentees have the same opportunity, and neither the Supreme Court  
24 nor the Federal Circuit has held that such a race necessarily creates an exception to the first-to-  
25 file rule.

26 The Court recognizes that it is improper to “automatically go[] with the first filed  
27 action” and acknowledges its “discretion to make exceptions to this general rule in the interest  
28 of justice or expediency, as in any issue of choice of forum.” Micron Tech., 518 F.3d at 904.

1 Thus, the Court examines the convenience factors under 28 U.S.C. § 1404(a) and concludes  
2 for the following reasons that these considerations do not warrant an exception to the first-to-  
3 file rule. See Id. (“[T]he trial court weighing jurisdiction additionally must consider the real  
4 underlying dispute: the convenience and suitability of competing forums. In sum, the trial  
5 court must weigh the factors used in a transfer analysis as for any other transfer motion.”).

6 **II. Convenience Factors Under 28 U.S.C. § 1404(a)**

7 Under 28 U.S.C. § 1404, a district court “may transfer any civil action to any other  
8 district or division where it might have been brought” “for the convenience of parties and  
9 witnesses” and “in the interest of justice.” 28 U.S.C. § 1404(a).<sup>1</sup> This statute “is intended to  
10 place discretion in the district court to adjudicate motions for transfer according to an  
11 ‘individualized, case-by-case consideration of convenience and fairness.’” Stewart Org., Inc.  
12 v. Ricoh Corp., 487 U.S. 22, 29 (1988) (quoting Van Dusen v. Barrack, 376 U.S. 612, 622  
13 (1964)). Similarly, the Ninth Circuit recognizes that the “[w]eighing of factors for and against  
14 transfer involves subtle considerations and is best left to the discretion of the trial judge.”  
15 Sparling v. Hoffman Constr. Co., Inc., 864 F.2d 635, 639 (9th Cir. 1988) (quotation marks  
16 omitted). Defendant, as the moving party, carries the burden of showing that transfer is  
17 warranted. Commodity Futures Trading Comm’n v. Savage, 611 F.2d 270, 279 (9th Cir.  
18 1979).

19 District courts apply the law of the circuits in which they sit when deciding whether to  
20 transfer a patent case under Section 1404, although the Federal Circuit has jurisdiction over  
21 patent case appeals. See In re TS Tech USA Corp., 551 F.3d 1315, 1319 (Fed. Cir. 2008)  
22 (applying Fifth Circuit law in assessing a Texas district court’s decision on a motion to transfer  
23 patent suit). In deciding whether to transfer a case under Section 1404(a), Ninth Circuit courts  
24 consider factors including: (1) the plaintiff’s choice of forum, (2) the contacts relating to the  
25 plaintiff’s cause of action in the chosen forum, (3) the respective parties’ contacts with the

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27 <sup>1</sup> Plaintiff does not contest that this action could have been brought in the District of  
28 Delaware. As any federal court has subject matter jurisdiction to hear a patent infringement  
suit and the Defendant is incorporated in that district, the Court concludes that the case could  
have been brought there and focuses on whether relevant factors warrant transfer.

1 forum, (4) the availability of compulsory process to compel attendance of unwilling non-party  
2 witnesses, (5) the differences in the costs of litigation in the two forums, (6) the ease of access  
3 to sources of proof, (7) the location where the relevant agreements were negotiated and  
4 executed, and (8) the state that is most familiar with the governing law. Jones v. GNC  
5 Franchising, Inc., 211 F.3d 495, 498-99 (9th Cir. 2000). The Federal Circuit lists similar  
6 factors, stating that “[t]he convenience and availability of witnesses, absence of jurisdiction  
7 over all necessary or desirable parties, possibility of consolidation with related litigation, or  
8 considerations relating to the interest of justice must be evaluated to ensure the case receives  
9 attention in the most appropriate forum.” Micron Tech., 518 F.3d at 904-05. Here, an analysis  
10 of the relevant factors does not show this district to be the more convenient forum.

