

EXHIBIT B

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN**

APPLE INC. and NeXT SOFTWARE,)
INC. (f/k/a NeXT COMPUTER, INC.),)

Plaintiffs,)

Case No. 10-CV-662-bbc

v.)

JURY TRIAL DEMANDED

MOTOROLA, INC. and MOTOROLA)
MOBILITY, INC.)

Defendants.)

**REPLY IN SUPPORT OF DEFENDANTS' MOTION TO DISMISS OR TO SEVER AND
TRANSFER CLAIMS IN PLAINTIFFS' AMENDED COMPLAINT
BASED ON PATENTS AT ISSUE IN AN EARLIER-FILED DELAWARE ACTION**

January 24, 2011

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INTRODUCTION

Defendants Motorola Mobility, Inc. ("Motorola") and Motorola, Inc. ("MI") hereby submit this reply in support of their motion to dismiss or sever and transfer to the District of Delaware Counts IV through XV of Apple Inc.'s ("Apple's") and NeXT Software, Inc.'s ("NeXT's") (collectively, "Apple's") Amended Complaint (D.I. 12). (D.I. 29.)

SUMMARY OF ARGUMENT

Motorola's dismissal or transfer motion seeks to promote judicial and litigant economy by conducting related litigations in a single forum, the District of Delaware. All twelve of the patents ("the Amended Complaint Patents") involved in the claims that Motorola seeks to have dismissed or transferred in favor of its first-filed Delaware declaratory judgment action involving these twelve patents have already been asserted by Apple in the District of Delaware and are the subject of four additional currently pending actions there (the "Delaware Nokia Actions" and the "Delaware HTC Actions") that are all before the same Judge, Judge Sleet. The Motorola products that Apple has accused of infringing these patents, mobile phones incorporating the Android platform, are analogous to products that Apple has accused of infringing these patents in the Delaware HTC Actions.

As Apple itself has selectively argued in other cases, the interest of justice is served by conducting actions involving common patents and technologies in a single forum, not by consolidation *per se* of unrelated patents, technologies, and products. Apple itself successfully opposed transfer of the Delaware HTC Actions (which involve all twelve of the Amended Complaint Patents at issue here) out of Delaware, arguing that they and the Nokia Actions "share numerous overlapping patents and thus share numerous identical issues of fact and law."

(Delaware Apple HTC Transfer Opp. (Ex. 3)¹ at 1.) Apple also argued successfully for transfer of an action ("the Wisconsin Nokia Action"), involving one of the Amended Complaint Patents, out of this district to Delaware on the grounds that the action involved, *inter alia*, the same technology, the same products, and related patents as the pending Nokia Actions.

Here, however, Apple seeks consolidation in this district of this action with Motorola's earlier-filed Delaware action involving the Amended Complaint Patents and another unrelated earlier-filed action by Motorola in Florida ("the Florida Action"). But these actions involve different patents and technologies from the patents and technologies involved in Apple's original complaint in this action and are inappropriate for consolidation.

Apple's opposition to Motorola's motion can be distilled down to the proposition that the interest of justice is served by compelling Motorola to litigate its unrelated, earlier-filed actions in the forum of Apple's choice. Apple attempts to support this untenable argument with sweeping generalizations about "consolidation," "centers of gravity," and "fighting battles across states," rather than with careful consideration of whether the actions at issue share relevant common elements. And with good reason. The actions Apple seeks to consolidate are not meaningfully related, and their consolidation will hinder, rather than advance, judicial and litigant economy. In contrast, the claims Motorola seeks to litigate in Delaware are significantly related to four pending actions there involving the same patents. In short, the interest of justice is in the details, and the details here weigh heavily in favor of dismissal or transfer to Delaware of the claims at issue.

¹ Exhibits 1-12 are attached to the Declaration of Rebecca F. Kennedy in Support of Defendants' Motion to Dismiss or, in the Alternative, to Transfer Venue (D.I. 32); Exhibits 13-17 are attached to the Declaration of Rebecca F. Kennedy in Support of Defendants' Reply in Support of Their Motion to Dismiss or, in the Alternative, to Transfer Venue, filed concurrently herewith.

