IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA

Case No. 1:10cv023580-Civ-UU

MOTOROLA MOBILITY, INC., Plaintiff, v. APPLE INC., Defendant.	**JURY TRIAL DEMANDED**
APPLE INC., Counterclaim Plaintiff, v. MOTOROLA, INC. and MOTOROLA MOBILITY, INC., Counterclaim Defendants.	

REPLY IN SUPPORT OF DEFENDANT AND COUNTERCLAIM PLAINTIFF APPLE INC.'S MOTION TO TRANSFER VENUE

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I. INTRODUCTION

Defendant Apple, Inc. ("Apple") hereby submits this Reply in support of its motion to transfer venue to the Western District of Wisconsin, or in the alternative, to dismiss this action on *forum non conveniens* grounds. (D.I. 37.)

II. SUMMARY OF ARGUMENT

In its opposition brief, Plaintiff Motorola Mobility, Inc. ("Motorola") fails to provide compelling reasons why this Court should not dismiss or transfer this patent infringement action against Apple to the Western District of Wisconsin pursuant to 28 U.S.C. § 1404(a).

Motorola does not dispute that transferring this case to the Western District of Wisconsin ***so Apple and Motorola can litigate their disputes in a single forum*** is entirely within this Court's discretion. Motorola fails to explain how allowing multiple litigations between the same parties to proceed in multiple forums would serve the interests of judicial efficiency and provides no compelling reason why this action should not be transferred to Wisconsin.

Instead, Motorola relies heavily on the "first-to-file" rule. But the "first-to-file" rule does not apply here. In the patent context, the "first-to-file" rule is typically applied to situations where the patentee files its infringement claims in one forum and the accused infringer files declaratory judgment claims concerning the *same* patents in another forum. Even in such cases, the "first-to-file" rule is not absolute; exceptions "are not rare, and are made when justice or expediency requires, as in any issue of choice of forum." *Genentech, Inc. v. Eli Lilly and Co.*, 998 F.2d 931, 937 (Fed. Cir. 1993), *overruled in part on other grounds by Wilton v. Seven Falls Co.*, 515 U.S. 277, 289 (1995).

Motorola also attempts to demonstrate its connection to this forum by focusing on one out of the sixteen accused Motorola devices—the i1 iDEN cellular phone, allegedly developed in part in Plantation, Florida—while ignoring the fact that the development of all of the remaining Motorola products and all of the accused Apple products have no connection to Florida whatsoever. In any event, Motorola's activities in Plantation, Florida are largely irrelevant and are not linked to the patents in dispute.

Because Motorola's choice of forum is not entitled to any special consideration based on the "first-to-file" rule and because the *de minimus* connection of this dispute to this district should not be accorded much weight, this Court's decision regarding the transfer issue simply boils down to this: where does it make the most sense for the parties to adjudicate their disputes? As outlined in Apple's opening brief and as set forth herein, the answer is the Western District of Wisconsin.

III. ARGUMENT

As this Court has already observed, there is no apparent reason why this patent infringement suit was filed in this forum. *See* Declaration of Steven S. Cherensky in Support of Defendant's Reply in Support of Its Motion to Transfer Venue [hereinafter "Cherensky Decl."] Ex. A [Planning and Scheduling Conference Tr.] at 2:17-3:1. Motorola does not even attempt to draw a connection between this forum and the vast majority of the patents and accused products in this case. Motorola solely focuses on the i1 iDEN phone and excludes from its nexus argument eleven of the twelve disputed patents, all of the Apple accused products, and fifteen of the sixteen Motorola accused products. Motorola does not, and cannot, dispute that it would be more efficient to hear all of the patents disputed in multiple United States District Courts in a single forum. Motorola does not dispute that litigating in multiple forums wastes time, energy,

and money. *See, e.g., Cont'l Grain Co. v. The Barge FBL-585*, 364 U.S. 19, 26 (1960). Nor does Motorola dispute that litigating in multiple forums increases the potential for conflicts in substantive rulings, scheduling, and other logistics. Indeed, common sense confirms as much. To the extent that consolidation of the patents is, as Motorola describes it, "unworkably large," Opp'n Br. at 12, tying up the resources of ***three*** courts and ***three*** juries would be even more unworkable. Therefore, Motorola's opposition to Apple's motion to transfer lacks merit.

