IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

LIMITNONE, LLC, a Delaware Limited Liability Company, Plaintiff, v. GOOGLE INC., a Delaware Corporation, Defendant.	Case No. 08-cv-04178 Honorable Blanche M. Manning

PLAINTIFF'S BRIEF IN OPPOSITION TO DEFENDANT'S MOTION TO DISMISS

TABLE OF CONTENTS

TABLE OF AUTHORITIES

CASES

STATUTES

I. INTRODUCTION

Google's attempt to thwart LimitNone's well-established right to choose its own forum should be denied for at least four reasons. First, to the extent that any contractual provision governs venue in this matter,[1] it would be the forum selection clause found in the LimitNone Inc. End User License Agreement and Warranty Disclosure ("LimitNone License Agreement", attached hereto as Exhibit A), which unambiguously designates jurisdiction and venue in Illinois.[2] The LimitNone License Agreement most closely relates to the subject matter of LimitNone's Complaint, was executed most recently, and by its express terms "supersedes" any and all prior written contracts, including the two instruments offered up by Google – the Mutual Non-Disclosure Agreement (the "NDA", attached hereto as Exhibit B) and the Google Enterprise Professional Agreement (the "GEP Agreement", *see* Docket No. 29, filed under seal).

Second, even if Google could wish away the LimitNone License Agreement, the two boilerplate, Google-authored documents relied upon by Google still would not circumvent venue in Illinois. As a threshold matter, these two documents are not germane to the subject mater of LimitNone's claims in this case. The generic scope of these two alleged agreements has nothing to do with the deliberate and calculated scheme by Google to steal LimitNone's trade secrets, as alleged in this case. By their terms, the NDA and GEP Agreements did not purport to dictate and govern all future business dealings between the parties; rather the language of the two documents has very limited application and is, if anything, interested more in the treatment of Google's own proprietary information than anything else. Without question, the tort-based claims asserted against Google in this case go far beyond anything contemplated in the two Google instruments.

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[1] LimitNone does not assert a claim for breach of contract, and therefore LimitNone does not believe that venue in this matter is dictated by any forum selection clause.

[2] Exhibit A is a screen shot of the first page of the click-through agreement and a reproduction of the full text of the electronic version of the agreement that resides on the gMove software.

Google cannot use its boilerplate documents to try to shield itself from its own tortiuous conduct.

Third, neither the NDA nor the GEP Agreement are enforceable as a mater of law. In addition to being rote, boilerplate templates that are always construed against the drafter – particularly where, as here, the drafter has vastly superior bargaining power – the NDA was not signed or accepted by Google, and lacked consideration. Likewise, the GEP Agreement and its forum selection clause is further unenforceable because the clause is permissive (not mandatory).

Finally, with regard to Google's fall-back attempt to transfer venue, Google fails to meet the burden of proof required to overcome LimitNone's choice of forum and transfer this case to California. Particularly where this Court's subject matter jurisdiction is itself in question, using self-serving language from disputed agreements is insufficient to transfer this case from Illinois. The claims alleged in LimitNone's Complaint do not exclusively arise out of any of the agreements executed between the parties; no agreement prevents LimitNone from bringing the claims alleged in the Complaint in the Circuit Court of Cook County. Accordingly, Google's motion should be denied.

II. FACTS

Google and LimitNone's business relationship began in February 2007 and effectively ended following Google's announcement of the release of the Google Email Uploader in December 2007. During their business relationship, Google and LimitNone exchanged at least four separate documents, each having its own purpose and scope, as addressed below.

A. The Scope of the NDA.

The NDA recites an effective date of February 27, 2007, though it is not endorsed by Google. (NDA, ¶1.) The NDA concerns the exchange of confidential information *in contemplation of entering into a business transaction. Id.*, Preamble (emphasis added). The NDA states that confidential information would only be used for the "Purpose" defined in the

agreement, which is defined as: "a) to evaluate whether to enter into a contemplated business transaction; and b) if the Parties enter into an agreement related to such business transaction, to fulfill each Party's confidentiality obligations to the extent the terms set forth below are incorporated therein..." (*Id.*) Later, the parties entered into the GEP Agreement, though the terms of the GEP Agreement reveal that none of the terms of the NDA were expressly incorporated.[3] By its own terms, the forum-selection clause does not survive, since the NDA's only survival clause concerns Confidential Information. (*See Id.*, ¶8.)

