M. SEAN ROYALL, *pro hac vice*
SRoyall@gibsondunn.com
GIBSON, DUNN & CRUTCHER LLP
2100 McKinney Avenue, Suite 1100
Dallas, Texas 75201-6912
Telephone: 214.698.3100
Facsimile: 214.571.2900

DANIEL S. FLOYD, SBN 123819
DFloyd@gibsondunn.com
SAMUEL G. LIVERSIDGE, SBN 180578
SLiversidge@gibsondunn.com
GIBSON, DUNN & CRUTCHER LLP
333 South Grand Avenue
Los Angeles, California 90071-3197
Telephone: 213.229.7000
Facsimile: 213.229.7520

Attorneys for Defendants 3M Company and
3M Innovative Properties Company

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION

AVERY DENNISON CORPORATION,

Plaintiff,

v.

3M COMPANY and 3M INNOVATIVE PROPERTIES COMPANY,

Defendants.

CASE NO. CV 10-7931 MRP (RZx)

DEFENDANTS' NOTICE OF MOTION AND MOTION TO TRANSFER PURSUANT TO 28 U.S.C. § 1404(a); MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT

[Declarations of Mary Jo Abler, Gerald L. Karel, and Daniel S. Floyd in support; Notice of Request and Request for Judicial Notice; and [Proposed] Order filed concurrently herewith]

Hon. Mariana R. Pfaelzer

Hearing Date: February 7, 2011
Hearing Time: 11:00 a.m.
Hearing Place: Courtroom 12

Trial Date: Not Set
Complaint Filed: October 21, 2010

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD HEREIN:

PLEASE TAKE NOTICE that on February 7, 2011 at 11:00 a.m., or as soon thereafter as counsel may be heard, in the United States District Court for the Central District of California, Courtroom 12, located at 312 N. Spring Street, Los Angeles, California 90012, defendants 3M Company and 3M Innovative Properties Company (collectively, "3M" or "Defendants") will and hereby do move to transfer this case to the U.S. District Court for the District of Minnesota, where a related patent infringement action brought by 3M against Avery Dennison Corporation ("Avery") has been pending for several months. *3M Company, et al. v. Avery Dennison Corp.*, Civil Action No. 10-cv-02630 MJD/FLN (D. Minn.). This Motion is made pursuant to 28 U.S.C. § 1404(a), on the following grounds:

First, transfer to the District of Minnesota is proper based on considerations of the interests of justice. This lawsuit was filed after and in response to the Minnesota patent action, and its maintenance as a separate, stand-alone action will result in duplicative proceedings. Furthermore, transfer of this case to the District of Minnesota will promote judicial economy and ensure judicial comity, eliminate unnecessary expenditure of this Court's and the parties' resources, and avoid the unnecessary risk of inconsistent rulings and judgments. There are numerous factual and legal issues in the patent action pending in Minnesota that overlap with the affirmative claims in this action. For example, the resolution of issues relating to Avery's affirmative defenses and counterclaims in the patent action could substantially affect Avery's antitrust claims in this case. Indeed, 3M believes it would be impracticable, either for this Court or the District of Minnesota, to proceed to resolve Avery's antitrust claims on the merits before certain threshold issues in the patent action have been decided. This concern reinforces the need to transfer, which would enable a single court to coordinate and sequence the two actions in a sensible manner.

Second, transfer will better serve the convenience of the parties and likely witnesses. 3M is presently unaware of any relevant witnesses located within this

District, and many of the potential party and non-party witnesses involved in the standard-setting process at issue are located in or nearer to the District of Minnesota.

Finally, because none of the operative facts alleged in Avery's complaint occurred within the Central District of California, Avery's choice of forum is not entitled to deference and does not sufficiently weigh against transfer. The interests of the California forum are minimal considering that this case is fundamentally a federal antitrust and false advertising action that lacks any meaningful nexus to California residents apart from the fact that Avery is headquartered in this District.

This Motion is made following a conference of counsel pursuant to L.R. 7-3, which took place on December 6, 2010.

This Motion is based upon this Notice of Motion and Motion, the attached Memorandum of Points and Authorities, the Declarations of Mary Jo Abler, Gerald L. Karel, and Daniel S. Floyd filed concurrently herewith, the Notice of Request and Request for Judicial Notice and exhibits thereto filed concurrently herewith, all pleadings and papers on file in this action, and upon such oral argument and other evidence as the Court shall consider prior to or at the time of the hearing on this motion.

DATED: December 13, 2010

GIBSON, DUNN & CRUTCHER LLP

By: /s/ M. Sean Royall
M. Sean Royall

Attorneys for Defendants
3M Company and
3M Innovative Properties Company

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I. INTRODUCTION

3M Company and 3M Innovative Properties Company (collectively "3M") seek an order pursuant to 28 U.S.C. § 1404(a) transferring this case to the District of Minnesota, where an underlying patent infringement action brought by 3M against Avery Dennison Corporation ("Avery") has been pending for almost six months. The first-filed Minnesota patent action involves the same parties, the same products, and substantially the same facts and contentions as the present suit. Indeed, Avery's antitrust, unfair competition, and fraud claims in this action overlap substantially with certain affirmative defenses asserted by Avery in the Minnesota action. For instance, in both suits Avery contends that 3M took improper actions to influence the outcome of a standard-setting process conducted by ASTM. 3M requests that the Court exercise its discretion to transfer this case to the District of Minnesota for the following reasons:

First, there can be no dispute that Avery could have brought this case in Minnesota. While this Court need not decide whether Avery should have pleaded its claims as permissive or compulsory counterclaims in the related patent action, venue is proper in the District of Minnesota based on 28 U.S.C. § 1391 and the venue provision of the Clayton Act, 15 U.S.C. § 22.

Second, the interests of justice and judicial economy overwhelmingly weigh in favor of transferring this case to the District of Minnesota. Courts have uniformly held that where two cases pending in different federal forums involve similar parties and issues, transfer is strongly favored to promote judicial economy and eliminate duplicative litigation. This is particularly true where, as here, antitrust claims brought in the transferor forum are closely related to an earlier-filed patent infringement litigation in the transferee forum, and where resolution of certain patent-related issues could substantially impact the outcome of the antitrust action. For example, Avery has asserted invalidity, waiver, and estoppel defenses, as well as counterclaims, in the Minnesota patent action that directly overlap with, and will almost certainly impact, its

antitrust claims in this suit. Indeed, threshold determinations about the validity and enforceability of 3M's patents raised by Avery in Minnesota could put an end to Avery's antitrust claims altogether. Transfer of this case to Minnesota will aid the efficient functioning of the courts by avoiding the risk of inconsistent rulings, facilitating coordination of discovery and other parallel pretrial proceedings, and eliminating unnecessary costs and burdens on the courts, parties, non-party witnesses, and counsel associated with litigating two substantially related and closely intertwined proceedings in separate jurisdictions.