STATEMENT OF FACTS

Apple does not dispute any of the key facts that strongly support dismissal or transfer to Delaware of the claims at issue and that weigh heavily against consolidation in this district. In particular, Apple does not dispute that: (1) there are four related actions pending in Delaware, in addition to Motorola's first-filed action, involving all twelve of the Amended Complaint Patents, the technologies at issue here, and products analogous to those at issue here; (2) the Florida Action does not involve any of the patents at issue in this action; (3) Apple has successfully opposed transfer of the Delaware HTC Actions, which involve all twelve of the Amended Complaint Patents, out of Delaware on the grounds that related actions are pending there; and (4) Apple has successfully argued for transfer of the Wisconsin Nokia Action, which involves one of the Amended Complaint Patents, out of this district to Delaware on the grounds that related actions are pending there.

Specifically, the following facts warrant dismissal or transfer to Delaware of Apple's claims based on the Amended Complaint Patents:

- Ten of the Amended Complaint Patents are involved in one of the HTC Actions in Delaware and the remaining two are involved in the other HTC Action there. *Apple Inc., NeXT Software, Inc. f/k/a/ NeXT Computer, Inc. v. High Tech Computer Corp., a/k/a HTC Corp., HTC (B.V.I.) Corp., HTC America, Inc., and Exedea, Inc.*, C. A. No. 10-166-GMS (D. Del.) (Delaware Apple HTC Complaint I (Ex. 6) ¶ 7); *Apple Inc. v. High Tech Comp. Corp., a/k/a/ HTC Corp., HTC (B.V.I.) Corp., HTC America, Inc., Exedea, Inc.*, C.A. No. 10-167-GMS (D. Del.) (Delaware Apple HTC Complaint II (Ex. 7) ¶ 6).
- Seven of the Amended Complaint Patents are involved in one of the Nokia Actions in Delaware and three of the Amended Complaint Patents are involved in the other Nokia Action in Delaware. *Nokia Corp. v. Apple Inc.*, C.A. No. 09-1002-GMS (D. Del.), and *Nokia Corp. v. Apple Inc.*, C.A. No. 09-791-GMS (D. Del.) (Apple Inc.'s Answer, Defenses, and Counterclaims (Ex. 8) ¶¶ 58, 64, 70, 82, 88, 94, 100; Apple Inc.'s Answer, Defenses, and Counterclaims (Ex. 9) ¶¶ 200, 206, 242).
- The same technology is involved in the Amended Complaint Patent claims and the

related Delaware actions – object oriented operating systems.²

- As Apple itself stated in its motion to transfer the Wisconsin Nokia Action to Delaware, "several of the patents Apple has asserted in Delaware, and one of the patents it has asserted here, relate to object oriented operating systems." (Apple Inc.'s Mem. in Support of Motion to Transfer Venue to the District of Delaware Pursuant to 28 U.S.C. § 1404(a) ("Wisconsin Apple Nokia Transfer Mem.") (Ex. 2) at 5.) Apple itself therefore argued for transfer of a patent involving object oriented operating systems to Delaware on the grounds that Apple patents already at issue in pending actions in Delaware also relate to this technology.
- Different technology is at issue in the three patents Apple originally asserted against Motorola in this action – user-interface functionality.³
- The Motorola products at issue in the Amended Complaint Patent claims are analogous to those at issue the Delaware HTC Actions – mobile phone products incorporating the Android platform. (Delaware Motorola Complaint (Ex. 5) ¶¶ 6-7; Delaware Apple HTC Complaint I (Ex. 6) ¶ 15; Delaware Apple HTC Complaint II (Ex. 7) ¶ 13.)
- The Florida Action does not involve the same patents or technology at issue in the claims Motorola seeks to litigate in Delaware – the patents Apple asserted in Florida involve set top boxes, hardware connector interfaces, and the slide unlock icon. (Florida Apple Answer, Affirmative Defenses and Counterclaims (Ex. 13) ¶¶ 155-56, 161-62, 167-68, 173-74, 179-180, 185-86.)
- Apple and NeXT actively opposed transfer of the Delaware HTC Actions involving all twelve of the Amended Complaint Patents at issue here out of Delaware on the grounds that there were two related, co-pending cases in Delaware, the Delaware Nokia Actions.