B. The Scope of the GEP Agreement.

The GEP Agreement was entered into by the parties on March 8, 2007, and expired by its own terms one year after execution. This agreement grants a license to LimitNone to use certain Google hardware, software, and documentation ("Products"), provides a subscription for Google's Hosted-Services, and is an agreement for technical service and training to be provided by Google. (GEP Agreement, ¶1.) The GEP Agreement is a boilerplate, Google form-agreement designed to protect Google's intellectual property by governing its disclosure to third-party partners who participate in the GEP Program. There is no language in the GEP Agreement that contemplates or protects the intellectual property of the third-party partners; *i.e.,* (a) there are no grants or licenses provided by the third-parties to Google in the GEP Agreement, and (b) there are no intellectual property provisions in the GEP Agreement that restrict Google's use of or grant any rights in the third-parties' intellectual property – only Google's intellectual property is referenced and protected by the GEP Agreement. (*See Id.*, ¶4.) While the GEP Agreement contains mutual promises to protect confidential information, it is not clear on its face whether

[3] The NDA provides that it shall remain in effect until terminated. However, since the NDA has achieved its "Purpose" (*i.e.*, facilitated the exchange of information so that the parties could enter into a business transaction) and since none of the NDA terms were expressly incorporated into the GEP, the NDA was superseded in its entirety by the GEP Agreement.

these promises relate solely to information predicated on the subject matter of the GEP Agreement. The agreement states that "[c]onfidential information shall be limited to pricing, the terms of this Agreement, and the discussions, negotiations and proposals related thereto and other information clearly and conspicuously identified as 'confidential'." (*Id.*, ¶6.) Moreover, the agreement defines Confidential Information as being "[i]n connection with performance of [a party's] obligations hereunder..." (*Id.*)

The GEP Agreement's forum-selection clause provides that "Company [*i.e.*, LimitNone] and Google agree to submit to the personal and exclusive jurisdiction of the courts located in Santa Clara County, California." (*Id.*, ¶9.) Contrary to Google's assertions, nothing in the GEP Agreement makes it clear that it "broadly covers the entire scope of LimitNone's participation [in] the Google Enterprise Program," let alone relationships that go beyond the GEP Program. (Google Memorandum, pp.5-6.)

C. The Scope of the Beta License Agreement.

A Beta License Agreement ("Beta Agreement") was entered into by LimitNone and Google on May 20, 2007, when LimitNone sent the beta version of gMove to Scott McMullen at Google, and McMullan initiated and used the beta version of gMove. ("Beta Agreement", a copy of which is attached hereto as Exhibit C.)[4] The Beta Agreement granted Google a limited of version 1.0 gMove software. Google, acting through its employees and officers, gave its electronic consent[5] to the Beta Agreement as a condition of its operation and upon each update of

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[4] Exhibit C is a reproduction of the full text of the electronic version of the agreement that resided on the beta version of the gMove software.

[5] The Beta Agreement and the LimitNone License Agreement both contained what is commonly referred to as "click wrap" agreements, the consent to which was required to access gMove. A click wrap agreement obtains the users' consent to the terms of the agreement by requesting that the user accept or decline to the terms of the agreement. With gMove, after the first installation, the software was automatically updated whenever gMove was used and the click wrap agreement was initiated on every update.

the software.[6] The Beta Agreement contains no forum-selection clause. However, the Beta Agreement states that it "shall be governed, construed and enforced in accordance with the laws of the United States and of the State of Illinois." (Beta Agreement, ¶5.)

D. The Scope of the LimitNone License Agreement.

The LimitNone License Agreement is the final agreement between the parties and was first entered into on or before September 23, 2007, when Google (by Brian Caprini) received and initiated a copy of gMove 1.0. Google electronically consented to this agreement as a condition of its operation on numerous occasions in the same fashion as it did with the Beta Agreement.[7] The LimitNone License Agreement provides a license grant by LimitNone to Google (as an end user) to operate the gMove software. The LimitNone License Agreement deems confidential and proprietary "any and all information obtained during ... lawful reverse engineering and/or decompiling activities, including but not limited to, the organization, logic, algorithms and processes of the Software..." (LimitNone License Agreement at p.2.) The LimitNone License Agreement further provides that "[t]his Agreement contains the complete understanding between the parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous Agreements or understandings, whether oral or written." (*Id.* at p.4.)

The LimitNone License Agreement forum selection clause provides: "[y]ou hereby consent to the exclusive jurisdiction and venue of the state courts sitting in Lake County, Illinois or the federal courts in the Northern District of Illinois to resolve any disputes arising under this Agreement." (*Id.*) The LimitNone License Agreement also states that it shall be governed by

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[6] *See* Electronic Commerce Security Act, 5 ILCS 175/5-110 ("Information, records, and signatures shall not be denied legal effect, validity, or enforceability solely on the grounds that they are in electronic form.").

