IN THE UNITED STATES DISTRICT COURT

FOR THE WESTERN DISTRICT OF WISCONSIN

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MOTOROLA MOBILITY INC.,

Plaintiff,

v.

MICROSOFT CORPORATION,

Defendant.

OPINION AND ORDER

10-cv-826-bbc

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In this patent infringement case plaintiff Motorola Mobility, Inc. contends that defendant Microsoft Corporation's Kinect sensor device and the Xbox 360 gaming system and related accessories and services are infringing U.S. Patents Nos. 6,992,580; 7,106,358; 6,686,931; 7,088,220 and 5,738,583. Defendant has filed permissive counterclaims alleging that plaintiff's smart phones are infringing U.S. Patents Nos. 6,374,276; 7,454,718; 6,822,664; 7,421,666 and 6,256,642. Now before the court is defendant's motion to transfer the case to the Western District of Washington under 28 U.S.C. § 1404 (a). Because I conclude that the Western District of Washington is clearly more convenient than this district and that the interests of justice favor transfer, I am granting defendant's motion under 28 U.S.C. § 1404.

From plaintiff's complaint and the parties' submissions related to defendant's motion to transfer venue, I draw the following facts for the purpose of deciding this motion.

FACTS

A. Procedural History

On November 9, 2010, defendant Microsoft filed suit against plaintiff Motorola Mobility Inc. in the Western District of Washington, asserting claims of breach of contract, promissory estoppel and waiver. Microsoft v. Motorola, Case No. 10-cv-1823. Since then, plaintiff has filed several suits against defendant, including three in this district, Motorola v. Microsoft, Cases Nos. 10-cv-699, 10-cv-700 and the present suit.

Defendant moved to transfer cases 10-cv-699 and 10-cv-700 to the Western District of Washington under 28 U.S.C. § 1404. I granted that motion as to 10-cv-699, on February 18, 2011, concluding that transfer was more convenient and served the interests of justice. (I took no action on the motion in case 10-cv-700 because that case is stayed pending final resolution by the United States International Trade Commission in In the Matter of Certain Gaming and Entertaining Consoles, Related Software, and Components thereof, Investigation No. 377-TA-752.)

B. Parties, Witnesses and Documents

Plaintiff Motorola is a Delaware corporation with its principal place of business in Libertyville, Illinois. Defendant Microsoft is a Washington corporation with its principal place of business in Redmond, Washington. Defendant developed its Xbox 360 gaming system in Redmond, Washington and "all key decisions regarding marketing and product direction are

made and all witnesses with knowledge of the relevant facts" are in Washington. Specifically, the development and management teams responsible for the Xbox 360 gaming system, defendant's witnesses with knowledge of sales, marketing and finance relating to the Xbox 360 and the relevant documents, emails, other electronic files, relevant source code and related technical documentation relating to the Xbox are all in Washington.

Two of plaintiff's potential third party witnesses are within the subpoena power of this court. Michael Kotzin, an inventor on the '580 and '220 patents, and David Noskowicz, a lawyer involved in the prosecution of the '580 patent, are located within 100 miles of this courthouse. Of the other 11 inventors and patent prosecutors, two are located in Illinois, three in California and the remaining six are closer to Madison, Wisconsin than to Seattle, Washington. The activities relating to the invention of three of plaintiff's patents-in-suit took place in Illinois and five of the 18 inventors and patent prosecutors for these patents are in Illinois.

OPINION

Defendant has moved to transfer this case under 28 U.S.C. § 1404 (a) on the grounds that Washington is a more convenient forum and transfer will serve the interests of justice. A district court "may transfer any civil action to any other district or division where it might have been brought" if the transfer is "[f]or the convenience of the parties and witnesses [and] in the interest of justice." 28 U.S.C. § 1404 (a). Decisions regarding transfer of patent actions are

governed by the law of the regional circuit. Winner International Royalty Corp. v. Wang, 202 F.3d 1340. 1352 (Fed. Cir. 2000). In the Seventh Circuit, the movant has the burden of establishing that the transferee forum is "clearly more convenient." Coffey v. Van Dorn Iron Works, 796 F.2d 217, 219-20 (7th Cir. 1986) (discussing factors relevant to § 1404 transfer analysis). In a recent decision, Research Automomation, Inc. v. Schrader-Bridgeport International, Inc., 626 F.3d 973 (7th Cir. 2010), the Court of Appeals for the Seventh Circuit explained that § 1404(a) "permits a 'flexible and individualized analysis' and affords district courts the opportunity to look beyond a narrow or rigid set of considerations in their determinations." Id. at 978 (quoting Stewart Organization, Inc. v. Ricoh Corp., 487 U.S. 22, 29 (1988). The court summarized the most salient factors:

> With respect to the convenience evaluation, courts generally consider the availability of and access to witnesses, and each party's access to and distance from resources in each forum. Other related factors include the location of material events and the relative ease of access to sources of proof.
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> The "interest of justice" is a separate element of the transfer analysis that relates to the efficient administration of the court system. For this element, courts look to factors including docket congestion and likely speed to trial in the transferor and potential transferee forums; each court's relative familiarity with the relevant law; and the relationship of each community to the controversy. The interests of justice may be determinative, warranting transfer or its denial even where the convenience of the parties and witnesses points toward the opposite result.

Id. (internal quotations and citations omitted).

The parties do not dispute that venue is proper in both the Western District of Wisconsin and the Western District of Washington and that the suit could have been brought against

defendant in the Western District of Washington. Thus, I need determine only whether transfer would serve the convenience of the parties and witnesses and promote the interests of justice.

A. Convenience

Neither party has identified any party witnesses, relevant events or sources of proof located in Wisconsin. In addition, neither party is incorporated in Wisconsin or has its headquarters here. Defendant's principal place of business is in the Western District of Washington and all witnesses and documents relevant to this claim are located there.

Plaintiff has noted that two of its potential 13 third-party witnesses are subject to this court's subpoena power and many of its other witnesses are located in Illinois. The convenience of third-party witnesses is an important consideration, but not necessarily a dispositive factor. E.g., Merrill Iron & Steel, Inc. v. Yonkers Contracting Co., No. 05-104, 2005 U.S. Dist. LEXIS 9730, at *7-9 (W.D. Wis. 2005) (convenience of third party witnesses, among other things, weighed in favor of transfer where multiple witnesses were located in transferee district and there was little risk that third-party witnesses in transferor district would not appear in transferee district). In this case, plaintiff's argument that two of its potential third party witnesses are subject to this court's subpoena power and not to the subpoena power of the Western District of Washington is not compelling. Plaintiff fails to demonstrate that there is a likelihood that compulsory process would be necessary to secure the appearance of these third-party witnesses at trial or at a deposition. "[I]n patent actions, depositions are customary and are satisfactory

as a substitute for technical issues." Adams v. Newell Rubbermaid Inc., 2007 U.S. Dist. LEXIS 62512, at *7 (W.D. Wis. Aug. 21, 2007)(quoting Medi USA, L.P. v. Jobst Inst., Inc., 791 F. Supp. 208, 211 (N.D. Ill. 1992)). Thus, the marginal convenience to these third party witnesses does not weigh heavily for or against transferring this action to the Western District of Washington.

Plaintiff does not deny that the Western District of Washington would be a more convenient venue for defendant. Instead, plaintiff appears to argue that Wisconsin is also convenient because activities relating to the invention of several of the patents alleged to be infringed in this case took place in Illinois and because parts for the Xbox are manufactured in places other than Washington. Plaintiff's purpose behind these arguments is unclear. The relationship that a product or a party has to a third location is not relevant in determining which of two districts is more convenient for the purpose of transfer.

Taken collectively, the convenience factors weigh in favor of transfer. Little to no weight is afforded to the minimal convenience to potential third party witnesses but a fair amount of weight should be given to the fact that defendant's headquarters, witnesses and documentation are in Washington.

B. Interest of Justice

In this case the interest of justice factors do not weigh heavily in either direction. The only argument offered by plaintiff that could potentially weigh in favor of transfer is the speed

to trial. Neither party asserts that the Western District of Wisconsin is more familiar with the relevant case law than the Western District of Washington and it is undisputed that the Western District of Washington has a greater relationship to this dispute than the Western District of Wisconsin because it involves a company headquartered there. At the same time, neither party identifies any relationship that this district has with this dispute, aside from the potential sale of defendant's Xbox 360 gaming system and plaintiff's smart phones, something that applies equally to either forum.