² U.S. Patent Nos. 6,424,354 ("Object-oriented Event Notification System with Listener Registration of Both Interests and Methods"); 5,519,867 ("Object Oriented Multitasking System"); 5,566,337 ("Method and Apparatus for Distributing Events in an Operating System"); 5,915,131 (Method and Apparatus for Handling I/O Requests Utilizing Separate Programming Interfaces to Access Separate I/O Services"); 5,969,705 ("Message Protocol for Controlling a User Interface From an Inactive Application Program"); 6,275,983 ("Object-oriented Operating System"); 6,343,263 ("Real-time Signal Processing System for Serially Transmitted Data"); 5,481,721 ("Method for Providing Automatic and Dynamic Translation of Object Oriented Programming Language-based Message Passing into Operation System Message Passing Using Proxy Objects"); RE 39,486 ("Extensible, Replaceable Network Component System"); 5,929,852 ("Encapsulated Network Entity Reference of a Network Component System"); 5,946,647 ("System and Method for Performing an Action on a Structure in Computer-generated Data"); and 5,455,599 ("Object Oriented Graphic System").

³ "Touch Screen Device, Method, and Graphical User Interface for Determining Commands by Applying Heuristics" (U.S. Patent No. 7,479,949); "Method and Apparatus for Displaying and Accessing Control and Status Information in a Computer System" (U.S. Patent 6,493,002); and "Support for Custom User-Interaction Elements in a Graphical, Event-Driven Computer System" (U.S. Patent No. 5,838,315).

(Apple Inc. and NeXT Software Inc.'s Opposition to Defendants' Motion to Transfer Venue Pursuant to 28 U.S.C. § 1404 ("Delaware Apple/NeXT HTC Transfer Opp.") (Ex. 3) at 6.)

- The District of Delaware has denied HTC's motion to transfer the HTC Actions to California on the grounds that "[a]lthough the court denied Apple's motion to consolidate due to the magnitude of the cases and the limited commonalities among them, the court notes that some common issues of law and fact exist among the cases. It would better serve the interests of justice and the efficient use of court resources if these issues were addressed by the same court." (Delaware Memorandum and Order Denying HTC Motion to Transfer (Ex. 14) at 5.)
- This district has granted Apple's motion to transfer the Wisconsin Nokia Action, involving one of the Apple patents that is the subject of Motorola's motion (U.S. Patent No. 5,946,647), to Delaware, where that patent is at issue in one of the Delaware HTC Actions. (Wisconsin Order Granting Apple Motion to Transfer (Ex. 15) at 11-12; *Nokia Corp. v. Apple Inc.*, Civil Action No. 10-CV-249 (Apple Inc.'s Mem. in Support of Motion to Transfer Venue to the District of Delaware Pursuant to 28 U.S.C. § 1404(a) (Ex. 2).)

ARGUMENT

I. All Relevant Considerations Strongly Support Dismissal of the Claims at Issue in Favor of the First-Filed Action in the District of Delaware

A. Because Apple and NeXT Are Both Subject to Personal Jurisdiction in Delaware, the First-Filed Action Was Properly Filed There

Apple does not contest that it is subject to personal jurisdiction in Delaware. Apple is the owner of eleven of the twelve patents in suit in the Delaware action, and the only defendant with respect to those eleven patents. Apple is subject to personal jurisdiction there on the basis of its retail operations and other business contacts in the district. *See, e.g., Daughtry v. Family Dollar Stores, Inc.*, 634 F. Supp. 2d 475, 482-83 (D. Del. 2009) (finding venue proper in Delaware under § 1391(c) on the grounds that defendant's operation of a store in Delaware "would subject defendant to personal jurisdiction in Delaware").

NeXT is the owner of only one of the twelve patents-in-suit in Delaware and a defendant only with respect to that one patent, U.S. Patent No. 5,481,721 ("the '721 Patent"). NeXT is subject to personal jurisdiction in Delaware with respect to the '721 Patent because it previously

sought to enforce the '721 Patent in one of the HTC Delaware actions, purposefully availing itself of the forum with respect to that patent. (Delaware Apple HTC Complaint I (Ex. 6) ¶¶ 13, 32-39.) Notably, NeXT not only sought to enforce the '721 Patent in Delaware but also actively opposed transfer out of Delaware of the Delaware HTC Action involving the '721 Patent. (Delaware Apple/NeXT HTC Transfer Opp. (Ex. 3).)