11 **A. Interest of Justice**

12 First, the Court considers MPT’s primary argument: that this Court’s previous and  
13 contemporaneous experience with the patents in suit favor retention under the “interest of  
14 justice” factor. (Opp. at 8.) MPT points out that the Court has presided over cases involving  
15 the patents in suit. The ‘226 Patent was involved in Case No. 07cv2000; the ‘878 Patent was  
16 involved in Case No. 06cv0684; the ‘678 Patent was involved in Case No. 07cv0747.  
17 Additionally, the Court has a pending case, CAB Multimedia Patent Trust v. DirecTV et al.,  
18 09cv0278, involving all of the four patents in suit. However, the Federal Circuit has held that  
19 a court’s prior experience with the patents in suit does not favor it as a forum in the absence  
20 of “ongoing litigation requiring consolidation.” Micron Tech., 518 F.3d at 905. Here, MPT  
21 has made no arguments concerning the consolidation of this case with No. 09cv0278, which  
22 involves different defendants and different accused products.

23 **B. Convenience of Witnesses & Parties**

24 The convenience of the witnesses – especially third party witnesses – is very important  
25 in any analysis of the Section 1404 convenience factors. A party may compel the testimony  
26 of its employees at trial. STX, Inc. v. Trik Stik, Inc., 708 F. Supp. 1551, 1556 (N.D. Cal.  
27 1988). For non-party witnesses, the Court’s subpoena power extends to anywhere within the  
28 district and one hundred miles of the place of trial. Fed. R. Civ. P. 45(b)(2). For these reasons,

1 courts frequently state that the convenience of third party witnesses is more important than that  
2 of party witnesses. See, e.g., HollyAnne Corp. v. TFT, Inc., 199 F.3d 1304, 1307 n.2 (1999)  
3 (stating that the location of employees “is not as important a factor as it would be if they were  
4 not under the [party’s] control”); Saleh v. Titan Corp., 361 F. Supp. 2d 1152, 1160 (S.D. Cal.  
5 2005) (“the convenience of non-party witnesses is a more important factor than the  
6 convenience of party witnesses”).

7 Here, Tandberg has shown that litigating in the District of Delaware would be more  
8 convenient for its witnesses. Tandberg is a Delaware corporation with its principal place of  
9 business in Reston, VA. (Peri Decl. ¶ 2.) Tandberg’s corporate parent, Tandberg ASA,  
10 maintains a headquarters in New York, New York. (Id. ¶ 4.) Especially relevant to this case  
11 is the fact that all U.S. marketing and sales of Tandberg’s allegedly infringing video  
12 conferencing products is overseen from Reston and New York. (Id. ¶ 5.) Tandberg witnesses  
13 coming from either location would obviously find it easier to litigate in Delaware.

14 Additionally, Tandberg has introduced evidence showing that certain third party  
15 witnesses are closer to Delaware than California. Tandberg’s pre-trial disclosures identify  
16 thirteen potential witnesses, nine of whom are within the subpoena radius of the Delaware  
17 court. (Kyle Decl. in Opp. to MTD [“Kyle Decl.”] Ex. 10.) Additionally, four of the six  
18 named inventors of the ‘337 Patent reside in New Jersey within the subpoena radius of the  
19 Delaware Court. (Coughlan Decl. ¶¶ 3-6; Ex. B.) Tandberg submits additional evidence  
20 suggesting that other individuals involved in the prosecution of the ‘377 and ‘678 Patents are  
21 also located within that 100 mile radius. (Id. ¶¶ 7-10; Ex. B.) MPT responds that three other  
22 inventors of the patents in suit are located in Washington and California, but these inventors  
23 are still hundreds of miles from this Court and would not be subject to court subpoena under  
24 Rule 45. (Opp. at 11; Kyle Decl. Ex. 10.)