[7] The terms of the LimitNone License Agreement were accepted by Google employees and officers on behalf of Google on multiple occasions, including: March 2, 2008, by Ed Yong; February 22, 2008, by Francisco Gioielli; January 28, 2008, by Isabella Pighi; December 19, 2007, by Ben Chang; October 17, 2007, by Chaim Fried; September 23, 2007, by Brian Caprini.

the laws of the State of Illinois. (*Id.*)

E. LimitNone's Claims Against Google.

LimitNone's Complaint asserts a misappropriation of trade secrets claim in violation of the Illinois Trade Secret Act, 765 ILCS 1065/1 *et seq.*[8], and a violation of the Illinois Consumer Fraud & Deceptive Business Practices Act, 815 ILCS 505/1 *et seq.*[9] against Google related to LimitNone's gMove software. LimitNone did not assert any claims for breach of any contract or file suit based on any agreement allegedly or actually entered into by LimitNone and Google. As addressed below, to the extent that any agreement is applicable in this case, it is the LimitNone License Agreement, which provides for exclusive jurisdiction and venue in Illinois. However, LimitNone's dispute with Google goes well beyond the scope of the LimitNone License Agreement and, instead, is addressed to behavior that is specifically covered by two Illinois statutes.

III. STANDARD OF REVIEW

The question before the Court in forum selection clause interpretation is not whether the given venue is the most convenient place for trying the suit, but "whether the defendants consented to be sued in [the venue] and by doing so waived their right to object to the jurisdiction of the courts (including federal courts)..." *Northwestern Nat'l Ins. Co. v. Donovan*, 916 F.2d 372, 375 (7th Cir. 1990).

Principles of contract law guide the court's interpretation of forum selection clauses. *See Northwestern Nat'l*, 916 F.2d at 375, *citing M/S Bremen v. Zapata Off-Shore Co.*, 407 U.S. 1

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[8] The elements for a violation of trade secrets misappropriation are that the information (1) was indeed a trade secret; (2) was misappropriated; and (3) was used in defendant's business. *Magellan Intern. Corp v. Salzgitter Handel GMBh*, 76 F.Supp.2d 919 (N.D.Ill. 1999).

[9] The elements of a violation of the Deceptive Business Practices Act are that "(1) defendant committed a deceptive act, such as the misrepresentation or concealment of a material fact; (2) the defendant intended to induce the plaintiff's reliance on the deception; and (3) the deception occurred in the course of conduct involving trade or commerce." *Petri v. Gatlin*, 997 F.Supp. 956, 967 (N.D.Ill. 1997).

(1972) and *Heller Financial, Inc. v. Midwhey Powder Co.*, 883 F.2d 1286 (7th Cir. 1989); *see also Muzumdar v. Wellness International Network, Ltd.*, 478 F.3d 759, 762 (7th Cir. 2006). Courts will not enforce a forum selection clause where it merely specifies jurisdiction as permissive, as opposed to clauses that specify venue as mandatory or obligatory. *Id.*; *see also Continental Casualty Co. v. LaSalle Re Ltd.*, 500 F.Supp.2d 991, 994 (N.D.Ill. 2007). Once a forum selection clause is found to be enforceable, *i.e.* it is mandatory, the analysis turns to whether the disagreement between the parties relates to the scope of the agreement. *See Omron Healthcare Inc. v. Maclaren Exports Ltd.*, 28 F.3d 600, 603 (7th Cir. 1994). In determining the scope of a forum selection clause, the Seventh Circuit has held that all disputes the resolution of which arguably depend on the construction of an agreement arise out of that agreement for purposes of a forum selection clause. *Id.* (citations omitted).

IV. ARGUMENT

No valid and applicable agreement between the parties requires that LimitNone bring its suit against Google in Santa Clara County, California. As such, LimitNone was free to and within its rights to bring suit against Google in the Circuit Court of Cook County, Illinois.

A. If Any Forum-Selection Clause Applies, It Is That of the LimitNone License Agreement Based on the Scope of That Agreement.

Assuming for the sake of argument that LimitNone's Complaint is controlled by a forum-selection clause in any of the four agreements between the parties, the LimitNone License Agreement would be controlling. Under both California and Illinois law, the court will look to the language of the agreement to reflect the intended subject matter.[10] *See Omnitrus Merging*

[10] *Abbott Labs. v. Takeda Pharmaceutical Co. Ltd.*, 476 F.3d 421, 423 (7th Cir. 2007), suggests that a contract's choice of law applies to the interpretation and validity of forum selection clauses, but did not resolve the issue. Here, California and Illinois are substantially similar with regard to the construction of these clauses.