The Federal Circuit and courts in the Third Circuit have held that a defendant-patentee in a patent declaratory judgment action that has sought to enforce the same patent against other parties in the forum is subject to specific personal jurisdiction in the forum.⁴ Apple incorrectly attempts to limit the applicability of this line of precedent to cases in which the parties are the same in the declaratory judgment action as in the enforcement action. As a preliminary matter, Apple's argument directly contradicts the Federal Circuit's explicit statement that "in determining the scope of the defendant's contacts with the forum state, the plaintiff need not be the forum resident toward whom any, much less all, of the defendant's relevant activities were purposefully directed." *Breckenridge Pharmaceutical, Inc. v. Metabolite Laboratories, Inc.*, 444 F.3d 1356, 1365 (Fed. Cir. 2006).

In *Frank's Casing Crew & Rental Tools, Inc. v. PMR Technologies, Ltd.*, the Federal Circuit held that a defendant-patentee in a declaratory judgment action waived its objection to personal jurisdiction by filing infringement actions asserting the patent at issue against additional parties. 292 F.3d 1363, 1372 (Fed. Cir. 2002). The Federal Circuit stated that because the defendant "voluntarily invoked the court's jurisdiction as a plaintiff . . . it waived its personal jurisdiction defense." *Id.* The Federal Circuit noted that "[a]lthough [Defendant's] claims against the original parties and the new parties were based on infringement of the same patent,

⁴ Federal Circuit law applies to the question of personal jurisdiction over a defendant-patentee in a declaratory judgment action. *See, e.g., Electronics For Imaging, Inc. v. Coyle*, 340 F.3d 1344, 1348 (Fed. Cir. 2003).

they were not alleged to have arisen out of the same factual transaction or occurrence." *Id.* at 1372 n.6.

Courts in the Third Circuit have held that a defendant-patentee in a declaratory judgment action that has sought to enforce one or more of the patents-in-suit in the same forum against other parties is subject to personal jurisdiction in that forum for purposes of the declaratory judgment action. *See, e.g., Pro Sports Inc. v. West*, 639 F. Supp. 2d 475, 481-83 (D.N.J. 2009) (finding a defendant-patentee in a declaratory judgment action subject to personal jurisdiction in the forum in which the patentee had previously sued other parties to enforce the patent-in-suit); *Pharmanet, Inc. v. DataSci Ltd. Liability Co.*, C.A. No. 08-2965, 2009 WL 396180, at *13 (D.N.J. Feb. 17, 2009) (finding personal jurisdiction over defendant-patentee in declaratory judgment action on the basis of defendant-patentee's filing of an infringement suit against a different party two days after plaintiff filed the declaratory judgment action).

Because it is beyond dispute that these cases involved assertion of the patent at issue against a party other than the plaintiff in the declaratory judgment action, Apple attempts to distinguish them by arguing that they did not involve waiver of the defendants' personal jurisdiction defense, and that the courts engaged in the standard long arm jurisdiction analysis. Even if this argument were correct, it amounts to a distinction without a difference – the key point is that the courts found specific personal jurisdiction on the basis of the defendant-patentee's assertion of the patent at issue against a different party in the forum. But, in any event, Apple incorrectly characterizes these decisions. In *Pharmanet*, the court did not engage in a standard long arm analysis but stated summarily that "Defendant's lawsuit against [the third party] indicates that Defendant has sufficient contacts with the forum state to warrant the exercise of personal jurisdiction over it." 2009 WL 396180, at *13. Notably, in this case, although the Defendant did not file the infringement action until *after* the declaratory judgment

was filed against it, the court nonetheless found jurisdiction at the time of the filing of the declaratory judgment action on the grounds that the "Defendant's preparation and filing of the lawsuit against [the third party] constitutes 'purposefully directed' activities at residents of the forum state." *Id.* (citation omitted).

The court in *Pro Sports* explicitly rejected the defendant's argument that its previous action in the forum to enforce the patent at issue did not "necessarily confer personal jurisdiction in a later suit," stating: "[t]he Court is unpersuaded and finds that [defendant] cannot use personal jurisdiction as both sword and shield." *Pro Sports*, 639 F. Supp. 2d at 482. The court also rejected the defendant's argument that even if the prior enforcement action established minimum contacts, exercise of personal jurisdiction would not be "reasonable or fair":

although [defendant] argues that it would be a burden upon him to travel to New Jersey, it is obviously a burden which he has previously shouldered. Indeed, jurisdiction has been found to be reasonable when a defendant patentee had previously filed suit in the same jurisdiction regarding the same patent. [Defendant] should not expect the Court to find that jurisdiction is unreasonable here when he previously filed suit in New Jersey in 2006.

Id. at 483 (internal citation omitted).

All the cases on which Motorola relies stand for the proposition that NeXT, which has purposefully availed itself of the District of Delaware to enforce its '721 Patent and has actively opposed transfer out of Delaware of the Delaware HTC Action involving that patent, may not object to personal jurisdiction to shield it from Motorola's declaratory judgment action, properly brought in Delaware on that same patent.

B. The Possibility of Coordination with Related Actions Pending in Delaware Involving the Same Patents Is a Primary Consideration Favoring the First-Filed Delaware Action

Because Motorola's first-filed action was properly brought in Delaware against Apple and NeXT, under applicable Federal Circuit precedent, the first-filed rule applies in the absence of

"sound reason that would make it unjust or inefficient to continue the first-filed action."

Electronics for Imaging, Inc. v. Coyle, 394 F.3d 1341, 1347 (Fed. Cir. 2005). Apple agrees with Motorola that Federal Circuit law applies to application of the first-to-file rule here. (Apple Br. at 6.) According to the Federal Circuit, factors relevant to the determination whether the first-filed rule should apply include "the convenience and availability of witnesses, or absence of jurisdiction over all necessary or desirable parties, or the possibility of consolidation with related litigation, or considerations relating to the real party in interest." *Id.* at 1348 (internal quotations and citation omitted).

Here, the "possibility of consolidation with related litigation" involving the same patents strongly favors application of the first-to-file rule and dismissal of Apple's Amended Complaint Patent claims in this district. Contrary to Apple's arguments, neither the Federal Circuit nor courts in the Seventh Circuit require absolute certainty of consolidation in the transferee forum, but merely "the possibility of consolidation." *See, e.g., Avante Int'l Technology, Inc. v. Hart Intercivic, Inc.*, Civil Action Nos. 08-636, 07-169, 2009 WL 2448519, at *5 (S.D. Ill. Jul. 22, 2009) (stating that "[i]t is axiomatic, of course, that related suits should be concentrated in the same forum" even where consolidation is not feasible, because it "is a significant waste of judicial economies for two separate courts to adjudicate issues regarding the same patent," and listing numerous cases in Seventh Circuit courts in support) (internal quotations and citations omitted). The court in *Avante* emphasized that because "there is great risk that consideration of the same patent by two separate federal courts will create inconsistent rulings, particularly with regard to claim construction rulings," the pendency of related litigation in another forum weighs heavily in favor of concentrating the cases there, even if the cases would not be subject to consolidation. *Id.* (internal quotations and citation omitted).

In fact, in opposing transfer of the Delaware HTC Actions out of Delaware, Apple and

NeXT argued explicitly that they "chose to file these actions in the District of Delaware due to the two co-pending related cases," the Delaware Nokia Actions. (Delaware Apple/NeXT HTC Transfer Opp. (Ex. 3) at 13.) They argued that "the law recognizes the vast practical advantages to be gained by keeping related cases before the same judge," and that "the law is clear that judicial economy is best served by keeping related patent actions before the same court." (Ex. 3 at 8-9.) Consistent with Apple's and NeXT's arguments opposing transfer of the Delaware HTC Actions, Apple's infringement claims based on the twelve Amended Complaint Patents that are already the subject of five pending actions in Delaware should be litigated in Delaware.

II. Alternatively, Plaintiffs' Claims Based on the Twelve Amended Complaint Patents Should Be Severed and Transferred to the District of Delaware in the Interest of Justice

A. Apple Is Wrong as a Matter of Law – the Threshold Venue Requirements Are No Bar to Transfer Because Apple's Infringement Claims Based on the Amended Complaint Patents Could Have Been Brought in Delaware Originally

As a preliminary matter, Apple's argument that this action cannot be transferred to Delaware "because venue is not proper in the District of Delaware" (Apple Br. at 2) is wrong as a matter of law. The transfer question is governed by 28 U.S.C. § 1404(a), which provides: "For the convenience of the 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." In turn, venue for Apple's Amended Complaint Patent claims, alleging infringement by Motorola of the patents at issue, is governed by 28 U.S.C. § 1391(b) and (c), and 28 U.S.C. § 1400, which provides: "Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business." *See, e.g., Berol Corp. v. BIC Corp.*, Civil Action No. 02-559, 2002 WL 1466829, at *2 (N.D. Ill. Jul. 8, 2002). Because it is undisputed that both

defendants here, Motorola, Inc. and Motorola Mobility, Inc., are Delaware corporations, both defendants "reside" in Delaware and Apple's infringement claims based on the Amended Complaint Patents could have been brought there originally. *See* 28 U.S.C. § 1391(c) (providing that "a defendant that is a corporation shall be deemed to reside in any judicial district in which it is subject to personal jurisdiction at the time the action is commenced"). The threshold venue requirements are no bar to transfer.

B. The "Center of Gravity" for the Parties' Disputes Is Not in this District

Apple's argument that "the center of gravity for the parties' disputes is here, in the Western District of Wisconsin" (Apple Br. at 1) is also incorrect as a matter of law. Notably, Apple cites neither factual nor legal support for this erroneous proposition. Numerous decisions by the Federal Circuit and courts in the Seventh Circuit find that the "center of gravity" for a patent infringement action is not located in a forum that has no connection to the dispute beyond the sale of allegedly infringing, nationally-sold products in the forum. *See, e.g., In re TS Tech USA Corp.*, 551 F.3d 1315, 1321 (Fed. Cir. 2008) (granting petition for writ of mandamus to direct the district court to vacate its denial of motion to transfer on the grounds, *inter alia*, that the district court had erred by weighting the localized interests against transfer where "there is no relevant connection between the actions giving rise to this case and the [transferor forum] except that certain [allegedly infringing products] have been sold in the venue"); *Berol Corp.*, 2002 WL 1466829, at *4 (granting motion to transfer where "the allegedly infringing sales have occurred across the country, rather than exclusively in the Northern District of Illinois, and neither of the alleged infringers' places of business are located in Illinois" so that "the situs of material events favors transfer"). In *Berol Corp.*, the court noted in addition that the presence of related litigation in the transferee forum "weighs heavily in favor of transfer." *Id.* at *5.

C. Concentration of Related Actions in the Same Forum Advances Judicial and Litigant Economy Whether or Not the Actions Are Fully Consolidated

1. Coordination Will Be Possible Whether or Not the Actions Are Fully Consolidated

Courts in the Seventh Circuit have held repeatedly that the possibility of coordination of related actions in a single forum weighs in favor of transfer, even where consolidation will not occur. *See, e.g., Nokia Corp. v. Apple Inc.*, Civil Action No. 10-249-wmc (W.D. Wis. Jan. 4, 2011) (granting Apple's motion to transfer to Delaware the Wisconsin Nokia Action and stating that "[e]ven if a motion to consolidate is rejected, Judge Sleet made clear that any disputes about the construction of claim terms present in the pending patent infringement cases would be considered together" at the claim construction hearing) (Ex. 15 at 10 n.5); *Avante*, 2009 WL 2448519, at *5 (citing numerous decisions by courts in the Seventh Circuit in support); *Carus Corp. v. Greater Texas Finishing Corp.*, Civil Action No. 91-2560, 1992 WL 22691 at *2 (N.D. Ill. Jan. 31, 1992) (granting motion to transfer patent action to forum where three related, earlier-filed cases were pending involving the patent at issue and additional defendants on the grounds that transfer "to a district which is already familiar and experienced with the facts and law relevant to this action will promote judicial economy"); *see also HFC Commercial Realty, Inc. v. Levine*, Civil Action No. 90-2921, 1990 WL 186082 (N.D. Ill. Nov. 9, 1990) (granting motion to transfer to forum where related action pending on the grounds that "a motion to transfer should be granted, if a related action is pending in the proposed transferee district" even if "the cases would not be subject to consolidation, if a duplication of discovery efforts will be avoided by proper judicial coordination") (internal quotations and citation omitted). Apple's argument that Motorola's motion should be denied because "chances are slim" that Motorola's action would be consolidated with the related Delaware actions must therefore fail. (Apple Br. at 10.)

