UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

UNILOC USA, INC., ET AL.,

Plaintiffs,

v.

NATIONAL INSTRUMENTS CORP., ET AL.,

Defendants.

Civil Action No. 6:10-cv-472-LED

JURY TRIAL DEMANDED

REPLY IN SUPPORT OF
MOTION TO TRANSFER VENUE UNDER 28 U.S.C. § 1404(a)

Defendants respectfully submit this reply in support of their motion to transfer this case to the District of Rhode Island—the same forum that Uniloc chose when it first asserted U.S. Patent No. 5,490,216 (the "'216 Patent"), the very same patent at issue here, against Microsoft Corporation and Aladdin Knowledge Systems, Inc. ("Aladdin") in Rhode Island (the "Rhode Island case"). For the reasons set forth below and in the briefing submitted by the movants in *Uniloc v. Sony et al.*, Case No. 6:10-cv-373 (the "*Sony* case"), Defendants' motion should be granted.

A. Judicial Economy and the Public Interest Factors Favor Transfer

The District of Rhode Island has spent nearly seven years addressing issues pertaining to the '216 Patent. During this time, the Rhode Island court spent untold hours construing the claims of the '216 Patent, ruling on substantive motions, presiding over a jury trial, and issuing orders on post-trial motions. Having invested considerable time and effort learning about the technology and the patent at issue, it is thoroughly familiar with the issues in this case. Therefore, judicial economy and the public interest factors overwhelmingly favor transfer to Rhode Island.

1. Substantial Overlap Exists Between This and the Rhode Island Case

Uniloc attempts to downplay the obvious judicial economy that would be gained by transferring this case to Rhode Island by suggesting that there is no "substantial overlap" between the Rhode Island case and this case because they involve different defendants and products. This argument is specious and inconsistent with Uniloc's actions and previous arguments.

Uniloc has initiated ten lawsuits against over 100 defendants, including six actions pending in this District against 77 defendants. In each of those cases, including this one, Uniloc has sued numerous unrelated defendants that sell different products. Presumably Uniloc has joined these unrelated defendants under the theory that because it is asserting the same patent against all defendants, questions of law or fact "common to all defendants will arise in the action." *See* Fed. R. Civ. P. 20(a)(2). It is disingenuous for Uniloc to join multiple defendants in the same action under

that premise yet then contend that there is no "substantial overlap" between this case and the Rhode Island case that involves the very same patent.

The inconsistency of Uniloc's position is further highlighted by the fact that Uniloc sued Aladdin Knowledge Systems, Inc.—the very same defendant it had sued in the Rhode Island case, in the present action. Having previously chosen to sue Aladdin in Rhode Island over the very same patent and the very same accused products, Uniloc cannot seriously argue that there is no substantial overlap between the Texas and Rhode Island actions.

The two cases cited by Uniloc do not suggest otherwise. *See* Uniloc's Opposition at 11. In *Zoltar Satellite Syst., Inc. v. LG Elecs. Mobile Commc'ns Co.*, 402 F. Supp. 2d 731 (E.D. Tex. 2005), this Court held that the interests of justice and judicial economy favored transfer to the Northern District of California on facts very similar to those here. As in this case, judicial economy favored transfer to California because the Northern District judge had reviewed technology tutorials, conducted claim construction proceedings and issued claim construction orders, considered motions for summary judgment and motions *in limine*, conducted a jury trial in which he heard invalidity, infringement and inequitable conduct arguments, prepared jury instructions and considered motions for judgment as a matter of law. 402 F. Supp. 2d at 734-37. This Court did not hold or suggest that the same defendants or products had to be at issue for there to be "substantial overlap" between suits in two different districts. Indeed, the Court transferred the case to the Northern District of California even though the two cases involved different defendants and different accused products. *Id*.

Furthermore, in *Zoltar*, this Court specifically addressed and distinguished the other case cited by Uniloc, *ConnecTel, LLC v. Cisco Sys., Inc.*, 2005 U.S. Dist. LEXIS 2252 (E.D. Tex. Feb. 16, 2005). As noted by the Court, only one of four patents-in-suit in *ConnecTel* had been previously construed, and none was being simultaneously litigated in another district. In contrast, in

Zoltar, three of four patents-in-suit had been construed, and all three were being simultaneously litigated in another district. This Court emphasized the "serious problems" created by inconsistent claim constructions by different courts, which deserve special consideration when the same patent is simultaneously being litigated in another district. *Zoltar*, 402 F. Supp. 2d at 737. Here, there is only one patent-in-suit and that patent has been previously construed by the Rhode Island court. Moreover, the patent remains in litigation in that court. Accordingly, judicial economy strongly favors transfer to Rhode Island.

2. No Significant Time Has Lapsed Since the Rhode Island Case

Uniloc argues that the judicial efficiency to be gained from a transfer to Rhode Island is "lost" because trial in that case took place almost two years ago. However, the case that Uniloc relies on, *In re Verizon Bus. Network Servs., Inc.*, 635 F.3d 559 (Fed. Cir. 2011), is inapposite. In *Verizon*, the Federal Circuit held that this District could not retain jurisdiction over a case based solely on the efficiency from having handled a case involving the same patent that settled *before trial* and *over five years* earlier. Here, the Rhode Island case proceeded all the way through trial, which took place less than two years ago, and which was followed by substantive post-trial motions that were ruled on by the court. Moreover, there has been no "lapse in time" because the Rhode Island case is still being litigated. Accordingly, unlike *Verizon*, judicial efficiency strongly favors transfer.[1]

B. Jurisdiction in Rhode Island

Uniloc argues that the Defendants have failed to prove that this action could have been brought in Rhode Island because their supporting declarations do not expressly state that the accused products were sold in Rhode Island *prior to Uniloc's filing of this lawsuit*. Here again, Uniloc's argument is without merit. The Defendants each submitted a declaration confirming that it

[1] Uniloc's remaining arguments regarding judicial economy are essentially duplicative of arguments made (and addressed) in the briefing in the *Sony* case.

has sold accused products in Rhode Island. The language in these declarations is virtually identical to the language in the amended declarations filed in the *Sony* case, and Uniloc never objected to those declarations on the ground that they failed to explicitly state that the sales of the accused products occurred prior to the filing of Uniloc's complaint. *See, e.g.*, Exhibits to Document 92 and Document 97 in the *Sony* case. Likewise, the declarations filed by Defendants are not deficient. Each of the declarants' representations concerning past sales were representations of sales prior to the filing of the complaint. Despite Uniloc's quibble about the precise wording of the declarations, there is no serious dispute that this case could have been filed in Rhode Island. Nevertheless, to resolve any remaining ambiguity, Defendants each submit amended declarations with this reply. (Ex. 1, Declaration of National Instruments Corporation; Ex. 2, Declaration of Adobe Systems Incorporated; