IN THE UNITED STATES DISTRICT COURT

FOR THE WESTERN DISTRICT OF WISCONSIN

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MOTOROLA MOBILITY, INC. and
GENERAL INSTRUMENT CORPORATION

Plaintiffs,

v.

MICROSOFT CORPPORATION,

Defendant.

OPINION AND ORDER

10-cv-699-bbc

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Plaintiffs Motorola Mobility, Inc. and General Instrument Corporation are suing defendant Microsoft Corporation for infringement of U.S. Patent No. 7,310,374, U.S. Patent No. 7,310,375 and U.S. Patent No. 7,310,376, each of which is titled "Macroblock Level Adaptive Frame/Field Coding for Digital Video Content." Two motions are before the court: (1) defendant's motion to dismiss for failure to state a claim upon which relief may be granted; and (2) defendant's "motion to dismiss, stay or, in the alternative, transfer venue."

In the first motion, defendant argues that plaintiffs' complaint fails to give adequate notice of their claims as required by Fed. R. Civ. P. 8. Defendant acknowledges that

plaintiffs mooted that motion by filing an amended complaint. In their second motion, defendant argues that the complaint must be dismissed because it is a compulsory counterclaim to a lawsuit defendant filed in the Western District of Washington or, in the alternative, that the case should be transferred to Washington under 28 U.S.C. § 1404. Because I conclude that the Western District of Washington is clearly more convenient than this district and the interest of justice favors transfer, I am granting defendant's motion under § 1404. I will leave it to the Washington court to determine whether consolidation of the two cases is required under Fed. R. Civ. P. 13.

OPINION

"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." 28 U.S.C. § 1404(a). The Court of Appeals for the Seventh Circuit recently discussed the proper standard to be applied by courts in considering motions brought under this statute. Research Automation, Inc. v. Schrader-Bridgeport International, Inc., 626 F.3d 973 (7th Cir. 2010). The court stated 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. 22 487 U.S. 22, 29 (1988)). However, 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; the respective desirability of resolving controversies in each locale; and the relationship of each community to the controversy. The interest 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 omitted).

In this case, plaintiffs have not pointed to a single factor related to convenience that favors Wisconsin as a forum. None of the parties are incorporated in Wisconsin or have their headquarters or any major facilities here. The parties do not identify any potential witnesses in Wisconsin, any relevant events that occurred here that did not occur in every other state or even any documents that are located here. In contrast, defendant's principal place of business is in the Western District of Washington and at least one of the accused products (Windows 7) was designed there. Defendant's employees responsible for both the development and sale of Windows 7 work in that district. Although it is true that other parties and potential witnesses live outside Washington, this does not tip the scales in favor

of Wisconsin because *no* parties or potential witnesses are located here.

With respect to the interests of justice, defendant argues that a related lawsuit is pending in the Western District of Washington. Coffey v. Van Dorn Iron Works, 796 F.2d 217, 219-20 (7th Cir. 1986) (interest of justice factor includes question whether transfer would facilitate consolidation of related cases). In Microsoft v. Motorola, Inc., 10-cv-1823 (W.D. Wash.), defendant is contending that defendant Motorola is breaching an agreement to license various patents, including the three asserted in this case, at reasonable rates. Defendant is asking the court to enjoin plaintiff Motorola "from further demanding excessive royalties." Plaintiffs argue that the Washington lawsuit is not related to this one because the Washington lawsuit does not require resolution of any issues related to infringement or invalidity, but plaintiffs do not deny defendant's contention that the result of the Washington lawsuit could limit the damages available to plaintiffs in this case. That is, if the Washington court determines that plaintiff Motorola is charging too much for licensing the '374 patent, the '375 patent and the '376 patent, that could limit the royalty rate that plaintiffs could obtain for any infringement by defendant of those patents. Although the two lawsuits are far from identical, the factual overlap between the two is another reason why the balance favors Washington.

Also relevant to the interest of justice factor is "the relationship of each community to the controversy." Research Automation, 626 F.3d at 978. In this case, the Western

District of Washington has a closer relationship to the dispute than the Western District of Wisconsin. In fact, plaintiffs do not identify any relationship this district has with the case, other than the potential sale of accused products, a relationship that every state in the country shares.