2. The Advantages of Coordination with the Related Delaware Actions Outweigh Considerations of Speed of Trial, Particularly Where Apple's Conduct Is Inconsistent with its Stated Need for Speedy Resolution

Apple's conduct here and in the District of Delaware flatly contradicts its argument that it seeks prompt resolution of the claims at issue. (Apple Br. at 2.) Apple did not assert the Amended Complaint Patent claims here until December 2, 2010, nearly two months after Motorola commenced its Delaware declaratory judgment action on those patents (October 8, 2010), and nearly a month after it filed its original complaint in this action (October 29, 2010). (Apple Amended Complaint (D.I. 12); Delaware Motorola Complaint (Ex. 5); Wisconsin Apple Complaint (D.I. 1).) Apple chose not to assert the Amended Complaint patents in its original complaint here, but instead waited nearly two months to bring its infringement claims on those patents. (Wisconsin Apple Complaint (D.I. 1); Apple Amended Complaint (D.I. 12).)

Apple's conduct also flatly contradicts its argument that transfer of the claims at issue to Delaware will lead to inefficiency. Apple here argues incorrectly that the fact that two of the related actions pending in Delaware are stayed weighs against transfer.⁵ But Apple successfully argued that the Wisconsin Nokia Action should be transferred to Delaware, without referencing the stays of these actions as relevant to the transfer analysis. (Wisconsin Apple Nokia Transfer Mem. (Ex. 2).)

Furthermore, as Judge Conley noted in his Order granting transfer, "Nokia's need for a speedy resolution is further belied by the fact that it has recently filed two, separate patent infringement lawsuits involving wireless technology against Apple in Delaware." (Wisconsin

⁵ Apple also points to the fact that there were pending motions to transfer the Delaware HTC Actions to California, without noting that Apple *opposed* these motions. (Apple Br. at 10.) In any event, the District of Delaware has denied the motions to transfer in these actions, rendering this argument moot. (Delaware Memorandum and Order Denying HTC Motion to Transfer (Ex. 14).)

Order Granting Apple Motion to Transfer (Ex.15) at 8.) This reasoning applies with equal force to undermine Apple's arguments opposing transfer on the grounds of the relative speed of adjudication in this District and Delaware. Less than a year ago, Apple filed the two Delaware HTC Actions asserting the same patents at issue in Motorola's transfer motion against analogous products. Apple's choice to litigate these patents in Delaware against HTC, and its choice to seek transfer of the Wisconsin Nokia Action to that forum, belie its claims that the stays in the Delaware actions render transfer of this action inefficient or somehow inequitable. Apple's arguments should be rejected.

This Court has held that the advantages of possible consolidation of related actions outweigh the consideration of the speed of trial. *See, e.g., AU Optronics Corp. v. LG.Philips Co., Ltd.*, Civil Action No. 07-137, 2007 WL 561513 (W.D. Wis. May 30, 2007) (granting transfer of second-filed patent infringement action to Delaware where first-filed declaratory judgment action was pending). In *AU Optronics*, this Court rejected the patentee's argument that transfer was inappropriate because the action could be adjudicated more promptly in this district. This Court stated that "[w]hile the interests of justice are served when an action is transferred to a district where the litigants are more likely to receive a speedy trial, the interests of justice are also served when related litigation is transferred to a forum where consolidation is feasible." *Id.* at *3 (internal quotations and citation omitted). This Court further stated that "[w]hile the parties would likely receive a speedy trial in this district, the advantages of consolidation outweigh the impact of slightly greater delay," and emphasized that "even though the parties can expect a more speedy disposition in this action does not justify deviating from the first to file rule." *Id.*

As this Court noted in *AU Optronics*, the speed of trial in the transferor forum carries particularly little weight where the party opposing transfer has not opposed the stay of litigation in the transferee forum. *Id.* Here, Apple has stipulated to the stay of the 09-1002 Delaware

Nokia Action and has not opposed the stay in the Delaware HTC Action. (Stay Order (Ex. 10); HTC Unopposed Motion to Stay Litigation (Ex. 16) at 1.) Judicial economy heavily favors transfer in these circumstances.