Third, this case has virtually no connection to California apart from the existence of Avery's global corporate headquarters in this District. 3M is based in St. Paul, Minnesota, and the majority of 3M's witnesses are found within or near the proposed transferee district. Avery's Graphics and Reflective Products Division—which produces and markets Avery's reflective sheeting products—is headquartered in Painesville, Ohio. The Complaint does not allege that any meetings, communications, or other events occurred in California. And to the best of 3M's knowledge, none of the likely party or non-party witnesses is based in California. The "center of gravity" of this action clearly is thousands of miles from Los Angeles. There is no question that witnesses and evidence are more conveniently located to the District of Minnesota.

Finally, Avery's choice of forum is not entitled to significant weight considering that the operative facts have no nexus to the forum and the "interests of justice" and "convenience" factors favor transfer. This case is fundamentally a federal antitrust and false advertising action for alleged violations of the Sherman and Lanham Acts. Avery's pleading of parallel California state law antitrust, unfair competition, false advertising, and fraud claims does not weigh against transfer, as these claims may be litigated in any federal district court.

In sum, this Court cannot proceed expeditiously or efficiently with this case given that the viability of nearly all of Avery's claims hinges on disputed threshold issues in the related patent litigation pending in Minnesota. In such circumstances,

courts routinely transfer antitrust claims to the forum in which earlier-filed patent litigation is or has been pending. The precedent set by this Court is the same. *See, e.g.*, *FTC v. Watson Pharms., Inc.*, 611 F. Supp. 2d 1081, 1085-86 (C.D. Cal. 2009) (Pfaelzer, J.) (transferring antitrust litigation to the Northern District of Georgia where antitrust claims stemmed from settlement of two patent suits in that district). The interests of justice and the convenience of the parties and witnesses weigh strongly in favor of transfer to the District of Minnesota. Accordingly, this Motion should be granted.

II. BACKGROUND AND PROCEDURAL HISTORY

A. The Parties

Defendant 3M Company is a Delaware corporation with its corporate headquarters in St. Paul, Minnesota. (Declaration of Mary Jo Abler ("Abler Decl."), ¶ 3.) Defendant 3M Innovative Properties Company is a wholly owned subsidiary of 3M Company and is likewise based in St. Paul. (*Id.*) 3M is the world leader in retroreflective sheeting technology, which is most commonly used in highway road signs to allow light from the headlights of a passing vehicle to be reflected off the sign and back towards the driver. (*Id.*, ¶¶ 10, 12.) 3M has invested decades and tens of millions of dollars in developing, testing, and commercializing next-generation reflective sheeting that uses full cube corner elements, geometry, or technology. (*Id.*, ¶¶ 11, 17.) 3M sells this sheeting under the Diamond Grade™ DG^3 brand. (*Id.*, ¶ 14.) 3M has numerous patents directed to retroreflective sheeting, including full cube corner elements, geometry, or technology used in 3M's DG^3 product. (*Id.*, ¶ 11, 14.)

Plaintiff Avery Dennison Corporation is a Delaware corporation with its principal place of business in Pasadena, California. (Compl., ¶ 18.) Avery is 3M's direct competitor in sales of retroreflective sheeting for traffic control, guidance signs, and delineation devices. (Abler Decl., ¶ 15.) Avery's Graphics and Reflective Products Division, which develops, produces, and markets Avery's reflective sheeting products, is headquartered in Painesville, Ohio. (Declaration of Daniel S. Floyd

("Floyd Decl."), ¶ 2; Ex. A.) The Graphics and Reflective Products Division also maintains offices in the greater Chicago area. (*Id.*, ¶ 3; Ex. B.) In 2010, Avery sought to introduce a retroreflective sheeting product that includes full cube corner elements, marketed as its OmniCube™ T-11500 series sheeting. (Abler Decl., ¶ 15.)

B. The Patent Action Pending In The District Of Minnesota

On June 25, 2010, 3M filed suit against Avery in the District of Minnesota alleging that Avery's full cube corner products, including but not limited to its OmniCube™ T-11500 series sheeting, infringe thirteen 3M patents ("the Patent Action").[1] (Request for Judicial Notice ("RJN"), Ex. A.) 3M filed its First Amended Complaint on September 3, 2010. (*Id.*, Ex. B.) On September 30, 2010, Avery filed its Answer, Affirmative Defenses, and Counterclaims to 3M's Amended Complaint. (*Id.*, Ex. C.) The Minnesota court has set a Pretrial Conference for January 11, 2011. (*Id.*, Ex. D.)

On July 28, 2010, 3M filed a Motion for Preliminary Injunction in the Patent Action. (*Id.*, Ex. E.) 3M sought an order enjoining Avery from launching its OmniCube™ T-11500 series products. (*Id.*) The parties have engaged in merits discovery in connection with that motion, including percipient and expert depositions. Judge Davis heard argument on 3M's preliminary injunction motion on November 12, 2010 and ordered additional briefing, which is now complete. (*Id.*, Ex. F.) A decision on 3M's motion is anticipated in the near future.

Avery has asserted and briefed several factual and legal issues in the Patent Action that overlap directly with issues in this case. For example, in opposition to 3M's Motion for Preliminary Injunction, Avery argued, *inter alia*, that 3M waived (or

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[1] Pursuant to Federal Rule of Evidence 201, 3M requests that the Court take judicial notice of the Patent Action and the pleadings and papers filed therein. *See, e.g.*, *United States ex rel. Robinson Rancheria Citizens Council v. Borneo, Inc.*, 971 F. 2d 244, 248 (9th Cir. 1992) (holding that a district court "may take notice of proceedings in other courts, both within and without the federal judicial system, if those proceedings have a direct relation to matters at issue").

should be equitably estopped from asserting) its right to assert patents, because 3M allegedly had agreed to withdraw certain of its patent claims in connection with the ASTM standard-setting process.[2] (*Id.*, Ex. G at 49:10 – 52:5.) The facts surrounding the ASTM standard-setting process and 3M's alleged representations to the relevant ASTM subcommittee—which Avery has put squarely at issue in the Patent Action—go to the core of Avery's claims in the present action.

C. The Antitrust Action Pending In This Court

On October 21, 2010, Avery filed this action against 3M in the Central District of California alleging violations of the Sherman Act (15 U.S.C. §§ 1 and 2) and California's Cartwright Act (Cal. Bus. & Prof. Code § 16720), false advertising under the Lanham Act and Cal. Bus. & Prof. Code § 17500, unfair competition under Cal. Bus. & Prof. Code § 17200 and California common law, and fraud and deceit under California common law ("the Antitrust Action"). (*See* Compl., Dkt. #1.)

Avery's Antitrust Action alleges, *inter alia*, that 3M manipulated the ASTM standard-setting process in order create a monopoly over a new "Type XI" retroreflective sheeting specification.[3] (Compl., ¶ 37.) Avery alleges that beginning in or around 2004 and continuing over the next several years, 3M sought adoption of a Type XI specification, through participation in ATSM meetings held in Washington, DC, Reno, Dallas, Atlanta, and elsewhere. (*Id.*, ¶¶ 4, 38-73.) Avery alleges that 3M by this time had already obtained certain issued patents and was prosecuting several additional patent applications covering the same specification embodied in the proposed new Type XI specification. (*Id.*, ¶ 5.) Avery further alleges that 3M

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[2] ASTM International, formerly known as the American Society for Testing and Materials, is an international private standard setting organization responsible for developing standards for materials, products, systems and methods used in a variety of construction, manufacturing and transportation applications, including retroreflective sheeting. (Declaration of Gerald L. Karel ("Karel Decl."), ¶ 4.)