Corp. v. Illinois Tool Works, Inc., 256 Ill. App. 3d 31, 34 (1st Dist. 1993); *Ben-Zvi v. Edmar Co.*, 40 Cal. App. 4th 468, 473 (2005). Where two or more provisions of a contract concern the same subject matter, the more specific provision will prevail. *See Dolezal v. Plastic and Reconstructive Surgery*, 266 Ill. App. 3d 1070, 1081 (1st Dist. 1994) (specific later agreement prevailed over earlier general agreement); *Wilder v. Wilder*, 138 Cal. App. 2d 152, 158 (1955) ("The general rule is that if a general and specific provision are inconsistent, the specific provision will control.").

In *Dolezal*, the court examined an employment action that involved four separate agreements, including an early letter agreement containing general employment terms and a later employment agreement with specific employment termination terms. The court noted that, even if all agreements were aggregated to find a total employment agreement, the more specific terms of the later agreement must prevail because to find otherwise "would contradict the well-settled rules of contract construction, that all provisions are presumed to have been inserted for a purpose, and that a contract should be interpreted to give meaning and effect to each provision contained therein." *Dolezal*, 266 Ill. App. 3d at 1081, *citing Mayfair Construction Co. v. Waveland Associates*, 249 Ill. App. 3d 188 (1st Dist. 1993). Thus, *Dolezal* held that the provisions of the later, more specific agreement controlled. *Id.* at 1082.

Here, LimitNone is asserting claims against Google for misappropriation of trade secrets and deceptive business practices concerning the gMove software. The most recent and more specific agreement controls. The LimitNone License Agreement (and previously, the Beta Agreement that it superseded) is the only enforceable agreement that specifically references the gMove software and the protection of trade secrets and proprietary information related to gMove. (*See generally*, LimitNone License Agreement.) The agreement also provides that "[t]his

Agreement contains the ***complete understanding between the parties with respect to the subject matter hereof***, and supersedes all prior or contemporaneous Agreements or understandings, whether oral or written." *Id.* at 4 (emphasis added). The LimitNone License Agreement was the last agreement entered into by the parties. Thus, the LimitNone License Agreement specifically concerns the gMove software and gMove confidential and proprietary information is the subject matter of the license agreement, and is the later of the agreements.[11] Because the LimitNone License Agreement mandates exclusive venue in Illinois, dismissal for improper venue would be inappropriate.

While Google claims that either the GEP Agreement or the NDA concern the subject matter of the LimitNone's action, in fact, neither the GEP Agreement nor the NDA refer to LimitNone's gMove software, either implicitly or explicitly. Google's sole claim is that the GEP Agreement is implicated because the Enterprise Agreement "broadly covers the entire scope of LimitNone's participation [in] the Google Enterprise Program." (Google Memorandum, pp.5-6.) However, LimitNone's Complaint has nothing to do with LimitNone's participation in the Google Enterprise Program in any substantive sense. The present dispute concerns Google's misappropriation of gMove trade secrets and proprietary information – which goes well beyond the scope of LimitNone's participation in the GEP Program. The law holds that the more specific provisions of the LimitNone License Agreement prevail over the general provisions of the GEP Agreement. *See Dolezal*, 266 Ill. App. 3d at 1081. Furthermore, Google's conclusory assertion that the NDA applies to LimitNone's claims because "it covers the exchange of confidential information between the parties – including 'trade secrets,' 'technical information,' 'designs,' and 'products' – as the parties explored a potential business relationship" is incorrect.

[11] The Beta Agreement's subject matter similarly concerns the gMove software. (*See* Beta Agreement, ¶¶2, 3, 4.)

The NDA is even less specific than the GEP Agreement, and was superseded first by the GEP Agreement and later by the Beta Agreement and LimitNone License Agreement.

B. The Google Agreements Have Been Superseded by Later Agreements.

Google very obviously avoids mention of the Beta Agreement and the LimitNone License Agreement, no doubt because both of those agreements superseded the NDA and the GEP Agreement and consequently place jurisdiction and venue properly in Illinois. To the extent that any of the four agreement are controlling, the forum selection clause of the LimitNone License Agreement prevails based on rules of contract interpretation regarding superseding clauses and based on the superseding language contained in the agreement itself (to which Google consented).

"Under Illinois law, a complete, valid, written contract merges and supersedes all prior and contemporaneous negotiations and agreements dealing with the same subject matter." *Dolezal*, 266 Ill. App. 3d at 1081, *citing Courtois v. Millard*, 174 Ill. App. 3d 716, 720 (5th Dist. 1988) and *Magnus v. Lutheran General Health Care System*, 235 Ill. App. 3d 173 (1st Dist. 1992). Similarly, the courts of California also apply this standard rule of contract construction. *See, e.g., Frangipani v. Boeker*, 64 Cal. App. 4th 860, 863 (1998) ("Where there is an inconsistency between two agreements both of which are executed by all of the parties, the later contract supersedes the former.").