Plaintiff argues that there is a great difference in docket speed between this district and the Western District of Washington for patent cases. Specifically, plaintiff avers that the average time to disposition in this district is 12 months compared with 31 months in the Western District of Washington. However, the information provided by defendant shows that the average length to trial in this district is 15 months compared to an average length of 19 months in the Western District of Washington and the average length to case termination in this district is 5.3 months compared to an average of ten months in Washington. A delay of four months is not noteworthy. In a recent decision, Castleberg v. Davidson, Case No. 10-cv-647-bbc, dkt. #27 (W.D. Wis. Dec. 30, 2010), I concluded that a difference of 12 months in average time to trial was not a dispositive factor when determining whether speed to trial should weigh in favor of transfer. For the same reason, a delay of four additional months is not either.

The amount of delay must be put in perspective. Although any case benefits from a speedy resolution, in many cases the cost of delay can be remedied by the award of damages for

the ongoing injury. Only cases in which more than money is at stake does a speedy resolution become especially important.

Plaintiff asserts that time to trial is important because defendant's Xbox 360 gaming system is in competition with plaintiff's smart phones. Plaintiff alleges that defendant has "attempted to leverage the accused Xbox gaming system to drive sales of Windows 7 phones, which compete directly with Motorola's Android-based smart phones" and that defendant is "attempting to do this by tying its Xbox Live gaming service, which is implicated by the infringement claims in the suit, to its Window 7 phones." When a patent infringement case centers on competing products in a dynamic market, the factor of speed takes on more importance than it might in another type of case. Illumina, Inc. v. Affymetrix, No. 09-277, 2009 WL 3062786 (W.D. Wis. 2009). However, plaintiff fails to explain how the capability of these competing smart phones to connect to Xbox Live relates to its infringement claims. These smart phones are not accused products. If their connection to the Xbox Live network relates to the accused products, Xbox consoles and the Kinect, plaintiff has not shown this. Plaintiff's assertion that Xbox Live is "implicated" in its claims is too tenuous and undeveloped to support finding any direct competition in relation with this lawsuit. Thus, there does not appear to be a particular need for speedy resolution in this case. The potential for a delay of between four and 13 months does not weigh heavily against transfer.

Defendant argues that the interests of justice are served by transfer because there are

related lawsuits already pending in the Western District of Washington. The basis for this contention is that both this case and the cases in Washington deal with the same product, the Xbox 360 gaming system, even if only tangentially. Plaintiff disagrees and asserts that the Washington cases deal with patents and technology different from those at issue in this dispute. "Microsoft's counterclaim patent in the 699 action relate to displaying temporary graphics in web browsers and displaying graphical keyboards. The counterclaim patents here relate to a notification system, browser navigation and a file management system. Thus there is virtually no factual overlap between this action and the two actions now in Washington, on either liability or damages issues." Plt.'s Br., dkt. #31, at 3. Defendant has failed to provide any details about these cases suggesting any real overlap between these cases. Thus, I am unwilling to conclude that the presence of these related cases favors transfer.

As a final matter, plaintiff argues that defendant's position that this dispute should be transferred is undermined by its filing of permissive counterclaims in this district "alleging that Motorola smart phones infringe Microsoft patents—entirely unrelated to Motorola's claims—rather than assert these claims in its supposed preferred home forum of Washington." Plt.'s Br., dkt. #31, at 4. I do not agree. At most, defendant's choice of asserting counter claims is a concession that it would be more efficient to have one lawsuit in an inconvenient forum than two lawsuits, one in a convenient forum and one in a non-convenient forum.

I conclude that the factors to be considered in ruling on a motion for a change of venue weigh in defendant's favor. The convenience factors weigh in favor of transfer and the interest

of justice factors are a wash. Although transfer may create delays, there is no particular need for quick resolution of this case and the transferee court, Western District of Washington, has a closer relationship to this dispute than this court. This district is not convenient to any party but the Western District of Washington is clearly more convenient to defendant because it is headquartered there and its witnesses and documents are located there. Therefore, defendant's motion to transfer venue will be granted and the case will be transferred to the Western District of Washington.

ORDER

IT IS ORDERED that Defendant Microsoft Corporation's motion to transfer venue to the United States District Court for the Western District of Washington under 28 U.S.C. § 1404, dkt.# 10 is GRANTED.

Entered this 31st day of March, 2011.

BY THE COURT:
/s/
BARBARA B. CRABB
District Judge