The *only* factor that plaintiffs have identified as favoring this district is speed, but even that factor does not weigh heavily in either direction. According to the information provided by the parties, the difference between the average time to disposition in the two districts is 1.4 months and the difference between the average time to trial is four months. Plaintiffs do not identify any reason to believe that these minor differences will create an undue hardship. E.g., Castleberg v. Davidson, No. 10-cv-647-bbc (W.D. Wis. Dec. 30, 2010) (difference of 12 months in average time to trial not dispositive). Particularly because plaintiffs do not suggest that they make or sell any products that compete directly with the accused products in this case or that defendant is somehow stealing market share from them, they have not shown that time is of the essence.

I conclude that defendant has met its burden to prove that this case should be transferred to the Western District of Washington. Defendant has shown that Washington is more convenient for the parties in several respects and that the interest of justice factor favors transfer to a district with a related case and a closer relationship to the dispute. Therefore, its motion to transfer will be granted.

ORDER

IT IS ORDERED that

1. Defendant Microsoft Corporation's motion to dismiss for failure to state a claim upon which relief may be granted, dkt. #23, is DENIED as moot.

2. Defendant's motion to transfer venue under 28 U.S.C. § 1404, dkt. #25, is GRANTED. This case is TRANSFERRED to the United States District Court for the Western District of Washington.

Entered this 18th day of February, 2011.

BY THE COURT:

/s/

BARBARA B. CRABB
District Judge

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

IN THE UNITED STATES DISTRICT COURT

FOR THE WESTERN DISTRICT OF WISCONSIN

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PHILIP CASTLEBERG,

Plaintiff,

OPINION AND ORDER

10-cv-647-bbc

v.

TOMMY DAVIDSON and
KELLOR HOLDINGS, INC.,

Defendants.

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This is a civil action in which plaintiff Philip Castleberg is alleging breach of contract and breach of fiduciary duty against defendants Tommy Davidson and Kellor Holdings, Inc. Plaintiff contends that defendants, his partners in a limited partnership known as Covenant Healthcare of Eau Claire, L.P., or Covenant LP for brevity, treated him shabbily in various ways. He alleges that they negotiated mortgage loan transactions that affected partnership property without obtaining the required approval of partners; negotiated lease agreements with another entity, Covenant Healthcare LLC (Covenant LLC), for the lease of real estate owned by Covenant LP without obtaining plaintiff's approval; agreed to convey to a third entity, Meadowlark, real property owned by Covenant LP to Covenant LP's detriment; failed

to hold partnership meetings as required; failed to notify plaintiff of the meetings; and failed to comply with plaintiff's requests for documents. The case is before the court on defendants' motion to transfer it to the District Court for the Eastern District of Tennessee under 28 U.S.C. § 1404(a) and on the court's order directing the parties to show that diversity jurisdiction exists.

In the original and amended complaints that plaintiff filed in the Circuit Court for Eau Claire County, Wisconsin, he asserted direct claims on his own behalf and derivative claims on behalf of Covenant LP, whom he named as an involuntary plaintiff. After defendants removed the case to this court, Covenant LP was realigned as a defendant by stipulation of the parties. This realignment raised questions about the existence of diversity jurisdiction because plaintiff is a limited partner of Covenant LP and the citizenship of a limited partnership is determined by the citizenship of its partners. As a consequence, Covenant is considered a citizen of Florida along with plaintiff. (It is also considered a citizen of Tennessee along with defendants.) If plaintiff and Covenant LP were not diverse from one another, this court would not have jurisdiction to hear the case. When this problem was brought to the parties' attention, the parties stipulated to the dismissal of Covenant LP from the lawsuit.

With the issue of diversity jurisdiction resolved, I turn to defendants' motion for transfer. It is within the court's discretion to grant or deny such a motion, giving due

consideration to convenience and fairness. In deciding the issue of convenience, courts consider the availability and access to witnesses, each party's access to resources in each forum, the location of material events and the relative ease of access to sources of proof. Research Automation, Inc. v. Schrader-Bridgeport International, Inc., 2010 WL 47211588, *3 (7th Cir. Nov. 23, 2010). In addition, they consider matters that come under the "interest of justice" umbrella, such as docket congestion in the transferor or transferee court, relative speed to trial, each court's relatively familiarity with the relevant law, the respective desirability of resolving controversies in each locale and the relationship of each community to the controversy. Id.

As a general rule, the plaintiff's choice of forum is honored unless the defendant can show that when the various factors are weighed, the balance tips strongly in its favor. In re National Presto Industries, Inc., 347 F.3d 662, 664 (7th Cir. 2003). I conclude that in this case, defendants have made that showing. Their own convenience strongly outweighs that of defendant; there is a slight possibility that the convenience of the witnesses weighs in their favor; they have shown that the situs of the relevant events is in Tennessee; and they have shown that the interest of justice favors transfer. (I have ignored the factor of access to sources of proof, which in an electronic age is not ordinarily a factor entitled to any weight.)

For the purpose of deciding the motion, I find the following facts from the record.

RECORD FACTS

Plaintiff Philip Castleberg is a citizen of Florida. Defendant Tommy Davidson is a citizen of Tennessee and defendant Kellor Holdings is a Tennessee corporation with its principal place of business in Tennessee. Defendant Kellor Holdings is the general partner of Covenant Health Care of Eau Claire, L.P. (Covenant LP). Kellor Holdings, plaintiff and defendant Davidson are the current partners of the partnership, which is a Tennessee limited partnership with its principal place of business located in that state.

Sometime before or in February 1997, plaintiff and defendant Davidson formed Covenant Healthcare LLC (Covenant LLC), a Tennessee limited liability company that purchased a skilled nursing home from the county of Eau Claire, in Wisconsin, sometime around February 1997. On November 13, 1997, plaintiff executed an agreement of limited partnership with defendants and a Tennessee general partnership, S and R Finance, that set out the terms and governance of Covenant LP. At the time Covenant LP was formed, plaintiff had a 30% interest in Covenant LP; defendants had a total interest of 30% and S and R Finance had a 40% interest.

Covenant LP was formed to hold the real estate of the Eau Claire nursing home. On November 25, 1997, the two entities, Covenant LP and Covenant LLC, filed a warranty deed evidencing the transfer of the real estate and associated loan from Covenant LLC to Covenant LP. When plaintiff contributed funds to Covenant LP to reduce the loan,

defendant Davidson failed to record the payment as a capital contribution to the partnership. Covenant LP took out a mortgage for $6.46 million on the real estate but failed to obtain approval of the loan by a super majority of the partners, as required under the limited partnership agreement. Plaintiff did not give his approval.

On February 25, 2002, defendant Davidson held a meeting of the members of Covenant LLC and voted to expel plaintiff as a member. Later defendant Davidson settled his dispute with plaintiff over the expulsion and plaintiff agreed to withdraw from the company.

Plaintiff makes other allegations of wrongdoing by defendants in connection with Covenant LLC and Covenant LP, all supposedly benefiting defendant Davidson, in violation of his fiduciary duty to act in the best interests of Covenant LP. For example, defendant Davidson is a member of another Tennessee limited liability company known as Meadowlark Health Services LLC. On or around August 30, 2004, Meadowlark obtained land in Eau Claire from Covenant LP on which it has built an assisted living facility that is physically attached to Covenant LP's skilled nursing facility. Plaintiff alleges that the consideration for the land purchase was inadequate and that the building of the new facility reduced the value of the existing one owned by Covenant LP.

The partnership agreement establishing Covenant LP requires the application of Tennessee law to all partnership disputes.

Over the years, plaintiff has participated in meetings in Chattanooga, Tennessee, regarding the business operations, management decisions and business strategy for Covenant LP, Covenant LLC, Meadowlark, Arcadia Healthcare, LLC, Scenic Highway Holdings, LLC, and Dove Healthcare, LLC, all of which are Tennessee companies located in Chattanooga. In some instances, he was present in person; in others, he participated by telephone.

Defendants intend to call as witnesses Kevin Pennington, Ellsworth McKee, Sharon McKee, Rusty McKee and Barry Hand, all of whom are residents of Tennessee. All but Pennington are identified as connected with S and R Finance, which was a limited partner in Covenant LP when it was formed in 1997. Plaintiff intends to call as witnesses lawyers from the law firm that handled the recording of the deed for the real property Covenant LP sold to Meadowlark. In addition, he wants to call Wisconsin real estate experts to testify about the value of the real property, along with one Dennis Hyde, who would testify about having personal and business dealings with defendant Davidson that are similar to those that plaintiff has had with Davidson. Also, Hyde would testify about defendant Davidson's motives, habits, practices and reputation in the community.

OPINION

Under 28 U.S.C. § 1404(a), a federal trial court may transfer a case to another federal court for the parties' or witnesses' convenience or in the interest of justice, provided that the

transferee court is one in which the case could have been brought originally. The parties do not deny that this case could have been brought originally in the Eastern District of Tennessee; venue is proper there and the court would have personal jurisdiction over the defendants, who are Tennessee citizens. Thus, the only issue is whether defendants have shown that Tennessee is so much more convenient for the parties and witnesses as to outweigh plaintiff's choice of forum.

Plaintiff's choice is entitled to deference. "'[U]unless the balance is strongly in favor of the defendant, the plaintiff's choice of forum should rarely be disturbed.'" In re National Presto Industries, Inc., 347 F.3d at 664 (quoting Gulf Oil Corp. v. Gilbert, 330 U.S. 501, 508 (1947)). In this case, however, defendants have shown that the balance tips strongly in their favor. Not only is Wisconsin not the situs of the material events in the case, but defendants have shown that the factors of convenience and the interest of justice support a transfer.

Although plaintiff emphasizes those aspects of his case that favor keeping the case in this district, such as the location of the disputed real estate and the existence of the nursing homes in Wisconsin, a closer look at those aspects reveals their tangential importance to his breach of contract and breach of fiduciary duty claims. These claims are premised on plaintiff's allegations that defendants negotiated mortgages, lease agreements and property transfers without obtaining the necessary approval of the other partners, to the detriment

of Covenant LP, that they failed to hold partnership meetings as required, failed to notify plaintiff of the meetings and failed to comply with plaintiff's requests for documentation regarding Covenant LP and its business dealings. Plaintiff does not allege any wrongdoing by defendants in the state of Wisconsin, with the possible exception of Meadowlark's purchase of land and building of the assisted living facility in Eau Claire. It appears that all of the other alleged wrongs would have taken place in Tennessee, the headquarters of Covenant LP, Covenant LLC and Meadowlark. Even the purchase of the land and the construction of the facility are merely manifestations of the allegedly illegal decisions defendants made in Tennessee. Plaintiff's alleged connection to Wisconsin is the real estate, but little about the real estate is at stake in the case. What is at stake is the way in which the conveyance of the real estate was decided upon, carried out and reported on the books of the entities involved. There may be disputes about the valuation of the property, but these disputes would be peripheral to the liability issues that plaintiff is asserting.

As for the convenience of the parties factor, plaintiff has shown only that it might be more convenient for him to litigate here because he has rental property and business interests here, albeit several hours away from the courthouse in Madison. The record facts show that plaintiff has had a number of occasions to visit Tennessee for meetings involving Covenant LP. Indeed, it is odd that plaintiff would be claiming inconvenience now when it is evident that he entered purposefully into agreements with Tennessee residents and participated in

the creation of Tennessee entities. As for defendants, it is clear that it would be far more convenient for them to try the case in Tennessee, where defendant Davidson resides and where Kellor Holdings is headquartered.

As for the convenience of witnesses factor, plaintiff has listed the members of the firm that handled the recording of the deed and other tasks following the decision to have Meadowlark purchase land from Covenant LP and build on it. Plaintiff does not say that these lawyers would have knowledge of any of the details of the transaction, such as why it was entered into, the benefits to the parties or the detrimental effect on the other partners or the details of the transaction.