[3] Although Avery references the "Type XI standard" throughout its Complaint, Type XI is more accurately described as a specification that is within a standard, and therefore 3M refers to the "Type XI specification" throughout this Motion.

represented to it and other ASTM members that 3M had withdrawn certain patent claims and "would not use its patents to block competition for products meeting the Type XI [specification]." (*Id.*, ¶ 7.) Avery also alleges, on information and belief, that ASTM members dropped their objections to the proposed Type XI specification based on 3M's assurances, leading to the formal adoption of a new Type XI specification in June 2009. (*Id.*, ¶¶ 8, 74.)

III. THE COURT SHOULD TRANSFER THIS ACTION

A. The District Court Has Broad Discretion To Order Transfer

Motions to transfer venue are governed by 28 U.S.C. § 1404(a), which provides that "[f]or the convenience of 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 purpose of this section is to prevent the waste of time, energy, and money and to protect litigants, witnesses and the public against unnecessary inconvenience and expense." *Van Dusen v. Barrack*, 376 U.S. 612, 616 (1964) (internal quotation marks omitted).

"Section 1404(a) is intended to place discretion in the district court to adjudicate motions for transfer according to an 'individualized, case-by-case consideration of convenience and fairness.'" *Stewart Org., Inc. v. Ricoh Corp.*, 487 U.S. 22, 29 (1988) (quoting *Van Dusen*, 376 U.S. at 622). "Thus, even when venue is proper where the action is pending, section 1404(a) provides the Court with the discretion to transfer an action to a different venue under certain circumstances." *Metz v. United States Life Ins. Co.*, 674 F. Supp. 2d 1141, 1145 (C.D. Cal. 2009) (citation omitted).

Determining whether to transfer an action under Section 1404(a) requires a two-step analysis. "First, the defendant must establish that the matter 'might have been brought' in the district to which transfer is sought." *Id.* "Second, courts must consider the following three factors: (1) the convenience of the parties; (2) the convenience of the witnesses; and (3) the interests of justice." *Id.* (citations omitted). Each of these factors weighs in favor of transferring this action to the District of Minnesota.

B. The District Of Minnesota Is A Proper Forum For This Action

Avery clearly could have brought this lawsuit in Minnesota. Establishing whether the action "might have been brought" in the proposed transferee court "includes demonstrating that subject matter jurisdiction, personal jurisdiction, and venue would have been proper if the plaintiff had filed the action in the district to which transfer is sought." *Metz*, 674 F. Supp. 2d at 1145 (citation omitted); *see also Hoffman v. Blaski*, 363 U.S. 335, 343-44 (1960). The District of Minnesota has subject matter jurisdiction over Avery's claims in this action. *See* 28 U.S.C. §§ 1331, 1332, 1367. Avery conducts substantial business in Minnesota and has not challenged personal jurisdiction in the Patent Action.

Venue is proper in a federal antitrust suit where the venue requirements of either Section 12 of the Clayton Act or the provisions of 28 U.S.C. § 1391 are available. *See Action Embroidery Corp. v. Atl. Embroidery, Inc.*, 368 F.3d 1174, 1178 (9th Cir. 2004) (citing *Go-Video, Inc. v. Akai Elec. Co.*, 885 F.2d 1406, 1408 (9th Cir. 1989)).[4] Considering that 3M maintains its principal place of business in Minnesota, both parties transact business throughout the United States, including Minnesota, and this case is brought in part under federal law, there should be no dispute that venue would be proper in the District of Minnesota.

C. The Interests Of Justice And Convenience To The Parties And Witnesses Weigh Heavily In Favor Of Transfer

Upon determining that venue would be proper in the transferee court, a district court "has discretion to transfer to a more convenient forum where transfer serves the

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[4] Section 12 of the Clayton Act provides: "Any suit, action, or proceeding under the antitrust laws against a corporation may be brought not only in the judicial district whereof it is an inhabitant, but also in any district wherein it may be found or transacts business . . . ." 15 U.S.C. § 22. The federal venue statute provides that a civil action may be brought in "(1) a judicial district where any defendant resides, if all defendants reside in the same State, (2) a judicial district in which a substantial part of the events or omissions giving rise to the claim occurred, or a substantial part of property that is the subject of the action is situated . . . ." 28 U.S.C. § 1391(b).

interest of justice." *Watson Pharms*, 611 F. Supp. 2d at 1085-86. The Ninth Circuit has instructed district courts to consider multiple factors in determining whether transfer is appropriate, including:

> (1) the location where the relevant agreements were negotiated and executed, (2) the state that is most familiar with the governing law, (3) the plaintiff's choice of forum, (4) the respective parties' contacts with the forum, (5) the contacts relating to the plaintiff's cause of action in the chosen forum, (6) the differences in the costs of litigation in the two forums, (7) the availability of compulsory process to compel attendance of unwilling non-party witnesses, and (8) the ease of access to sources of proof.

Jones v. GNC Franchising, Inc., 211 F.3d 495, 498-99 (9th Cir. 2000); *accord Watson Pharms.*, 611 F. Supp. 2d at 1086.

"In addition, the 'relevant public policy of the forum state, if any, is at least as significant a factor in the § 1404(a) balancing.'" *Watson Pharms.*, 611 F. Supp. 2d at 1086 (quoting *Jones*, 211 F.3d at 498-99). "Public factors include the administrative difficulties flowing from court congestion; the local interest in having localized controversies decided at home; the interest in having the trial of a diversity case in a forum that is at home with the law that must govern the action; the avoidance of unnecessary problems in conflict of laws, or in the application of foreign law; and the unfairness of burdening citizens in an unrelated forum with jury duty." *Decker Coal Co. v. Commonwealth Edison Co.*, 805 F.2d 834, 843 (9th Cir. 1986) (citations and internal quotation marks omitted); *accord Metz*, 674 F. Supp. 2d at 1146 ("Other factors that can be considered include: (1) the enforceability of the judgment; (2) the relative court congestion in the two forums; and (3) which forum would better serve judicial economy.") (citation omitted).

"The party seeking transfer for convenience under § 1404(a) generally bears the burden to show that another forum is more convenient and serves the interest of

justice." *Watson Pharms.*, 611 F. Supp. 2d at 1086 (citing *Jones*, 211 F.3d at 499). "The inquiry is not whether one venue or another would be the best venue; but rather whether there is a venue that is more convenient." *Id.*

1. The Interests Of Justice Favor Transfer

Numerous district courts in the Ninth Circuit have held that the "interests of justice" is the most important factor for the district court to consider.[5] The interests of justice strongly favor transferring this action to Minnesota for at least five reasons.

First, the Minnesota court has already established familiarity with the details of the related patent litigation. At issue there, among other things, are Avery's waiver and estoppel defenses, which squarely raise factual issues that directly overlap with the core contentions in the Antitrust Action. Second, transfer will avoid the inevitable risk that separate, parallel proceedings will yield inconsistent rulings. Third, transfer will conserve judicial resources by permitting consolidation of the two actions before a single district court judge. Fourth, this District's interest in retaining the action is minimal considering that Avery's causes of action lack any genuine nexus with this forum and the transferee forum is equally capable of applying the applicable federal and state law. Finally, practical impediments weigh against proceeding with this case separately in California. The overall validity and enforceability of 3M's patents is at issue in Minnesota, and the court's determinations on those issues will likely have a decisive effect on Avery's antitrust and unfair competition claims in this case. This

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[5] *See, e.g.*, *Vehimax Int'l, LLC v. Jui Li Enter. Co.*, No. CV 09-6437 SVW (JEMx), 2010 U.S. Dist. LEXIS 42801, at *13 (C.D. Cal. Mar. 16, 2010) ("The 'interests of justice' factor is the most important factor for the court to consider."); *Madani v. Shell Oil Co.*, No. C07-04296 MJJ, 2008 U.S. Dist. LEXIS 9626, at *12 (N.D. Cal. Jan. 30, 2008) ("The 'interests of justice' consideration is the most important factor a court must consider, and may be decisive in a transfer motion even when all the other factors point the other way.") (quoting *London & Hull Mar. Ins. Co. v. Eagle Pac. Ins. Co.*, No. C 96-01512 CW, 1996 WL 479013, at *3 (N.D. Cal. Aug. 14, 1996)); *Wireless Consumers Alliance v. T-Mobile USA, Inc.*, No. C 03-3711 MHP, 2003 WL 22387598, at *4 (N.D. Cal. Oct. 14, 2003) ("The question of which forum will better serve the interest of justice is of predominant importance on the question of transfer, and the factors involving convenience of parties and witnesses are in fact subordinate.").

Court cannot proceed to fully or fairly adjudicate the antitrust claims until certain threshold patent issues have been decided; hence, staging of the two proceedings is imperative. Ordering transfer of the Antitrust Action to Minnesota will facilitate the efficient coordination and sequencing of these two closely intertwined actions.

a. Substantial Overlap Exists Between The Patent And Antitrust Actions

Although the Patent and Antitrust Actions assert different affirmative legal claims, the same patented 3M technology for retroreflective sheeting is at issue in both suits, and there are numerous overlaps in the claims and defenses being asserted. "Many courts have held that the presence of ongoing related litigation in the transferee court is a compelling factor in favor of transfer." *Mylan, Inc. v. Boehringer Ingelheim Int'l GmbH*, No. 09-990, 2010 U.S. Dist. LEXIS 27819, *16 (W.D. Pa. Mar. 24, 2010) (transferring antitrust suit even though it was "not inextricably intertwined with the Delaware patent litigation" where it was clear the two cases were related); *see also In re Genesisintermedia, Inc. Sec. Litig.*, No. CV-01-09024 SVW (Mcx), 2003 WL 25667662, at *4 (C.D. Cal. June 12, 2003) (transferring action to the District of Minnesota where two related cases were currently pending and "the district court in Minnesota is more familiar with the underlying facts of the lawsuit").

The case law is replete with examples of courts transferring antitrust cases to the forum where related patent litigation is pending or has been litigated previously.[6] For

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[6] *See, e.g.*, *Digeo, Inc. v. Gemstar-TV Guide Int'l, Inc.*, No. C06-141RSM, 2007 U.S. Dist. LEXIS 6255, at *13 (W.D. Wash. Jan. 29, 2007) (transferring antitrust action to the Central District of California where related patent infringement litigation was pending, since "[t]he district court ought to be as close as possible to the milieu of the infringing device and the hub of activity centered around its production") (internal quotations and citations omitted); *Schecher v. Purdue Pharma L.P.*, 317 F. Supp. 2d 1253, 1261 (D. Kan. 2004) (transferring action to New York where allegations underlying plaintiff's antitrust claims "and those at issue in the pending patent litigation are closely related"); *LeMaster v. Purdue Pharma Co.*, No. 04-147-DLB, 2004 WL 1398213, at *1 (E.D. Ky. June 18, 2004) (transferring antitrust action to New York where "[t]he underlying patent proceeding giving rise to these many antitrust cases was litigated . . . and the Court there is intimately familiar with the complex technical and scientific history of the underlying patent litigation");

[Footnote continued on next page]

instance, last year this Court ordered the transfer of several antitrust actions to the Northern District of Georgia where the defendants had litigated related patent infringement actions. *See Watson Pharms.*, 611 F. Supp. 2d at 1089 ("Because of the close ties between this antitrust case and the underlying patent cases, the judge in the Northern District of Georgia is more appropriate to hear this case.") (Pfaelzer, J.).

Transfer clearly serves the interests of justice when, as here, the transferee court has already committed judicial resources to a related action. *See, e.g.*, *Madani*, 2008 U.S. Dist. LEXIS 9626, at *8 ("Judicial resources are conserved when an action is adjudicated by a court that has already 'committed judicial resources to the contested issues and is familiar with the facts of the case.'") (citation omitted). Through briefing and the presentation of evidence in connection with 3M's Motion for Preliminary Injunction, Judge Davis in the District of Minnesota has already become familiar with the underlying technology, patent issues, and various factual disputes relating to the ASTM standard-setting process.

Avery has put at issue in this case the very same technology underlying the Minnesota case. There is no reason for two courts to expend the substantial time to understand this complex optics technology. "[I]n a case such as this in which several highly technical factual issues are presented and the other relevant factors are in equipoise, the interest of judicial economy may favor transfer to a court that has become familiar with the issues." *Regents of the Univ. of Cal. v. Eli Lilly & Co.*, 119 F.3d 1559, 1565 (Fed. Cir. 1997); *see also Arete Power, Inc. v. Beacon Power Corp.*, No. C 07-5167 WDB, 2008 U.S. Dist. LEXIS 111000, at *30-31 (N.D. Cal. Feb. 22, 2008) ("The significance of [the interests of justice] factor grows with the subtlety and complexity of the case and the evidentiary issues it is likely to generate—and this is a

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[Footnote continued from previous page]
Hicks Equip., Inc. v. Lucht Eng'g, Inc., No. 92-CV-40042-FL, 1993 U.S. Dist. LEXIS 15851, at *8-9 (E.D. Mich. Aug. 27, 1993) (transferring antitrust action to the District of Minnesota where prior litigation involved the validity of the patents alleged in plaintiff's patent monopoly leveraging claim).

patent case at whose center are some extremely sophisticated scientific processes and products.").

Moreover, there is clear and substantial overlap between factual and legal issues pertaining to Avery's affirmative claims in the Antitrust Action and its defenses in the Patent Action. Indeed, through its defenses in the Patent Action Avery has squarely placed in issue the very same allegations that are at the core of its later-filed antitrust and unfair competition claims—namely, the contention that 3M, through representations to ASTM's members, committed not to pursue certain patent claims and/or not to enforce patent rights relating to products complying with a new Type XI specification. (*See, e.g.*, Compl., ¶¶ 56-62, 102-04, 108, 112.) Without question, the Minnesota court's rulings on these issues in the Patent Action could have a dispositive effect on Avery's claims in the Antitrust Action. In fact, as noted below, virtually any ruling in the Patent Action regarding the validity and enforceability of 3M's patents could substantially affect the viability of Avery's core antitrust contentions, including Avery's fundamental complaints about market exclusion and monopoly power.

b. Transfer Will Avoid Duplicative Litigation And The Risk Of Inconsistent Rulings

"The 'interests of justice' analysis relates to the efficient functioning of the courts—that is, whether transfer will avoid duplicative litigation and inconsistent judgments." *Vehimax*, 2010 U.S. Dist. LEXIS 42801, at *13 (citing *In re Genesisintermedia Inc. Sec. Litig.*, 2003 WL 25667662, at *4). As other courts have noted, "litigation of related claims in the same district is strongly favored because it facilitates efficient pre-trial proceedings and discovery and avoids duplicitous efforts." *Id.* at *14; *see also Continental Grain Co. v. Barge FBL-585*, 364 U.S. 19, 26 (1960) (permitting "two cases involving precisely the same issues . . . simultaneously pending in different District Courts leads to the wastefulness of time, energy, and money that § 1404(a) was designed to prevent"); *Hoefer v. United States Dep't of Commerce*, No. C 00 0918 VRW, 2000 U.S. Dist. LEXIS 9299, at *9 (N.D. Cal. June 28, 2000)

(ordering transfer where prior lawsuit was initiated in the District of Columbia and allowing the case to remain in California would "entail a significant waste of time and energy and would involve duplicate effort by [the] court").

"As a general proposition, the interest of justice is advanced to the extent that one court (rather than two or more) is the source of the rulings and judicial guidance that are provided in any one case. Concentrating responsibility for rulings and guidance in one court reduces both inefficiencies (eliminating the need for other judges in other courts to become familiar with the case and the pertinent law) and the risk that the parties or witnesses will be subject to inconsistent directives." *Arete Power*, 2008 U.S. Dist. LEXIS 111000, at *29. That is precisely the situation presented here. Requiring 3M and Avery to simultaneously litigate two closely related actions in different courts would impose unnecessary burdens and costs on both the courts and the parties.

In addition, if these two closely related lawsuits are permitted to proceed independently in two different jurisdictions, there is a substantial risk of inconsistent rulings. *See, e.g.*, *Schott v. Ivy Asset Mgmt. Corp.*, No. 10-CV-01562-LHK, 2010 U.S. Dist. LEXIS 113674, at *17-18 (N.D. Cal. Oct. 19, 2010) ("[A]ny further adjudication of Plaintiff's case in this forum could lead to identical litigation over matters already decided, which in turn could lead to inconsistent rulings."); *Argonaut Ins. Co. v. MacArthur Co.*, No. C 012-03878 WHA, 2002 WL 145400, at *4 (N.D. Cal. Jan. 18, 2002) ("The best way to ensure such consistency is to prevent related issues from being litigated in two separate venues.").

c. The Feasibility Of Consolidation Of The Two Actions In The District Of Minnesota Weighs In Favor Of Transfer

The Ninth Circuit has noted that "[t]he feasibility of consolidation is a significant factor in a transfer decision, although even the pendency of an action in another district is important because of the positive effects it might have in possible consolidation of discovery and convenience to witnesses and parties." *A.J. Indus., Inc.*

v. United States Dist. Court for the Cent. Dist., 503 F.2d 384, 389 (9th Cir. 1974); *see also Vehimax*, 2010 U.S. Dist. LEXIS 42801, at *13 (holding that interests of justice weighed in favor of transfer where defendants would seek to consolidate actions in the transferee court under Fed. R. Civ. P. 42(a)). If transfer is ordered, 3M intends to seek to consolidate the two actions in the District of Minnesota before a single district court judge.

Federal Rule of Civil Procedure 42(a) provides that "[i]f actions before the court involve a common question of law or fact, the court may: (1) join for hearing or trial any or all matters at issue in the actions; (2) consolidate the actions; or (3) issue any other orders to avoid unnecessary cost or delay." Fed. R. Civ. P. 42(a). Under Eighth Circuit law, which would govern in the transferee court, "consolidation is permitted as a matter of convenience and economy in administration, but does not merge the suits into a single cause, or change the rights of the parties, or make those who are parties in one suit parties in another." *Enterprise Bank v. Saettele*, 21 F.3d 233, 235 (8th Cir. 1994) (citations omitted); *accord Jones v. Qwest Commc'ns Int'l, Inc.*, No. 06-3525 (MJD/AJB), 2007 U.S. Dist. LEXIS 85872, at *7 (D. Minn. Nov. 20, 2007) (Davis, J.) ("The Court has broad discretion in deciding whether to consolidate cases. . . . Consolidation is appropriate when the cases involve 'a common question of law or fact.'") (citation omitted).

District courts often order consolidation of related patent and antitrust suits to promote judicial efficiency and to avoid unnecessary duplication of proceedings, inconsistent resolution of the same legal or factual issues, or duplicate discovery and motion practice.[7] Consolidation in the transferee forum is feasible in this case for the same reasons, and therefore this factor weighs in favor of transfer.

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[7] *See, e.g., DIK Drug Co. v. Altana Pharma AG*, No. 07-5849 (JLL), 2008 U.S. Dist. LEXIS 7525, at *4 (D.N.J. Jan. 31, 2008) (consolidating separate patent and antitrust suits "based on the same set of operative facts . . . in the interest of judicial economy"); *Fujitsu Ltd. v. Nanya Tech. Corp.*, No. C 06-6613 CW, 2007 U.S. Dist. LEXIS 59508, at *5-6 (N.D. Cal. Aug. 1, 2007) (consolidating patent infringement

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d. The Interests Of The California Forum Are Minimal

Avery has not alleged any contacts between its causes of action and California, apart from the mere presence of its global headquarters in this District. Nor has Avery alleged that 3M engaged in any challenged conduct in this District. To the contrary, Avery alleges that the relevant ASTM meetings each took place outside of California. (Compl., ¶¶ 38, 41, 48, 68.) There is thus nothing about Avery's claims that creates a genuine nexus to this District.

The Court's supplemental jurisdiction over Avery's pendent state law claims is a non-factor in the transfer analysis, as Avery's Complaint is fundamentally founded on federal causes of action. "[W]hen the gravamen of the case involves federal law, a state law claim is usually not a significant consideration on a motion to transfer venue." *Hoefer*, 2000 U.S. Dist. LEXIS 9299, at *8. The District of Minnesota is certainly equally well positioned to adjudicate Avery's Sherman and Lanham Act claims. *See, e.g.*, *Arete*, 2008 U.S. Dist. LEXIS 111000, at *36 ("Federal judges sitting in comparably situated courts are presumed to be comparably familiar with federal law."); *Italian Colors Restaurant v. Am. Express Co.*, 2003 U.S. Dist. LEXIS 20338, at *9 (N.D. Cal. Nov. 10, 2003) (where federal antitrust law governs the claims raised, "either forum is equally capable of hearing and deciding those questions").

While Avery may argue that this Court is more familiar with California's Cartwright Act and Unfair Competition Law, it is apparent from the Complaint that Avery's state law antitrust and unfair competition claims simply mirror its federal antitrust claims. *See, e.g.*, *County of Tuolumne v. Sonora Cmty. Hosp.*, 236 F.3d 1148, 1160 (9th Cir. 2001) ("The analysis under California's antitrust law mirrors the

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case and related antitrust case *sua sponte* where the two cases involved common questions of law and fact); *Syngenta Seeds, Inc. v. Monsanto Co.*, No. 04-908-SLR, 2005 U.S. Dist. LEXIS 4651, at *6-9 (D. Del. Mar. 24, 2005) (consolidating later-filed antitrust litigation with related patent litigation where consolidation "will be more efficient than managing the cases separately" even though the two cases presented distinct factual and legal issues).

analysis under federal law because the Cartwright Act, Cal. Bus. & Prof. Code § 16700 *et seq.*, was modeled after the Sherman Act."); *Chavez v. Whirlpool Corp.*, 93 Cal. App. 4th 363, 369 (2001) ("Since the Cartwright Act and the federal Sherman Act share similar language and objectives, California courts often look to federal precedents under the Sherman Act for guidance."); *see also Breakdown Servs., Ltd. v. Now Casting, Inc.*, 550 F. Supp. 2d 1123, 1142 (C.D. Cal. 2007) ("[W]here plaintiff's § 17200 claim is predicated on antitrust violations that fail to withstand summary judgment, the § 17200 claim must also fail."). Accordingly, transfer of this case will not impose any greater analytical burden on the transferee court.

District courts in the Ninth Circuit have not hesitated to transfer a federal action containing California claims to another state. As one court noted:

> It is probably true that judges in this district will be better able to handle th[ese] state-law claim[s] than judges in the transferee district. But the tail should not wag the dog. This is first and foremost a[n] . . . antitrust . . . action under the Sherman Act. The caselaw favoring the district "at home" on the controlling law has arisen in the *diversity* context, not the *federal-question* context. If the main *federal event* is clearly better served in the [District of Minnesota] than in [Los Angeles], the pendency of a supplemental state law claim should not override the indicated result.

In re Funeral Consumers Antitrust Litig., 2005 WL 2334362, at *6 (N.D. Cal. Sept. 23, 2005) (italics in original, citation omitted); *see also Zeta-Jones v. Spice House*, 372 F. Supp. 2d 568, 576 (C.D. Cal. 2005) (holding that transferee court "is well able to apply the relevant law governing this dispute" where plaintiff asserted violations of California statutory and common law claims).

e. Practical Impediments To Litigating Avery's Antitrust Claims Separately In This Forum Weigh In Favor Of Transfer

In addition to the foregoing factors, many practical impediments militate against the separate maintenance of this lawsuit and weigh in favor of transfer to the District of

Minnesota. As noted above, the disposition of the Patent Action could substantially impact and potentially dispose of key issues raised by Avery's antitrust claims. Indeed, this Court ***cannot*** decide the merits of the Antitrust Action until several disputed issues in the related Patent Action have first been resolved.[8] *See, e.g.*, *Watson Pharms.*, 611 F. Supp. at 1088 ("It is clear that the merits of the underlying patent cases must be examined to some extent to make an antitrust determination in this case . . . "). At the very least, close coordination will be required between the two cases. The courts and the parties will need to determine how to stage the proceedings, including discovery, motion practice, and other pretrial and trial proceedings, to ensure that the threshold patent issues are resolved before any full adjudication of the merits of Avery's competition-related claims. In fact, a stay of some duration in the Antitrust Action could be warranted, depending upon how the two actions develop.[9]

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[8] In similar circumstances, district courts routinely stay antitrust claims and related discovery, pending resolution of ongoing patent litigation that could substantially impact and potentially dispose of key issues raised by related antitrust claims. *See, e.g.*, *Masimo Corp. v. Philips Elecs. N. Am. Corp.*, No. 09-80-JJF-MPT, 2010 WL 925864, at *3 (D. Del. Mar. 11, 2010) (staying proceedings on defendant's antitrust counterclaims where resolution of plaintiff's patent claims would "potentially eliminate or simplify" antitrust claims); *Global Candle Gallery Licensing Co. v. Nabozny*, No. 8:08-cv-2432-T-30TGW, 2009 WL 3852794, at *4 (M.D. Fla. Nov. 18, 2009) (staying antitrust discovery pending determination of patent's validity); *DIK Drug*, 2008 U.S. Dist. LEXIS 7525, at *4-5 (issuing a stay where "[i]t is clear . . . that the claims at issue in the Altana Antitrust Litigation necessarily rise or fall with the validity determination currently at issue in the Altana Patent Litigation"); *ASM Am., Inc. v. Genus, Inc.*, No. 01-2190, 2002 U.S. Dist. LEXIS 1351, at *18 (N.D. Cal. Jan. 9, 2002) ("The Court agrees that a stay would promote an efficient resolution of the patent invalidity issues and substantially narrow or eliminate the antitrust claims as a result."); *Carlisle Corp. v. Hayes*, 635 F. Supp. 962, 967-68 (S.D. Cal. 1986) (staying discovery on antitrust and unfair competition counterclaims where "most of the antitrust claims may be obviated" by trial of plaintiff's infringement and validity issues) (quoting *Pharmacia, AB v. Hybritech, Inc.*, No. 84-699-T (CM), 1984 U.S. Dist. LEXIS 22736, at *4-5 (S.D. Cal. Oct. 19, 1984)).

[9] "It is a common practice in federal court to stay antitrust counterclaims until after the trial of the invalidity issue." *Chip-Mender*, 2006 U.S. Dist. LEXIS 2176, at *38 (staying proceedings on antitrust claims where resolution of the patent invalidity issue "may dispose of the antitrust claims altogether"); *see also In re Innotron Diagnostics*, 800 F.2d 1077, 1084 (Fed. Cir. 1986) (discussing the "now-standard practice of separating for trial patent issues and those raised in an antitrust

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Regardless how the Minnesota court decides 3M's patent infringement issues, the resolution of those claims is likely to have a major impact on this action. For example, if 3M's patents were held to be invalid or unenforceable, then it follows that those patents cannot serve to foreclose competition from Avery; a threshold predicate for Avery's antitrust claims would therefore be lacking. *See, e.g.*, *Chip-Mender, Inc. v. Sherwin-Williams Co.*, No. C 05-3465 PJH, 2006 U.S. Dist. LEXIS 2176, at *38 (N.D. Cal. Jan. 3, 2006) ("Resolution of the invalidity issue . . . may dispose of the antitrust counterclaims altogether."). By contrast, if the Minnesota court concludes that 3M's patents are valid and enforceable, and that these patents lawfully serve to block Avery's Type XI product from the market, material portions of Avery's antitrust and unfair competition claims may be moot. *See, e.g.*, *Mitsubishi Heavy Indus., Ltd. v. Gen. Elec. Co*., No. 5:10CV05087, 2010 U.S. Dist. LEXIS 93058, at *17 (W.D. Ark. Aug. 23, 2010) ("If [defendant] prevails in any of the infringement actions, then [plaintiff's antitrust] claims in this action will be moot because [defendant] will have the right to exclude [plaintiff] from the market.").

This mootness would certainly occur if such a ruling were based, in part, on rejection of Avery's estoppel and waiver defenses, which are rooted in allegations about alleged efforts to manipulate the ASTM standard-setting process—*i.e.*, substantially the same allegations as the Antitrust Action. In addition, any determination by the Minnesota court establishing infringement by Avery of 3M

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counterclaim"); *Seiko Epson Corp. v. Glory South Software Mfg., Inc*., 684 F.Supp.2d 1231, 1239 (D. Or. 2010) (staying trial of antitrust counterclaim where "a jury trial of this patent case will be challenging enough without the simultaneous inclusion of antitrust issues"); *Polycom, Inc v. Codian, Ltd.*, No. 2:05-CV-520 (DF), 2007 U.S. Dist. LEXIS 98087, at *11 (E.D. Tex. Apr. 23, 2007) (staying antitrust and unfair competition counterclaims because "discovery will be more streamlined and will be less burdensome after completion of the scheduled patent infringement trial"); *Hewlett Packard Co. v. GenRad, Inc.*, 882 F. Supp. 1141, 1157 (D. Mass. 1995) (holding that "it is more expeditious and convenient to try the less complex, dependent patent validity and inequitable conduct issues before addressing the antitrust and unfair competition issues").

patents that were issued ***prior to*** the 3M conduct challenged in the Antitrust Action could be dispositive of Avery's key antitrust allegations. *See, e.g.*, *Axis, S.p.A v. Micafil, Inc.*, 870 F.2d 1105 (6th Cir. 1989) (upholding dismissal of antitrust claims where patents held by the defendant served to exclude the plaintiff from the U.S. market "*before*" the conduct challenged by the antitrust action occurred "and remained as great a barrier afterwards") (emphasis added).

At the very minimum, this Court will need to know how the Minnesota court resolves the Patent Action before Avery's antitrust claims could be fully and fairly adjudicated. To put the matter plainly, 3M cannot be adjudged responsible for unlawfully foreclosing competition from Avery's Type XI products if those products are properly barred from the market due to lawful and enforceable patent rights. Until these patent issues are resolved, Avery's market foreclosure claims in this action cannot proceed to a determination on the merits. *Cf. Aventis Pharma S.A. v. Amphastar Pharms., Inc.*, Case No. 03-CV-00887-MRP (PLA), Order Dismissing Amphastar's Third Amended Counterclaim, Dkt. #1114, at 8 (C.D. Cal. May 15, 2009) (Pfaelzer, J.) (dismissing antitrust claims alleging unlawful exclusion of generic drugs where the generic products at issue lacked FDA approval and thus were unable to be marketed for independent reasons unrelated to the challenged conduct of the counter-defendant, noting that "some form of final action by the FDA is necessary to fairly adjudicate [the antitrust] claims") (Floyd Decl., ¶ 22, Ex. T).[10]

The district court's analysis in *ASM America, Inc. v. Genus, Inc.*, No. 01-2190 EDL, 2002 U.S. Dist. LEXIS 1351, at *20 (N.D. Cal. Jan. 9, 2002), illustrates the

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[10] To be clear, there would be no injustice in the Court summarily disposing of Avery's claims in this action prior to a final ruling in the Patent Action, provided that the grounds for disposing of the claims did not hinge upon as-yet-unresolved patent issues. The more salient concern is the injustice to 3M that would result from any finding of liability on Avery's "market foreclosure" claims prior to a final resolution of the Patent Action.

practical hazards of concurrently proceeding with the patent claims and antitrust claims in this case:

> [P]roceeding on the antitrust claims simultaneously with the patent claims may well delay resolution of the case by increasing its complexity exponentially, whereas many issues will likely be mooted by addressing the patent claims first. Resolution of the invalidity issue may dispose of some of the antitrust [claims] altogether, and may potentially narrow the damages inquiry on any remaining claims to particular products or product lines. Given the multiple patents already at issue in this case, and the wide swath of non-overlapping discovery on the antitrust claims that will be required in addition to any discovery germane to both patent and antitrust claims, the Court concludes that a stay of the antitrust claims will promote judicial economy significantly.

Id. at *20-21; *accord Chip-Mender*, 2006 U.S. Dist. LEXIS 2176, at *38 (same).

The same logic that courts apply to justify a stay of antitrust proceedings in deference to earlier-filed patent litigation weighs strongly in favor of transferring this case to Minnesota. The inevitable likelihood of complications in issues, proof, and questions of law resulting from allowing this action to proceed independently of the Patent Action vastly outweighs any potential inconvenience that Avery might claim in opposition to transfer. Moreover, the efficiency gains from transferring this action are all the more compelling given that this lawsuit is still in its incipiency and neither the Court nor the parties have fully devoted their resources to this action. No substantive proceedings have occurred, nor has discovery commenced. In contrast, the parties have conducted merits and expert discovery in the Patent Action and have fully briefed a Motion for Preliminary Injunction that could directly impact this case.

2. The District of Minnesota Is More Convenient To Likely Witnesses And Evidence

The relative convenience of likely witnesses also weighs in favor of transfer. Although the parties have not conducted discovery or exchanged Rule 26(a) disclosures in this action, 3M is presently unaware of any Avery employees located in California that have personal knowledge relevant to the antitrust issues.[11] (Karel Decl., ¶ 14; Floyd Decl., ¶¶ 4-5, 7.) Nor has discovery conducted in the Patent Action revealed any California-based employees that Avery might proffer as witnesses in this action. Consequently, there is no reason to believe that California offers easier access to sources of proof or that relevant documents are located here.

3M anticipates that one of Avery's key witnesses in both actions will be Mark Kleinschmit, Avery's Senior Technology Manager for Research and Development. Mr. Kleinschmit, who resides and works in the Chicago area, has been involved with ASTM for several years.[12] (RJN, Ex. H [Kleinschmit Decl., ¶ 4]; Floyd Decl., ¶ 5, Ex. D.) 3M expects Mr. Kleinschmit to provide testimony regarding the structure of the relevant ASTM technical committees and subcommittees, the standards and specifications developed and approved by the subcommittee on Highway Traffic Control Materials ("the Subcommittee"), and the voting and approval process that transpired relating to Type XI sheeting. (RJN, Ex. H [Kleinschmit Decl., ¶¶ 5-17].) 3M also anticipates that Drew Buoni, a former Avery executive who was Avery's primary representative on the Subcommittee, would be subpoenaed to provide testimony regarding his participation in the Subcommittee and the balloting process in connection with approval of the Type XI specification. (*Id.* [Kleinschmit Decl., ¶ 12;

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[11] The parties have, however, conducted substantial discovery in the Patent Action, including discovery on the same factual allegations that are at issue in the Antitrust Action.

[12] Mr. Kleinschmit was deposed on the relevant facts in connection with the Patent Action.

Ex. 3].) Mr. Buoni is currently based in the Dallas/Fort Worth area. (Floyd Decl., ¶ 6; Ex. E.)