A. The "First-To-File" Rule Does Not Apply Here

Although the Federal Circuit applies the law of the regional circuit to procedural issues unrelated to substantive patent law, *see e.g., In re TS Tech USA Corp.*, 551 F.3d 1315, 1319 (Fed. Cir. 2008), the Federal Circuit applies Federal Circuit precedent to the application of the "first-to-file" rule, *see e.g., Genentech*, 998 F.2d at 937.[1] For venue disputes involving the same patents in different districts, the Federal Circuit favors the "first-to-file" rule. *Id.*; *see also Elecs. for Imaging, Inc. v. Coyle*, 394 F.3d 1341, 1347 (Fed. Cir. 2005) (citing *Genentech*, 998 F.2d at 937). Motorola's admissions that the patents at issue in Florida and Wisconsin are not the same patents, Opp'n Br. at 6, and that five of Apple's six patents in Florida concern different accused products than the patents at issue in Wisconsin, Opp'n Br. at 8, undermine Motorola's reliance on the "first-to-file" rule. If patents in both forums are wholly unrelated,[2] as Motorola

[1] Motorola's reliance on Eleventh Circuit caselaw in this instance is misplaced (and inconsistent with its position that Federal Circuit law applies to the "first-to-file" rule in its Reply Brief in Support of Defendants' Motion to Dismiss or to Sever And Transfer Claims in Plaintiff's Amended Complaint Based on Patents At Issue in an Earlier Filed Delaware Action, filed in the Wisconsin Action). *See* Cherensky Decl. Ex. B [Apple v. Motorola, C.A. No. 3:10-cv-00662-bbc, Motorola Reply Br. (W.D. Wis. Jan. 24, 2011)] at 9.

[2] Although Apple agrees that different patents are at issue in both forums, thereby rendering the first-to-apply rule inapplicable, Apple does not agree that the patents are "wholly unrelated." *See infra* Section IV.C.1. And, contrary to Motorola's representations, the Motorola Droid X is accused of infringing three of the six Florida patents asserted by Apple and all of the Wisconsin patents asserted by Apple. Moreover, all of the Motorola phones accused of infringing the '849 patent are also accused of infringing all of Apple's asserted patents in Wisconsin.

contends, they cannot possibly support the application of the "first-to-file" rule. *See Genentech*, 998 F.2d at 937.

Even if the "first-to-file" rule were applicable, Apple does not need to proffer "compelling circumstances" to justify an exception to the rule, contrary to Motorola's assertions. Opp'n Br. at 10. The Federal Circuit recognizes that the "first-to-file" rule does not always yield the most suitable forum. *Micron Tech., Inc. v. Mosaid Techs, Inc.*, 518 F.3d 897, 905 (Fed. Cir. 2008). Trial courts "have discretion to make exceptions to this general rule in the interest of justice or expediency" based on factors that include "the convenience and availability of witnesses, the absence of jurisdiction over all necessary or desirable parties, and the possibility of consolidation with related litigation." *Id.* at 904-05. The mere possibility of consolidation (rather than actual consolidation) with litigation in Wisconsin is itself an exception to the general "first-to-file" rule. *Id.*

Because the "first-to-file" rule is inapposite, the Court need only focus on whether transfer to Wisconsin makes judicial sense. As discussed in Apple's opening brief and below, transfer is appropriate.

B. Motorola's Work On The i1 iDEN Phone In Plantation, Florida Does Not Support Adjudication Of This Dispute In Florida

Motorola fixates on only *one* of the Android-based Motorola cell phones Apple accuses of infringement: the i1 iDEN phone.[3] Among other Counterclaims, Apple accuses all Motorola phones running Android operating system ("OS") of infringing U.S. Patent No. 7,657,849 ("the '849 patent"). *See* Apple's Answer and Counterclaims ¶ 186 (D.I. 17.) The accused slide-to-unlock functionality, however, is a feature of the Android OS that is common to

[3] iDEN, which refers to "Integrated Digital Enhanced Network," is a mobile telecommunications technology.

all of the accused Motorola mobile phones and not unique to Motorola's accused i1 iDEN phone. Noticeably absent from the details of Motorola's activities in Plantation Florida in its Opposition Brief is any discussion of Motorola's work on the Android OS or its specific Android OS-based implementation of the accused slide-to-unlock feature. Instead, Motorola touts that the Plantation facility handles 50% of iDEN worldwide sales, provides technical support for iDEN phones, is the development site for 3G and CDMA products, and houses the headquarters for the Latin America business for Mobility. But these facts are irrelevant because Motorola's general statements about iDEN phones do not necessarily apply specifically to the accused ***i1*** iDEN phone (Motorola Mobility's website currently lists five iDEN models for sale in the United States, and the Motorola Solutions website lists another seven iDEN phones plus additional iDEN products including network infrastructure products) or, more to the point, the aspects of the i1 iDEN phone accused of infringement. *See* Cherensky Decl. Exs. C & D [Web pages taken from the Motorola Mobility and Motorola Solutions websites]. Moreover, Motorola's discussion of its Latin American business bears no connection to its sales or other acts of infringement in the United States.

Motorola's descriptions of the development of the i1 iDEN phone at the Plantation facility similarly fall short. Opp'n Br. at 5. Motorola states that the work on the i1 iDEN phone happened over a period of 18 months and that 74 people at the Plantation site (out of 161 people worldwide) worked on the i1 iDEN phone. *Id.* Conroy Decl. ¶ 7. However, Motorola does not point to any work at the Plantation site specifically performed on the Android OS-based accused slide-to-lock feature.[4]

[4] The fact that a manager at the Plantation facility allegedly oversaw the integration of work on the i1 phone at other locations should be given little, if any, weight because there is no evidence that work involved the accused Android OS-based slide-to-unlock feature. Opp'n Br. at 5.

Although Motorola contends that work at the Plantation site "included the design of the accused unlock gesture feature il phone," Motorola does not specify how many (if any at all) of its employees in Plantation actually worked on the accused Android OS-based feature, as opposed to other features of the i1 phone. Assuming *arguendo*, that this "design" corresponds to the accused Android OS-based feature, Motorola fails to demonstrate that an unstated amount of work that occurred at its Plantation facility (as opposed to other locations where other employees may have worked on the same feature) on the i1 phone (even putting aside all of the other Motorola phones accused of infringing the '849 patent) provides a substantial connection to this forum, when there is no evidence in the record connecting this forum to the other accused products and asserted patents.

C. This Action Should Be Transferred To Wisconsin

1. Judicial Economy Favors A Transfer

Contrary to Motorola's arguments, the patents at issue in Florida and Wisconsin are not wholly unrelated. Motorola's arbitrary classification of the patents it asserts in Wisconsin and Florida as "essential v. non-essential" patents, respectively, is a red herring. It is undeniable that the same Apple products (*e.g.*, iPhone, iPad, iPod, and other Apple products) are accused by Motorola in both the Florida and Wisconsin actions. Just as nine of the twelve patents in the present case concern various aspects of wireless technology, the Wisconsin case similarly involves cell phone technology:

> THE COURT: Wisconsin is only concerned with the Android operating system?
> Mr. DeFRANCO: Wisconsin is a cell phone case.

See Cherensky Decl. Ex. A at 12:2-4.

The remaining three patents in this forum target Motorola's set-top boxes. Even with respect to the set-top patents, however, there is still overlapping technology with the

Wisconsin patents regarding operating systems and user interface elements. Thus, it would best serve the interests of judicial economy for one district, rather than three, to expend its resources learning the background technology and analyzing the same accused products to adjudicate the present dispute.

2. The Western District Of Wisconsin Is Best Suited To Adjudicate This Dispute

> It is well known that Wisconsin has expertise in adjudication of patent disputes:
>
> THE COURT: So you chose Wisconsin because Wisconsin has patent expertise.
> MR. DeFRANCO: Well, you know, that was one consideration. Time to trial was another consideration.

Cherensky Decl. Ex. A at 17:2-5. Both factors – patent expertise and time to trial – counsel in favor of transfer. Indeed, the parties' currently pending case in Wisconsin has already been scheduled for trial in April 2012. Dubbed a "rocket docket," Wisconsin is particularly well suited to adjudicate the twelve patents at issue in this action.[5]

3. Convenience Of The Parties Favors A Transfer

Significantly, Motorola does not dispute that it voluntarily dismissed its claims ***in its home forum*** in Illinois in favor of adjudicating the dispute in Wisconsin. Motorola cannot now complain that the Wisconsin forum is inconvenient. Motorola attempts to focus the Court's attention on only one of the accused products at issue in this case, namely its i1 iDEN phone, precisely because it cannot deny that when viewed as a whole, this action bears little connection to this forum. As argued in Apple's opening brief (and not belabored here), the convenience of parties counsels in favor of transfer to Wisconsin.

[5] Motorola's reliance on Federal Judicial Caseload Statistics for the proposition that the speed to trial weighs against transfer is of no moment. Those statistics address civil litigation, not patent litigation. In contrast, time to trial for *patent* cases in Wisconsin is often shorter than in this forum. *See* Cherensky Decl. Ex. E [PricewaterhouseCoopers Study of Patent Litigation] at 21.

4. Alternatively, Dismissal Based On *Forum Non Conveniens* Is Proper

Both parties have freely chosen to litigate their patent dispute in Wisconsin. As discussed above, that alternative forum is best suited to hear the present dispute. For example, Wisconsin's familiarity with patent law and its speed to trial will ensure that Motorola can reinstate its suit in Wisconsin without undue inconvenience or prejudice. As argued in Apple's opening brief, private and public factors such as the convenience of parties, Wisconsin's patent law expertise, judicial economy, and the interests of justice all counsel in favor of dismissal on the grounds of forum non conveniens. *See Gulf Oil Corp. v. Gilbert*, 330 U.S. 501, 508-09 (1947).

IV. CONCLUSION

For the reasons stated above and in Defendant Apple's opening brief, Apple respectfully requests that the Court transfer this case to the United States District Court for the Western District of Wisconsin.

Dated: February 14, 2011

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on February 14, 2011, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record or pro se parties identified on the attached Service List in the manner specified, either via transmission of Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to received electronically Notices of Electronic Filing.

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SERVICE LIST
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