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

THOMAS A. SIMONIAN, Relator,	Civil Action No. 1:10-cv-01615
v.	Hon. Virginia M. Kendall
MAYBELLINE LLC,	**Jury Demand**
Defendant.	

Relator's Response in Opposition to Defendant's Motion to Transfer To The Southern District of New York

Thomas A. Simonian, as *qui tam* relator on behalf of the United States of America ("Relator"), respectfully submits this Response in Opposition to the Motion to Transfer Venue to the Southern District of New York filed by Maybelline, LLC ("Maybelline").

I. INTRODUCTION

A plaintiff's choice of forum is given great deference, particularly when the plaintiff resides in the district selected. *Abbott Laboratories v. Inverness Medical Switzerland GMBH*, 2007 U.S. Dist. LEXIS 78344, *6 (N.D. Ill. 2007).[1] The deference to plaintiff's home venue is not overcome, as Maybelline suggests, merely because the transferee forum is slightly more convenient to the defendant. Instead, the movant must show that the transferee forum is *clearly* more convenient for all parties and witnesses. *See Id.* at 4. Maybelline has not met its heavy burden.

The record is clear that both parties have relevant contacts with Illinois and the Northern District and would not be inconvenienced by litigating here. To begin, the Relator, Thomas Simonian, resides in Geneva, Illinois, which is within the District. *See* Relator's Complaint,

[1] All unpublished decisions are attached as **"Group Exhibit 1"** in order of appearance.

attached as "**Exhibit A.**" All documentary evidence related to the Relator's Complaint is located here. Mr. Simonian has no relevant contacts with New York.

Maybelline has ties to Northern District as well. Maybelline markets and sells its products, including those at issue, throughout this forum. *See* Defendant's Motion to Transfer Venue at 2; Walgreens product descriptions and Chicago store locations attached as "**Exhibit B.**" In fact, earlier this year, Maybelline's Color Studio came to Chicago for a two day marketing event that included one-on-one makeovers and consultations with customers. *See* "Maybelline Makeover on Michigan Avenue", examiner.com, March 31, 2010 attached as "**Exhibit C.**" Moreover, Maybelline's parent company, L'Oreal USA, has a research laboratory in Chicago that is involved in product patenting and has employees in and near the Northern District with relevant knowledge. *See* L'Oreal Research and Development attached as "**Exhibit D**"; L'Oreal USA Career Opportunities attached as "**Exhibit E.**"

Additionally, the speed at which a case will be resolved is also an important consideration in transfer analysis. *Coffey v. Van Dorn Iron Works*, 796 F.2d 217, 221 (7th Cir. 1986). Based on federal court statistics, the resolution of this matter will be quicker in the Northern District of Illinois than in the Southern District of New York. *See* U.S. District Court-Judicial Caseload Profiles attached as "**Exhibit F.**"

Given the deference afforded to the Relator's choice to litigate in his home forum, Maybelline's relevant contacts with the District, and the Northern District's greater efficiency in resolving cases, it is clear that Maybelline has not met its burden. Transfer should be denied. [2]

[2] Maybelline cites *San Francisco Technology v. Adobe Systems, Inc.* in support of its transfer motion. *See* Defendant's Motion at 4-5. Maybelline's reliance on *San Francisco Technology* is misplaced. As Maybelline itself notes in its motion, the plaintiff in that case essentially consented to a transfer. Conversely, the Relator strongly opposes transfer of this case for the reasons stated herein. Further, the more applicable decision pertaining to transfer in the context of a false marking action is *Harrington v. Ciba Vision Corp*, where the court properly denied transfer after an analysis of the relevant factors. *See* 2008 U.S. Dist. LEXIS 64119 at *2-9 (2008).

II. ARGUMENT

A. Applicable Legal Standard

Transfer is warranted only when the movant demonstrates that the transferee forum is clearly more convenient. *Coffey,* 796 F.2d at 219-220; *Abbott Laboratories,* 2007 U.S. Dist. LEXIS 78344, *4. Section 1404(a) places discretion in the district court to adjudicate motions to transfer according to an "individualized, case-by-case consideration of convenience and fairness." *Coffey,* 796 F.2d at 219.

In its transfer analysis, a court must consider both private and public factors. *Abbott Laboratories*, 2007 U.S. Dist. LEXIS 78344, *13. The private factors include: (1) the plaintiff's choice of forum; (2) the convenience of the parties; (3) the convenience of the witnesses; (4) the ease of access to sources of proof; and (5) the situs of material events. *Id.* at 6. The public factors include the court's familiarity with the applicable law and the speed at which the case will be resolved. *Coffey,*796 F.2d at 221. If the balance of factors do not weigh strongly in favor of the defendant, the plaintiff's choice of venue should rarely be disturbed. *See In re National Presto*, 347 F.3d 662, 664 (7th Cir. 2003).

B. The Private Interest Factors Do Not Establish That The Southern District of New York Is Clearly More Convenient Than The Northern District of Illinois.