25 Next, the Court considers the convenience of the parties. MPT argues that this factor  
26 is neutral. (Opp. at 10.) The Court disagrees. For the same reasons discussed above, it  
27 appears that litigating in Delaware would be more convenient for Tandberg, and MPT has not  
28 shown why the Southern District of California is more convenient for it and its witnesses.

1 While the evidence regarding the locations of witnesses and parties might not be  
2 sufficient to compel a transfer to the District of Delaware under Section 1404, it clearly does  
3 not show this district to be more convenient warranting retention.

4 **C. Other Factors**

5 The parties briefly discuss other factors that the Court concludes are neutral or deserve  
6 little weight. MPT argues that the Court should defer to its choice of forum. A plaintiff's  
7 choice of forum is entitled to greater deference when the plaintiff has chosen its "home forum."  
8 Piper Aircraft Co. v. Reyno, 454 U.S. 235, 256 (1981). However, in this case, Plaintiff is a  
9 Delaware statutory trust that has not chosen its home forum. (Peri Decl. ¶ 2.) Courts may also  
10 consider the facts of the case in determining how much deference to give the plaintiff's choice.  
11 See Pacific Car & Foundry Co. v. Pence, 403 F.2d 949, 954 (9th Cir. 1968) (considering  
12 whether "the operative facts" "occurred within the forum of original selection" and whether  
13 that forum had any "particular interest in the parties or the subject matter"). The Ninth Circuit  
14 directs courts to consider the relationship between the forum and the plaintiff's claims when  
15 deciding whether to transfer a case under 28 U.S.C. § 1404. Jones, 211 F.3d at 498-99. MPT  
16 has introduced evidence that Tandberg has provided its allegedly infringing technology to  
17 customers in California, including the City of San Diego and San Diego State University.  
18 (Kyle Decl. Ex. 6, 7.) However, this showing is insufficient to establish that this forum has  
19 a "particular interest in the parties or the subject matter" that might warrant an exception to the  
20 first-to-file rule. Pacific Car, 403 F.2d at 954. The Court concludes that this factor is neutral  
21 at best; Tandberg was first to file, and its choice of forum deserves at least as much weight as  
22 MPT's.

23 The parties also address the locations of documents and other evidence relevant to this  
24 action. However, with the availability of modern photocopying and electronic document  
25 transmittal technology, this factor is less relevant. As the parties are large technology  
26 companies, they should have no difficulty conducting discovery regardless of document  
27 location. Accordingly, the Court concludes that this factor is neutral and gives it little weight.

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1 Finally, the parties compare this Court's caseload to that of the Delaware court. (Opp.  
2 at 9; Reply at 8.) In that regard, MPT acknowledges that both courts "move at virtually the  
3 same speed" from filing to trial. (Opp. at 10.) Therefore, the Court concludes that this factor  
4 is neutral.

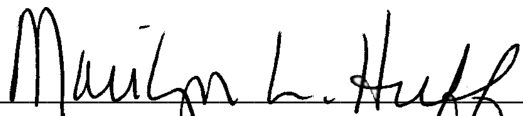
5 Because MPT has not shown that the Southern District of California is a more  
6 convenient forum warranting a departure from the general first-to-file rule, the Court concludes  
7 that Defendant's request for dismissal is warranted.

8 **Conclusion**

9 Accordingly, the Court grants Defendant's motion and dismisses this case without  
10 prejudice in favor of the earlier filed Delaware action.<sup>2</sup>

11 **IT IS SO ORDERED.**

12 DATED: November 12, 2009

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15 MARILYN L. HUFF, District Judge  
16 UNITED STATES DISTRICT COURT  
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27 \_\_\_\_\_  
28 <sup>2</sup> If, upon further reflection, the Parties would like to stipulate to remain before this  
Court, the Court will entertain a joint motion to consolidate this case with Multimedia Patent  
Trust v. DirecTV et al., 09cv0278.