On the other hand, nearly all of 3M's potential witnesses are based in or near the District of Minnesota. (Karel Decl., ¶¶ 3, 8-9.) Tom Bliss, who attended Subcommittee meetings on behalf of 3M during the relevant time period, worked in Minneapolis during this time period. (*Id.*, ¶ 8.) 3M anticipates that Mr. Bliss may be able to provide testimony regarding 3M's proposals to the Subcommittee, the development of the Type XI specification, and the voting and approval process for the Type XI specification. (*See id.*, ¶ 7-9.) 3M also anticipates that Gerald Karel, currently the Technical Director of 3M's Traffic Safety Systems Division and a participant in the Subcommittee, will be able to provide similar testimony regarding 3M's participation in the ASTM standards-setting process for the Type XI specification. (*Id.*, ¶¶ 5-16.) Mr. Karel is also based in the Minneapolis-St. Paul area. (*Id.*, ¶ 3.)

Aside from the absence of party witnesses in California, 3M is presently unaware of any likely non-party witnesses residing in California. "[W]hile the convenience of party witnesses is a factor to be considered, the convenience of non-party witnesses is the more important factor." *Painter's Dist. Council No. 30 Health & Welfare Fund v. Amgen, Inc.*, No. CV 07-3880 PSG (AGRx), 2007 WL 4144892, at *4 (C.D. Cal. Nov. 13, 2007); *see also Metz*, 674 F. Supp. 2d at 1147 ("Convenience of employees is less important than the convenience of non-party witnesses.") (citation omitted). "[W]here many of the witnesses will be inconvenienced regardless of where the trial is held, venue is most appropriate where the inconvenience can be minimized." *Vehimax*, 2010 U.S. Dist. LEXIS 42801, at *11. In this case, the non-party witnesses that participated in the ASTM standard-setting process and the Subcommittee are outside of California and are generally nearer to Minnesota than California. (*See* Floyd Decl., ¶¶ 8-20.)

Accordingly, the convenience of both the party and non-party witnesses does not weigh against transfer. On the contrary, any burden on the witnesses will be minimized by transfer to the District of Minnesota.

D. Avery's Choice Of Forum Is Entitled To Only Minimal Consideration

Although a plaintiff's choice of forum is ordinarily accorded substantial weight, a court may order transfer where the "interests of justice" and "convenience" factors strongly favor venue elsewhere. *See, e.g.*, *Metz*, 674 F. Supp. 2d at 1146; *Pac. Car & Foundry Co. v. Pence*, 403 F.2d 949, 954 (9th Cir. 1968) ("Plaintiff's choice of forum . . . is not the final word"). "In judging the weight to be accorded [plaintiff's] choice of forum, consideration must be given to the extent of both [parties'] contacts with the forum, including those relating to [plaintiff's] cause of action." *Lou v. Belzberg*, 834 F.2d 730, 739 (9th Cir. 1987) (citation omitted). "If the operative facts have not occurred within the forum and the forum has no interest in the parties or subject matter, [plaintiff's] choice is entitled to only minimal consideration." *Id.*

Deference to the plaintiff's choice of venue is diminished "if the moving party establishes one or more of the following factors: (1) the operative facts have not occurred within the forum; (2) the forum has no particular interest in the parties or subject matter; (3) the forum is not the primary residence of the plaintiff or defendant; or (4) the subject matter of the litigation is not substantially connected to the forum." *Metz*, 674 F. Supp. 2d at 1146 (citation omitted); *see also Williams v. Bowman*, 157 F. Supp. 2d 1103, 1106 (N.D. Cal. 2001) (holding that deference due a plaintiff's choice of forum is greatly reduced "where the forum lacks a significant connection to the activities alleged in the complaint").

As noted above, no allegations in Avery's complaint assert that 3M's challenged conduct occurred in California. The only physical connection that the Antitrust Action has with California is that Avery maintains its global headquarters in this District. "[A] plaintiff's residence is never dispositive on the issue of venue and [Avery] can point to no behavior by [3M] that would justify a finding that 'a substantial part of the

events or omissions giving rise to the claims occurred' in this district." *B & B Hardware, Inc. v. Hargis Indus., Inc.*, No. CV 06-4871 PA SSX, 2006 WL 4568798, *4 (C.D. Cal. Nov. 30, 2006). Courts have routinely held that the plaintiff's presence in the forum is not alone sufficient to avoid transfer.[13]

Moreover, Avery and 3M are quite accustomed to litigating against each other in federal courts outside California. In February 2001, Avery filed suit against 3M in the District of Delaware (Civil Action No. 01-cv-00125-JJF), alleging that 3M's manufacture and sale of Diamond Grade™ retroreflective sheeting infringed Avery's patents. (RJN, Ex. I.) In May 2010, Avery filed another patent suit against 3M in the District of Delaware (Civil Action No. DE-10-372-GMS), relating to label sheet products. (*Id.*, Ex. J.) Avery has also defended other suits brought by 3M in the District of Minnesota, in addition to the present Patent Action. In 2001, 3M filed suit against Avery in the District of Minnesota (Civil Action No. 01-CV-1781 JRT/FLN), alleging that Avery's manufacture and sale of structured adhesive products, including Avery's EZ Series Fleet Marking Film, infringed 3M patents. (*Id.*, Ex. K.)

In the absence of any operative facts, witnesses, or sources of evidence in California, and the lack of any nexus between this District and the subject matter of this litigation, Avery's choice of forum carries no weight. As this Court recently held in another case, "[p]laintiffs' choice of forum, while taken into account, is not a

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[13] *See, e.g.*, *Mylan*, 2010 U.S. Dist. LEXIS 27819, at *14 (transferring antitrust action to Delaware even though plaintiff chose to file in Pennsylvania, its "home forum"); *Elecs. For Imaging, Inc. v. Tesseron, Ltd.*, No. C 07-05534, 2008 WL 276567, at *2 (N.D. Cal. Jan. 29, 2008) (transferring patent action to Ohio based on the interests of justice and judicial economy even though plaintiff's principal place of business was in California and transfer would burden plaintiff and likely witnesses); *Paaluhi v. United States*, No. CV 05-3997, 2006 WL 5671235, at *2 (C.D. Cal. Feb. 1, 2006) ("[A]lthough plaintiff chose this forum, the fact that most of the operative facts in the case took place outside of this forum, lead the Court to attach minimal weight to plaintiffs' choice of forum."); *Multistate Legal Studies, Inc. v. Marino*, No. CV 96-5118 ABC (RNBx), 1996 WL 786124, at *10-12 (C.D. Cal. Nov. 4, 1996) (transferring suit to New York based on convenience to the parties and witnesses, and the interests of justice, even though plaintiff's principal place of business was in California and defendant marketed products in California).

sufficiently strong factor to deny the motion to transfer." *Watson Pharms.*, 611 F. Supp. 2d at 1089.

IV. CONCLUSION

Considering that the interests of justice and the convenience of the witnesses and the parties overwhelmingly weigh in favor of transfer, 3M respectfully requests that this action be transferred forthwith to the District of Minnesota pursuant to 28 U.S.C. § 1404(a).

DATED: December 13, 2010

GIBSON, DUNN & CRUTCHER LLP

By: /s/ M. Sean Royall
M. Sean Royall

Attorneys for Defendants
3M Company and
3M Innovative Properties Company

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