No one factor is individually dispositive. However, as analyzed below, all of the private interest factors favor a denial of transfer.

1. Plaintiff's home forum is entitled to great deference.

Plaintiff's forum is generally given great deference. *Abbott Laboratories*, 2007 U.S. Dist. LEXIS 78344, *6. This is particularly true when the plaintiff resides in the chosen district. *Id.*

As stated, the Relator resides in Geneva, Illinois and has no relevant connections with the Southern District of New York. Therefore, the Relator's choice to litigate in the Northern District should be respected, and he should not be forced to endure the burden of litigating on Maybelline's home turf.

Maybelline seeks to diminish the deference given to the Relator's choice of forum by contending that New York has a much stronger relationship to the litigation than Illinois. *See* Defendant's Motion at 5-6. Maybelline is wrong. The Northern District has an equally strong, if not stronger, connection to this lawsuit than New York given that the Relator lives in the District, Maybelline sells and markets the falsely marked products in the District and the harm caused by the mismarking is felt by consumers who reside in the District. As such, Maybelline's reliance on *Amrose v. CH Robinson*, 521 F.Supp. 2d 731, and *Chicago Rock Island and Pacific Railroad v. Igoe*, 220 F.2d 299, cases where plaintiff's chosen forum was given less weight because the venue had no connection to the litigation, is misplaced.

Maybelline also seeks to brush aside the Relator's choice of venue because this case is a *qui tam* action. There is no basis for Maybelline's position. Indeed, as with other lawsuits, the Relator's choice of forum is entitled to deference in a false marking *qui tam* action because the burden remains on the Relator to litigate the action on behalf of the government.[3] *Harrington v. Ciba Vision Corp.*, 2008 U.S. Dist. LEXIS 64119 at *2-6. A plaintiff in a false marking action, just like any other plaintiff, is responsible for litigating its own case. As such, a false marking plaintiff's chosen forum is entitled to the same deference as any other plaintiff's chosen forum.

Because the Relator's choice of forum is entitled to deference, and because the Relator chose his home forum, this factor clearly weighs against transfer.

[3] In a false marking action, the litigation burden falls solely on the relator. Conversely, in a lawsuit brought under False Claims Act, the government may intervene and litigate for itself. *Compare* 31 U.S.C. §3730(c)(1) with 35 U.S.C. §292; *Forest Group, Inc. v. Bon Tool Co.*, 590 F.3d 1295, 1304 (Fed. Cir. 2009).

2. **The convenience to the parties and witnesses weighs against transfer.**

The Relator is a resident of this District. *See* **Ex. A.** Maybelline sells and markets the falsely marked products in this District. *See* **Exs. B-C.** L'Oreal USA, Maybelline's parent company, operates a research laboratory in Chicago that does patent work and has employees in or very close to this District. **Exs. D-E.** Thus, the convenience of the parties and witnesses weighs against transfer.

Maybelline contends that because its headquarters are in New York, the convenience of the parties and witnesses favors transfer. *See* Defendant's Motion at 6-7. Maybelline is once again wrong. While there may be witnesses in New York, there are also witnesses in Illinois. *See* **Exs. A-E.**

Additionally, just because it may be more convenient for Maybelline to litigate at home, that does not warrant a transfer. The convenience of all parties and witnesses needs to be considered, and it is clearly more convenient for the Relator and Illinois witnesses to litigate in this forum. *See Abbott Laboratories*, 2007 U.S. Dist. LEXIS 78344, *4. In fact, when both parties claim their home venue is more convenient, "...the tie is awarded to the plaintiff." *See In re National Presto*, 347 F.3d at 665. Moreover, any burden on Maybelline's employee witnesses is entitled to little weight. As this Court held in *Abbott Laboratories*, "Courts typically presume that witnesses who are parties' employees and paid experts will appear voluntarily and therefore are less concerned about the burden that appearing at trial might impose on them." 2007 U.S. Dist. LEXIS 78344, *10.

Maybelline further argues that its convenience favors transfer due to another qui tam lawsuit filed against it in California. *See* Defendant's Motion at 6-7. Maybelline states that it

may seek to have that case transferred to New York, and thus, it would be more convenient for it to litigate both suits in one forum. *Id.* Maybelline's argument is clearly without merit. The *hope* that an unfiled motion to transfer in another case will be granted is not a basis for granting transfer in this case. Further, Maybelline would need to convince the court to consolidate its cases. Finally, Maybelline's convenience with respect to a different lawsuit is not relevant to this transfer analysis. If it was, the Relator would clearly have a stronger argument than Maybelline as he is the named plaintiff in multiple false marking cases pending in this forum.

It should also be noted that when evaluating the convenience of the parties, a court considers the parties' "residences and their abilities to bear the expense of trial in a particular forum." *Medi, USA* v. *Jobst. Institute, Inc.*, 791 F. Supp. 208, 210 (N.D. Ill. 1992). Given the relative size of Defendant, a major corporation, and the Relator, an individual citizen, transfer of venue may work a substantial hardship on the Realtor. To force the Relator to litigate in New York in order to go forward with his claim would merely increase the financial burdens he already faces on behalf of the United States. Any added expenses that Maybelline might incur as a consequence of defending itself in this District do not justify shifting these expenses to the Relator.