Plaintiff wants to call experts in Wisconsin real estate values to testify about the value of the property Covenant LP conveyed to Meadowlark. He asserts, no doubt correctly, that such witnesses would be likely to be residents of Wisconsin, but even if they are, plaintiff will be able to call them as witnesses in a Tennessee court. Unlike witnesses who could refuse to come to court unless legally required to do so, expert witnesses need no subpoena to show up. Testifying is inherent in their agreement to serve as expert witnesses.

Plaintiff has listed only one anticipated witness by name, saying that he wants to call Dennis Hyde to testify about his own experiences with defendant Davidson. It is unlikely that any of that testimony would be admissible. The question at trial will not be whether defendant acted in conformity with his past acts but whether the acts he is alleged to have

performed in this case were legal. Hyde's testimony about defendant Davidson's reputation would be admissible if it related to defendant's reputation for truthfulness, but plaintiff has not shown either that Hyde would be unwilling to appear voluntarily at a trial in Tennessee to give such testimony or that the testimony is important enough to outweigh the inconvenience to defendants' witnesses of traveling to Wisconsin.

Finally, plaintiff says that he wants to call administrators and staff of the Eau Claire nursing facility; again, he does not say what they would testify about. It is improbable that any of these persons would have knowledge of the decisions made in Chattanooga about which entity should hold title to which property, whether plaintiff's approval was required for certain transactions or the legality of defendants' decisions regarding the transactions between Covenant LP and Covenant LLC or with Meadowlark.

Neither side has given the court a firm idea of what its witnesses would testify about, but it seems likely that at least four of the witnesses defendants have identified (the three members of S and R Finance (Rusty, Sharon and Ellsworth McKee), together with their financial adviser, Barry Hand), would have admissible and relevant testimony about the meetings, decisions and operations of the entities involved in this case, at least during the period that S and R Finance was involved in the partnership. With the limited information in the record, I am persuaded that the convenience of the witnesses factor favors defendants slightly.

As I have indicated, the situs of the material events is Tennessee, the state in which the partnership and company meetings took place and where the decisions that plaintiff challenges were made. Defendants recorded deeds in Wisconsin to preserve their claims to real estate but plaintiff is not challenging anything about the recording itself or any other acts performed by Wisconsin lawyers. His objections are to the acts leading up to the challenged conveyances.

It is undisputed that the documentary proof is more readily available in Tennessee than in Wisconsin, although plaintiff alleges that some of that proof is located at the skilled nursing facility in Eau Claire. Defendants deny that allegation, but it is not necessary to decide whether they are correct. As I have said in numerous opinions, e.g., Gibson v. Unum Life Insurance Co. of America, 2010 WL 3244901, *2 (W.D. Wis. 2010); Illumina, Inc. v. Affymetrix, Inc., 2009 WL 3062786, *2 (W.D. Wis. 2009), now that it is so easy to store and move documentary proof electronically, it would be an unusual case in which this factor would have any weight in the transfer determination.

On the convenience side of the transfer analysis, defendants are ahead. This leaves the final factor, the interest of justice. This factor relates to the efficient administration of the court system. Research Automation, Inc., 2010 WL 4721588, *3. It includes such considerations as docket congestion, likely speed to trial, each court's relative familiarity with the relevant law, Van Dusen v. Barrack, 376 U.S. 612, 622 (1964), the respective desirability

of resolving controversies in each locale and the relationship of each community to the dispute. Research Automation 2010 WL 4721588, *3.

Starting with the first of these considerations, the information submitted by plaintiff shows that in 2009, civil cases in this district took 5.3 months from filing to disposition and 15 months from filing to trial and that civil cases in the Eastern District of Tennessee took 11.6 months from filing to disposition and 23 months from filing to trial. These differences are not so stark as to be decisive. The Eastern District of Tennessee had 110 fewer filings per judgeship in 2009 than this district; it may very well be that in 2011, that court will have a shorter disposition time than this court. In any event, plaintiff waited for more than six years to bring this lawsuit contesting a 2004 real estate transaction, making it evident that speed is of no concern for him.