3. Severance and Transfer to Delaware of the Amended Complaint Patent Claims Is Appropriate and Will Promote Efficiency

To promote judicial and litigant economy, Motorola seeks severance and transfer of the Amended Complaint claims to a forum that is already experienced with the particular patents, technology, and types of products at issue in those claims, where coordination of various actions involving the same patents and related technologies will be possible. In contrast, Apple seeks wholesale, indiscriminate consolidation of both the Delaware and Florida actions with this action. As a preliminary matter, the total number of patents across all three actions is 33 (12 Motorola patents and 21 Apple patents), an unworkably large number. (Wisconsin Apple Amended Complaint (D.I. 12); Wisconsin Motorola Answer and Counterclaims (D.I. 5); Delaware Motorola Complaint (Ex. 5); Florida Motorola Complaint (Ex. C to the Declaration of Steven S. Cherenky) (D.I. 45); (Florida Apple Answer, Affirmative Defenses and Counterclaims (Ex. 13).) If the actions are not consolidated, there will be 6 Motorola patents and 3 Apple patents at issue here, 6 Motorola and 6 Apple patents in Florida, and 12 Apple patents in Delaware. Furthermore, as stated earlier, Apple is already litigating the 12 Apple patents at issue here and in Motorola's Delaware action in four other actions there.

In addition to producing an unworkably large number of patents at issue, the consolidation Apple seeks will also produce an unworkably complicated mixture of disparate technologies, as the following summary of the three actions and the patents and technologies at issue in each demonstrates:

- Wisconsin
 - Motorola – 6 essential patents relating to 802.11 and 2G/3G wireless standards
 - Apple – 3 (initially asserted) patents relating to user-interface functionality (in addition to the 12 Amended Complaint Patents at issue)
- Delaware
 - Apple – 12 Amended Complaint Patents relating to object-oriented operating systems
- Florida
 - Motorola – 6 non-essential patents relating to application stores, data syncing, external antennas, automated message handling, and E-mail filters (Florida Motorola Complaint (Ex. C to the Declaration of Steven S. Cherensky (D.I. 45) ¶¶ 8, 16, 24, 34, 42, 51)
 - Apple – 6 patents relating to set-top box programming guides, hot-swapping I/O display devices, and the slide unlock icon (Florida Apple Answer, Affirmative Defenses and Counterclaims (Ex. 13) ¶¶ 155-56, 161-62, 167-68, 173-74, 179-180, 185-86)

Motorola's approach maintains three separate, workable actions, where certain patents and technologies, to the extent possible, are grouped together and litigated in a forum that has experience with them. *See, e.g., Wang Laboratories, Inc. v. Mitsubishi Electronics America, Inc.*, Civil Action No. 92-4698, 1993 WL 645934 (C.D. Cal. Jul. 20, 1993) (denying motion for full consolidation of two patent actions where one action involved a subset of patents at issue in the other action and the remaining patents were unrelated, but granting partial consolidation of the claims based on the overlapping patents). Motorola's approach, unlike the unworkable and inefficient consolidation Apple seeks, will best promote the interest of justice.⁶

⁶ Apple incorrectly characterizes Motorola's arguments in *Research in Motion Ltd. v. Motorola, Inc.*, Civil Action No. 08-317 (N.D. Tex.). (Motorola's Notice of Related Case and Motion to Transfer (Ex. 17).) There, RIM had filed two separate declaratory judgment actions in the Northern District of Texas, Dallas Division. The earlier-filed of these actions involved seven Motorola patents, and the later-filed involved four related Motorola patents. Because the actions had been assigned to different judges in the Dallas Division, Motorola sought transfer of the later-filed action to the docket of the judge hearing the earlier-filed action. These patents,

CONCLUSION

For the foregoing reasons, Defendants respectfully request that the Court grant their motion to dismiss or sever and transfer to Delaware Plaintiffs' Amended Complaint Patent claims.

however, were all nonessential patents involved in a failed cross-licensing negotiation between the parties. Furthermore, Motorola had asserted that the same RIM products infringed all eleven Motorola patents in an infringement action in the Eastern District of Texas. Contrary to Apple's inaccurate characterization, in the RIM action, Motorola sought to have a single judge (rather than two separate judges in the same district and division) hear RIM's declaratory judgment claims on a group of 11 related Motorola patents. To the extent that the RIM action is relevant in any respect to Motorola's motion to dismiss or transfer the Amended Complaint Patent claims, Motorola's arguments in the two contexts are wholly consistent.

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Respectfully submitted,

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