Transfer is not warranted when the transferee forum is more convenient for the defendant. *See Abbott Laboratories*, 2007 U.S. Dist. LEXIS 78344, *4. Instead, the convenience of all parties and witnesses must be considered, and in this case, that convenience weighs against transfer.

3. <u>The ease of access to sources of proof and the situs of material events weighs against transfer.</u>

Maybelline asserts that "[a]ll documents pertaining to Maybelline's alleged activities are located in or around New York." *See* Defendant's Motion at 8. That assertion is false.

Maybelline sells the falsely marked products this forum. Thus, documentation relating to the sales and marketing of the falsely marked products is located here.

Moreover, although some evidence in this case will come from New York, this factor is not as strong as Maybelline suggests. Document discovery can be conducted effectively, efficiently and inexpensively in this forum. Given advances in technology, document production in paper format is rare. *See* Seventh Circuit Electronic Discovery Pilot Program, Oct. 1, 2009 attached as "**Exhibit G.**" Thus, the cost of exchanging documents is no longer greatly impacted by physical distance and the location of documents has little impact on transfer analysis. *See Kolcraft Enterprises, Inc. v. Chicco USA, Inc.*, 2009 U.S. Dist. LEXIS 101605, **5-6, (N.D. Ill. 2009). In this case, corporate sales figures and product data relating to patent markings can easily be exchanged electronically.

Furthermore, Maybelline will certainly seek to depose the Relator and obtain tangible evidence in his possession. See *Harrington*, 2008 U.S. Dist. LEXIS 64119 at *2-6 (rejecting the notion that in a false marking case plaintiff's location is irrelevant because of the nature of the qui tam action; the plaintiff will be burdened in a false marking case even if the action is transferred to an adjacent state because the defendant will certainly seek discovery from the plaintiff). As such, most, if not all, of Maybelline's discovery will occur within this District.

Maybelline also incorrectly claims that the situs of material events took place in New York because its products are designed and packaged there. *See* Defendant's Motion at 7-8. However, the material events of a false marking qui tam action include both the act of false marking and the injury to the public caused by the false marking. As the Federal Circuit stated in *Clontech Labs Inc. v. Invitrogen Corp.*, the public is injured from false marking because it must expend search costs to determine the status of intellectual property. 406 F.3d 1347, 1356-57

(Fed. Cir. 2005). Because the falsely marked products are sold here, the harm described in *Clontech Labs* has occurred in this District. *See id.* As such, material events related this lawsuit occurred in Illinois as well as New York.

There will clearly be extensive discovery taking place in this forum given Relator's residence and the material events that took place in the District. Thus, this factor weighs against transfer.

C. The Public Interest Factors Do Not Establish That The Southern District of New York Is A More Appropriate Venue Than The Northern District of Illinois.

When analyzing a transfer motion, courts must compare the efficiency of the respective venues. *See Coffey,* 796 F.2d at 221. The factors to be weighed in this analysis include the speed at which a resolution can be expected and the courts' familiarity with the applicable law. *Id.* Both this Court and the Southern District of New York have false marking cases pending, so the familiarity with the law factor is neutral. However, this Court resolves cases much more quickly than the Southern District of New York, thus favoring a denial of transfer. *See* **Ex. F.**

As Maybelline acknowledges, the pendency of a civil case from filing to disposition in the Northern District of Illinois is shorter than in the Southern District of New York. *Id.* Additionally, the time from the filing of a civil case to trial is significantly shorter here - 27.8 months in the Northern District of Illinois versus 31.4 months in the Southern District of New York. *Id.* Further, the percentage of civil cases over three years old is much lower here than in New York – 11.7% to 17.7%. The parties can therefore expect a quicker resolution of this matter if it remains in the Northern District, which will save time and resources. Therefore, the public interest factors favor a denial of transfer.

III. CONCLUSION

Transfer is warranted only if movant can show that the transferee venue is clearly more convenient. The record is clear that the Northern District has significant connections to this litigation. The Relator lives here, Maybelline sells the falsely marked products here, and witnesses and relevant documents are located here. The extensive ties both parties have to the forum, coupled with the deference given to the Relator's choice of venue, demonstrate that Maybelline has failed to meet its burden. Transfer should be denied.

Respectfully submitted:

By /s/ John P. Bjork

Joseph M. Vanek
John P. Bjork
Vanek, Vickers & Masini
111 S. Wacker Drive, Suite 4050
Chicago, Illinois 60606

Bruce S. Sperling
Robert D. Cheifetz
Sperling & Slater, P.C.
55 W. Monroe, Suite 3200
Chicago, Illinois 60603

Martin Goering
Jessica E. Rissman
Eugene M. Cummings, P.C.
One North Wacker Drive
Suite 4130
Chicago, IL 60606