In *Courtois v. Millard*, 174 Ill. App. 3d 716 (5th Dist. 1988), the court examined a rescission action where the parties executed different contracts several months apart concerning the same piece of real estate, and only the earlier contract contained warranty clauses that were sought to be enforced. *Courtois*, 174 Ill. App. 3d at 717. The court rejected the defendants' assertions that the two contracts must be construed together, stating that "[t]his contention fails because the first and second contracts are distinguishable from each other and contain

inconsistent terms. Only one of the two contracts could be valid." *Id.* at 721 (finding that the later contract superseded the earlier contract.) .

Similarly, only one forum selection clause can be valid in this case. Assuming, *arguendo*, that all four of the agreements touch the subject matter of LimitNone's suit (which they do not), Google's agreements would fall. The NDA purportedly was effective February 27, 2007, and provides for a Santa Clara County, California forum, but the NDA was superseded and terminated upon the execution of the GEP Agreement. (NDA, ¶¶1, 16.) The GEP Agreement was effective March 8, 2007, also provides for a Santa Clara County, California, and expired by its own terms within one year. (GEP Agreement, Preamble, ¶9.)

After the effective dates of these agreements, LimitNone and Google entered into the Beta Agreement, which was effective on May 20, 2007 and, while it does not provide a forum, it does provide for Illinois law to control. (Beta Agreement, at p.1.) Finally, the LimitNone License Agreement, which was repeatedly accepted by employees and officers on behalf of Google between September 23, 2007, and March 2, 2008, is the last, and therefore controlling, agreement between the parties and provides for exclusive jurisdiction and venue in Illinois. (LimitNone License Agreement, at p.4.)

Pursuant to Illinois and California law, any provisions in the LimitNone License Agreement that are inconsistent with earlier agreements will supersede and prevail. *See Dolezal*, 266 Ill. App. 3d at 1081; *Courtois*, 174 Ill. App. 3d at 720; *Frangipani*, 64 Cal. App. 4th at 863. Clearly, the LimitNone License Agreement forum selection clause provision is inconsistent with the prior and superseded forum selection clauses of the NDA and GEP Agreement. Furthermore, there is no doubt that the LimitNone License Agreement was understood and intended by the parties to supersede all earlier agreements. (*See*, LimitNone License Agreement at p.4, "[t]his

Agreement ... supersedes all prior or contemporaneous Agreements or understandings, whether oral or written."). Consequently, to the extent that any of the forum selection clauses apply, the forum selection clause of the LimitNone License Agreement must be controlling, as it is the most recent agreement and is inconsistent with the earlier forum selection clauses.

C. The NDA Never Was a Valid and Enforceable Agreement.

Google admits that it does not possess a copy of the NDA that was executed by Google and does not claim to have conveyed its acceptance of the NDA to LimitNone at any time. Under these circumstances, the NDA is deemed a lapsed agreement that cannot and should not be enforced for any purpose, much less for forcing LimitNone into a forum that is not of its choice. "Illinois uses an objective theory of contract under which understandings and beliefs are effective only if shared." *J.F. McKinney & Assoc., Ltd. v. General Electric Investment Corp.*, 183 F.3d 619, 622 (7th Cir. 1999). "It is not enough to get halfway to a contract and then hope that the jury will complete the process; the parties themselves must show assent." *Id.* Here, Google is hoping that the Court will "complete the process" and assume that Google assented to the NDA – and conveyed the same assent to LimitNone. This is not appropriate.

LimitNone denies that Google ever conveyed its assent to the NDA or in any way indicated that the NDA was considered effective. In order to demonstrate that a contract has been formed, Google is required to present more proof. Even the two cases relied upon by Google for the proposition that the NDA may be enforced by Google despite its failure to execute it, state that there must be offer and acceptance in order for the contract to be enforceable without a signature of one of the parties.[12]

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[12] In addition, the cases cited by Google are factually distinguishable. *Dye v. Wargo*, 253 F.3d 296 (7th Cir. 2001) involved a release signed by a prisoner which was not countersigned by the government entity, nonetheless the court recognized that "mutual assent" is required but where there was evidence that the government entity accepted the release during the course of the plea negotiations, and thus, found the

In the alternative, as argued herein, if the NDA ever was effective, it expired by its own terms after the parties executed the GEP Agreement. Thereafter, both the NDA and the GEP Agreement were superseded by the Beta Agreement and the LimitNone License Agreement.

D. The Forum Selection Clause in the GEP Agreement is Not Enforceable.

The forum selection clause of the GEP Agreement is not enforceable because the clause is permissive, the subject matter of the Complaint is outside the scope of the GEP Agreement and enforcement of the same would be unreasonable.[13] A court will generally only enforce a forum-selection clause where (1) the forum selection clause is mandatory and not permissive; (2) the asserted claims are within the scope of the agreement; and (3) the forum-selection clause is not unreasonable. *See Paper Exp., Ltd v. Pfankuch Maschinen,* 972 F.2d 753, 755-758 (7th Cir. 1992); *Calanca v. D&S Manufacturing Co.*, 157 III. App. 3d 85, 87-90 (lst Dist. 1987); *IFC Credit Corp. v. Rieker Shoe Co*rp., 378 III. App. 3d 77, 86-87 (lst Dist. 2007). The GEP Agreement's forum selection clause fails each level of this analysis, while, in contrast, the LimitNone License Agreement satisfies each of these conditions. Thus, the LimitNone License Agreement is enforceable against Google to the extent that any of the forum selection clauses apply.

1. Permissive or Mandatory Forum Selection Clause Language.

A mandatory forum-selection clause vests exclusive venue in a forum; a permissive forum selection clause merely consents to be sued in a particular forum, but permits suit in other

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release enforceable. No such evidence of assent by Google exists in this case. *Hubble v. O'Connor,* 291 Ill .App. 3d 974 (1st Dist. 1997), involved a real estate contract, and noted that the first consideration was whether there was a valid contract ("contract formation requires only the existence of an offer, an acceptance, and consideration").

[13] For purposes of this analysis, because the NDA expired by its own terms and was otherwise unenforceable when the GEP Agreement was executed, only the forum selection clause of the GEP Agreement will be analyzed in comparison to the forum selection clause of the LimitNone License Agreement.

forums as well. *See Paper Express, Ltd*, 972 F.2d at 755-758. The GEP Agreement fails to provide for mandatory venue. Instead, it only provides for jurisdiction by employing permissive language, stating: "the Company and Google agree to submit to the personal and exclusive jurisdiction of the courts located in Santa Clara County, California." (GEP Agreement, ¶9). Under that provision, the parties merely agreed that they could not dispute the jurisdiction of the courts in Santa Clara County, California – it does not affirmatively state that the parties consented to a specific venue. *See Aramark Mgmt. Serv. Ltd v. Martha's Vineyard Hosp.*, No. 03-CV-1642, 2003 WL 21476091, at *3 (N.D.Ill. June 23, 2003) (the clause "The parties agree to submit to the jurisdiction of the courts with in the State of Illinois" found to be permissive), ; *Beissbarth USA, Inc. v. KW Products, Inc.*, No. 04-C-7738, 2005 WL 38741, at *3 (N.D. Ill. Jan. 6, 2005) (clause providing "Each of the parties hereto irrevocably submits to the jurisdiction of the United States District Court for the Northern District of Illinois, Eastern Division, or the Illinois States Court in Cook County for any action suit or proceeding arising out of or in connection with the transactions contemplated by the Agreement" found to be permissive), .

In contrast, the LimitNone License Agreement contains the following mandatory forum selection clause language: "[y]ou hereby consent to the exclusive jurisdiction and venue of the state courts sitting in Lake County, Illinois or the federal courts in the Northern District of Illinois to resolve any disputes arising under this Agreement." (LimitNone License Agreement, p.4.) Thus, the agreement uses obligatory language to create a mandatory venue selection.

2. Scope of Claims or Disputes Encompassed by the Forum Selection Clauses.

Even where mandatory, a forum selection clause will only apply to a subject matter covered by the scope the forum selection clauses. *See Dearborn Industrial Mfg. Co. v. Soudronic Finanz AG*, No. 95-C-4144, 1997 WL 156589, at *4 (N.D.Ill. April 1, 1997) . The

court will enforce a forum selection clause of an agreement where interpretation of that agreement is required or where the duty sought to be enforced arises out the contract. *Omron Healthcare, Inc. v. Maclaren,* 28 F.3d 600, 602 (7th Cir. 1994); *Hugel v. Corp. of Lloyd's*, 999 F.2d 206, 209 (7th Cir. 1993). A claim will be considered within the scope of an agreement where enforcement of a provision is clearly a defense to the claim. *Penn, LLC v. New Edge Network, Inc.*, No. 03-C-5496, 2003 WL 22284207, at *2 (N.D.Ill. Oct. 3, 2004). Moreover, the court examines the asserted claims in the context of the disputed relationship. *See Abbott Labs. v. Takeda Pharm. Co. Ltd.*, 476 F.3d 421, 424 (7th Cir. 2007). And, the courts have expressly rejected a "but-for" causation requirement analogy to interpret forum selection clauses. *Omron Healthcare, Inc.*, 28 F.3d at 602.