The second consideration is of much greater importance. The parties' agreements provide that all disputes are to be decided under Tennessee law. It is indisputable that a court in Tennessee will have more experience interpreting and applying Tennessee law than a court in Wisconsin. Plaintiff maintains that any court can apply the fundamental concepts of breach of contract and breach of fiduciary duty, which is true. If plaintiff had shown that the case must be tried here, I would be able to determine what the Tennessee law is on these subjects, but a Tennessee court would be at a considerable advantage in performing the same task.

Neither side has suggested any reason why it would be more desirable to decide this case in Wisconsin than in Tennessee or vice versa or that the relationship of the community to the controversy is relevant to the transfer decision. Both of these considerations can be ignored.

I conclude that defendants have met their burden to prove that this case should be transferred to the Eastern District of Tennessee. Defendants have shown that Tennessee is more convenient for the parties in several respects and that the interest of justice factor favors transfer to a court that would be familiar with the governing law. Therefore, their motion to transfer will be granted.

ORDER

IT IS ORDERED that the motion of defendants Tommy Davidson and Kellor Holdings, Inc. to transfer this case to the Eastern District of Tennessee under 28 U.S.C. § 1404(a) is GRANTED.

Entered this 30th day of December, 2010.

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

The Honorable Ricardo S. Martinez

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

MICROSOFT CORPORATION,

Plaintiff,

v.

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

Defendants.

CASE NO. C10-01577-RSM

STIPULATION AND ORDER TO STAY ACTION

STIPULATION

Plaintiff Microsoft Corporation and Defendants Motorola, Inc., and Motorola Mobility, Inc., collectively ("the Parties"), by and through their respective counsel of record, hereby stipulate and agree as follows:

1. Pursuant to 28 U.S.C. § 1659, the Parties stipulate to a stay of proceedings in the above-captioned matter pending a final determination of the United States International Trade Commission ("ITC") in *In the Matter of Certain Mobile Devices, Associated Software, and Components Thereof*, Investigation No. 337-TA-744.

2. On October 1, 2010, Plaintiff Microsoft Corporation ("Microsoft") filed a Complaint in this matter. Five days later, on October 6, 2010, Microsoft filed an Amended Complaint, which added Motorola Mobility, Inc. ("Motorola Mobility") as a defendant. Microsoft served its Amended Complaint on Motorola, Inc. ("Motorola") on October 8, 2010 and on

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Motorola Mobility on October 28, 2010. In a Stipulation filed on October 27, 2010, the Parties agreed that Motorola and Motorola Mobility's deadline to answer or otherwise move the Court for relief in this action should be extended from October 29, 2010 to November 22, 2010. The Court so Ordered this extension on November 1, 2010. ECF No. 32.

3. The Amended Complaint alleges that Motorola and Motorola Mobility have infringed, either directly or indirectly, nine Microsoft patents: U.S. Patent Nos. 5,579,517; 5,758,352; 6,621,746; 6,826,762; 6,909,910; 7,644,376; 5,665,133; 6,578,054; and 6,370,566. *See* Amended Complaint, ¶¶ 11-12, 14-15, 17-18, 20-21, 23-24, 26-27, 29-30, 32-33, and 35-36. The same day Microsoft filed its initial Complaint in this action—October 1, 2010—it also filed a Complaint with the ITC against Motorola and in connection with the same nine Microsoft patents, asserting that Motorola has infringed these patents and has therefore engaged in unfair competition or violated Section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337.

4. Eleven days later, on October 12, 2010, Microsoft amended its ITC Complaint to add Motorola Mobility as a respondent. On November 1, 2010, the ITC instituted an investigation based on the Amended Complaint and formally named Motorola and Motorola Mobility as respondents. Thus, at present, Motorola and Motorola Mobility are both defendants in this civil action and respondents in the ITC proceeding.

5. 28 U.S.C. § 1659(a) provides that "[i]n a civil action involving parties that are also parties to a proceeding before the [ITC] under section 337 of the Tariff Act of 1930, at the request of a party to the civil action that is also a respondent in the proceeding before the Commission, the district court *shall stay*, until the determination of the Commission becomes final, proceedings in the civil action with respect to any claim that involves the same issues involved in the proceeding before the commission," so long as "such request is made within (1) 30 days after the party is named as a respondent in the proceeding before the Commission, or (2) 30 days after the district court action is filed, whichever is later." 28 U.S.C. § 1659(a) (emphasis added). Motorola and Motorola Mobility are parties to the above-captioned civil action and also the respondents in *In the*

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Matter of Certain Mobile Devices, Associated Software, and Components Thereof, an ITC proceeding involving the same issues involved here—the putative infringement of nine Microsoft patents.

6. This requested stipulation is timely. The 30-day period under 28 U.S.C. § 1659(a)(1) did not begin to run until November 1, 2010—the day Motorola and Motorola Mobility were "named as [] respondent[s] in the proceeding before the Commission." 28 U.S.C. § 1659(a)(1); *see* 19 C.F.R. § 210.3 (defining "respondent" as "any person named in a notice of investigation").

7. Accordingly, the Parties respectfully request that the Court enter an Order directing that:

A. Pursuant to 28 U.S.C. § 1659(a) *et seq.* and the Court's inherent power to control its docket, this civil action is stayed until a final determination of the ITC proceeding in *In the Matter of Certain Mobile Devices, Associated Software, and Components Thereof*, Investigation No. 337-TA-744;

B. The deadline for Motorola and Motorola Mobility to move, answer, or otherwise respond to the Amended Complaint is vacated; and

C. Within 30 days of a final determination of the ITC proceeding in *In the Matter of Certain Mobile Devices, Associated Software, and Components Thereof*, Investigation No. 337-TA-744, and the associated expiration of this stay, the Parties shall confer with each other and contact the Court for purposes of setting a Scheduling Order, which shall include the setting of a new deadline for Motorola and Motorola Mobility to move, answer, or otherwise respond to Microsoft's Amended Complaint.

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DATED this 8th day of November, 2010.

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ORDER

IT IS SO ORDERED.

DATED this 9 day of November 2010.

RICARDO S. MARTINEZ
UNITED STATES DISTRICT JUDGE

Presented by:

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IN THE UNITED STATES DISTRICT COURT

FOR THE WESTERN DISTRICT OF WISCONSIN

- -

MOTOROLA MOBILITY, INC. and
GENERAL INSTRUMENT CORPORATION

OPINION AND ORDER

Plaintiffs,

10-cv-699-bbc

v.

MICROSOFT CORPPORATION,

Defendant.

- -

Plaintiffs Motorola Mobility, Inc. and General Instrument Corporation are suing defendant Microsoft Corporation for infringement of U.S. Patent No. 7,310,374, U.S. Patent No. 7,310,375 and U.S. Patent No. 7,310,376, each of which is titled "Macroblock Level Adaptive Frame/Field Coding for Digital Video Content." Two motions are before the court: (1) defendant's motion to dismiss for failure to state a claim upon which relief may be granted; and (2) defendant's "motion to dismiss, stay or, in the alternative, transfer venue."

In the first motion, defendant argues that plaintiffs' complaint fails to give adequate notice of their claims as required by Fed. R. Civ. P. 8. Defendant acknowledges that

plaintiffs mooted that motion by filing an amended complaint. In their second motion, defendant argues that the complaint must be dismissed because it is a compulsory counterclaim to a lawsuit defendant filed in the Western District of Washington or, in the alternative, that the case should be transferred to Washington under 28 U.S.C. § 1404. Because I conclude that the Western District of Washington is clearly more convenient than this district and the interest of justice favors transfer, I am granting defendant's motion under § 1404. I will leave it to the Washington court to determine whether consolidation of the two cases is required under Fed. R. Civ. P. 13.

OPINION

"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." 28 U.S.C. § 1404(a). The Court of Appeals for the Seventh Circuit recently discussed the proper standard to be applied by courts in considering motions brought under this statute. Research Automation, Inc. v. Schrader-Bridgeport International, Inc., 626 F.3d 973 (7th Cir. 2010). The court stated 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. 22 487 U.S. 22, 29 (1988)). However, 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.
>
> 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; the respective desirability of resolving controversies in each locale; and the relationship of each community to the controversy. The interest 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 omitted).

In this case, plaintiffs have not pointed to a single factor related to convenience that favors Wisconsin as a forum. None of the parties are incorporated in Wisconsin or have their headquarters or any major facilities here. The parties do not identify any potential witnesses in Wisconsin, any relevant events that occurred here that did not occur in every other state or even any documents that are located here. In contrast, defendant's principal place of business is in the Western District of Washington and at least one of the accused products (Windows 7) was designed there. Defendant's employees responsible for both the development and sale of Windows 7 work in that district. Although it is true that other parties and potential witnesses live outside Washington, this does not tip the scales in favor

of Wisconsin because *no* parties or potential witnesses are located here.

With respect to the interests of justice, defendant argues that a related lawsuit is pending in the Western District of Washington. Coffey v. Van Dorn Iron Works, 796 F.2d 217, 219-20 (7th Cir. 1986) (interest of justice factor includes question whether transfer would facilitate consolidation of related cases). In Microsoft v. Motorola, Inc., 10-cv-1823 (W.D. Wash.), defendant is contending that defendant Motorola is breaching an agreement to license various patents, including the three asserted in this case, at reasonable rates. Defendant is asking the court to enjoin plaintiff Motorola "from further demanding excessive royalties." Plaintiffs argue that the Washington lawsuit is not related to this one because the Washington lawsuit does not require resolution of any issues related to infringement or invalidity, but plaintiffs do not deny defendant's contention that the result of the Washington lawsuit could limit the damages available to plaintiffs in this case. That is, if the Washington court determines that plaintiff Motorola is charging too much for licensing the '374 patent, the '375 patent and the '376 patent, that could limit the royalty rate that plaintiffs could obtain for any infringement by defendant of those patents. Although the two lawsuits are far from identical, the factual overlap between the two is another reason why the balance favors Washington.

Also relevant to the interest of justice factor is "the relationship of each community to the controversy." Research Automation, 626 F.3d at 978. In this case, the Western

District of Washington has a closer relationship to the dispute than the Western District of Wisconsin. In fact, plaintiffs do not identify any relationship this district has with the case, other than the potential sale of accused products, a relationship that every state in the country shares.

The *only* factor that plaintiffs have identified as favoring this district is speed, but even that factor does not weigh heavily in either direction. According to the information provided by the parties, the difference between the average time to disposition in the two districts is 1.4 months and the difference between the average time to trial is four months. Plaintiffs do not identify any reason to believe that these minor differences will create an undue hardship. E.g., Castleberg v. Davidson, No. 10-cv-647-bbc (W.D. Wis. Dec. 30, 2010) (difference of 12 months in average time to trial not dispositive). Particularly because plaintiffs do not suggest that they make or sell any products that compete directly with the accused products in this case or that defendant is somehow stealing market share from them, they have not shown that time is of the essence.

I conclude that defendant has met its burden to prove that this case should be transferred to the Western District of Washington. Defendant has shown that Washington is more convenient for the parties in several respects and that the interest of justice factor favors transfer to a district with a related case and a closer relationship to the dispute. Therefore, its motion to transfer will be granted.

ORDER

IT IS ORDERED that

1. Defendant Microsoft Corporation's motion to dismiss for failure to state a claim upon which relief may be granted, dkt. #23, is DENIED as moot.

2. Defendant's motion to transfer venue under 28 U.S.C. § 1404, dkt. #25, is GRANTED. This case is TRANSFERRED to the United States District Court for the Western District of Washington.

Entered this 18th day of February, 2011.

BY THE COURT:

/s/

BARBARA B. CRABB
District Judge

IN THE UNITED STATES DISTRICT COURT

FOR THE WESTERN DISTRICT OF WISCONSIN

- -

MOTOROLA MOBILITY INC.,

Plaintiff,

v.

MICROSOFT CORPORATION,

Defendant.

OPINION AND ORDER

10-cv-826-bbc

- -

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.
>
> 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