LimitNone is asserting claims against Google for misappropriation of trade secrets and deceptive business practices based on the gMove software – the subject of the LimitNone License Agreement and the Beta Agreement, the only agreements of the four between the parties that expressly concern the gMove software. Consequently, the LimitNone License Agreement and the Beta Agreement are the only agreements that arguably address the specific issues raised in the Complaint. The LimitNone License Agreement superseded the Beta Agreement and explicitly states the scope of its forum selection clause is "to resolve any disputes arising under this Agreement." (LimitNone License Agreement, p.4.) Thus, if it is determined that a contract controls venue and jurisdiction in this case, the LimitNone License Agreement would be the most applicable because its scope concerns the very gMove software that is the subject of this lawsuit.

In contrast, the GEP Agreement does not address software provided by third-party developers, let alone gMove in particular. Rather, the GEP Agreement is a typically one-sided

form contract, designed and drafted by Google to protect Google's interests in the event it is required to share any Google confidential information with a third party pursuant to a collaboration under the GEP Program.[14] By its terms, the GEP Agreement was never intended to protect LimitNone.[15] The GEP Agreement was executed by the parties before any substantive business relationship was formed between Google and LimitNone concerning gMove, and could have applied to any number of projects being considered by LimitNone and Google. Indeed, the parties were involved in several other ventures regarding LimitNone's iBuild and gShare products. LimitNone's claims do not arise out of or under the GEP Agreement, and they do not require any the interpretation of any duty or obligation arising under the contract.

3. Forum Selection Clauses Will Not be Enforced if Unreasonable.

Enforcement of the GEP Agreement forum selection clause would be unreasonable. "Like any contract provision, a forum-selection clause will be enforced unless the enforcement would be unreasonable or unjust or the provision was procured by fraud or overreaching." *Paper Exp., Ltd*, 972 F.2d at 757, *citing Bremen v. Zapata Off-Shore*, 407 U.S. 1, 10 (1972). The federal courts and Illinois courts apply a substantially similar unreasonableness test for forum selection clauses based on the test set forth in *Bremen v. Zapata Off-Shore Co.*, 407 U.S. 1. *See Spenta Ent., Ltd. v. Coleman*, No. 08-C-0495, 2008 WL 2959935, at *4 (N.D.Ill. Aug. 4, 2008).

Under Illinois law, the court will consider six factors to determine whether a forum selection clause is reasonable:

> (1) the law that governs the formation and construction of the contract, (2) the residency of the parties, (3) the place of execution and/or performance of the contract, (4) the location of the parties and their witnesses, (5) the inconvenience to the parties of any

[14] It is understood that every GEP Partner is required to sign this same agreement before being allowed even to participate in the GEP Program.

[15] For example, *see* Section 2, Section 4, Section 7, Section 8, and Section 9, which restricts LimitNone's ability to assign the agreement, but places no such reciprocal restrictions on Google.

particular location, and (6) whether the clause was bargained for.

Calanca, 157 Ill. App. 3d at 88; *Clinton v. Janger*, 583 F.Supp. 284, 289 (N.D.Ill. 1984).

An analysis of the foregoing factors demonstrates the unreasonableness of the GEP Agreement forum selection clause, particularly when viewed against the LimitNone License Agreement. First, the governing law under the LimitNone License Agreement is Illinois law. The GEP Agreement, in contrast, is governed by California law. Second, LimitNone is a resident of Delaware, with is two shareholders residing in Illinois, and Google is a resident of Delaware, with headquarters in California and offices throughout the world. However, Google has substantial contacts in Illinois, maintains an office and a registered agent in Illinois, does extensive business in Illinois aside from its interaction with LimitNone, and would satisfy the "minimum contacts" standard in Illinois. Conversely, LimitNone's only contact with California is its interaction with Google. Third, the LimitNone License Agreement was the end product of Google's contacts in both Illinois and California with LimitNone. Fourth, LimitNone and Google have witnesses in both Illinois and California. However, Google is a Fortune 150, multi-national corporation with extensive business ties to Illinois. Google could not claim to be "seriously inconvenienced" by defending claims in Illinois. In contrast, LimitNone is a small limited liability company, with two principles who are both residents of Illinois, and no other employees, with extremely limited financial resources and assets. Fifth, based on the afore-mentioned disparity of wealth and resources, and because Google bargained for and agreed to Illinois as an exclusive jurisdiction and venue in the LimitNone License Agreement, Google cannot claim to be "seriously inconvenienced" by defending LimitNone's action in Illinois.

Based on the foregoing factors, enforcement of the forum selection clause of the LimitNone License Agreement would be reasonable; while enforcement of the forum selection clause of the GEP Agreement would be unreasonable.

E. Google's Motion to Transfer the Action is Inappropriate.

Google has not satisfied the standards set forth in 28 U.S.C. § 1404(a) and therefore transfer is inappropriate. "A section 1404(a) transfer will be granted only if the moving party establishes: (1) that venue is proper in the transferor district; (2) that venue and jurisdiction are proper in the transferee district; and (3) that the transfer will serve the convenience of the parties and the witnesses and will promote the interest of justice." *FUL Inc. v. Unified School Dist. No. 204*, 839 F.Supp. 1307, 1310 (N.D.Ill. 1993). "The movant must establish that 'the transferee forum is clearly more convenient' than the transferor forum". *Id.*

In this case, the first and the second factors have not been satisfied because venue is not proper in either the United States District Court for the Northern District of Illinois or the federal courts in California. LimitNone maintains that this Court lacks subject matter jurisdiction and has brought the issue before the Court via its Motion for Leave to File Motion to Remand [Docket Nos. 12, 26] and Motion for Reconsideration of August 4, 2008 Minute Order [Docket No. 30]. Until such time as LimitNone's arguments regarding remand and the impropriety of the removal are addressed, Google cannot establish that the first two requirements of a transfer under § 1404(a) have been met. Therefore, transfer would be inappropriate.

The third factor is also lacking in Google's request to transfer venue. Contrary to Google's assertions, the plaintiff's choice of forum is given weight by the court. *See FUL*, 839 F.Supp. at 1311. In this action, LimitNone's choice of forum is the state courts of Illinois, and Illinois is the forum with the most contacts and convenience for the parties and the witnesses involved. Consequently, Google "bears a heavy burden to show that the inconvenience to the

parties and witnesses and the dictates of justice are substantial enough to overcome the presumption in favor of Illinois courts." *Id.* (citations omitted).

In addition, "[t]he presence of a valid forum selection clause prevents a defendant from asserting its own inconvenience as a reason supporting its motion to transfer." *Id.* (citations omitted). In analyzing the convenience of the parties and the witnesses, the court will focus on "the relative ease of access to sources of proof; availability of compulsory process for attendance of willing witnesses; possibility of view of premises if such would be appropriate; and all the practical problems that make trial of a case easy, expeditions [sic], and inexpensive." *Miglin v. Mellon*, No. 07-C-6863, 2008 WL 2787474, at *3 (N.D.Ill. July, 17, 2008) (citations omitted).

Analysis of each these considerations reveals that Google has failed to carry its burden with regard to the third factor required to transfer an action under § 1404. As addressed above, if any forum selection clause is applicable to this action, Google has consented to the forum selection clause in the LimitNone License Agreement, which provides for jurisdiction in the courts of Lake County, Illinois or in the United States District Court in the Northern District of Illinois and thus Google may not assert its own inconvenience as a reason. Moreover, many of the witnesses and sources of proof are located in Illinois. In fact, Google has significant operations in Illinois and most of the interactions between Google and LimitNone occurred at least in part in Illinois with LimitNone's two principles, both Illinois residents. Google has not demonstrated that it would be seriously inconvenienced by suit in Illinois. Accordingly, with none of the factors of § 1404 present, an order transferring this action would be inappropriate.

V. CONCLUSION

While LimitNone vehemently disputes that any agreement between the parties mandates that the Complaint must be heard in any jurisdiction or venue other than its chosen jurisdiction

and venue – the Circuit Court of Cook County, Illinois – if the Court finds that any of the parties' agreements controls the venue and jurisdiction for this action, the Court should find that the LimitNone License Agreement is the controlling agreement. Google has failed to meet its burden of establishing that the NDA or the GEP Agreement apply to the scope of the Complaint and or have any continuing legal effect given that they have both been clearly and entirely superseded. Accordingly, Google's Motion to Dismiss and, in the alternative, Motion to Transfer based on improper venue must be denied.

Dated: August 19, 2008

/s/ Caroline C. Plater
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CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby deposes and states that she caused the foregoing *Notice of Filing* and *Plaintiff's Brief in Opposition to Defendant's Motion to Dismiss,* to be electronically filed with the Clerk of the Court on August 19, 2008, using the ECF system, and served on all parties via the ECF system, pursuant to LR 5.9, as to Filing Users and in accord with LR 5.5 as to any party who is not a Filing User or represented by a Filing User.

/s/ Caroline C. Plater
Caroline C. Plater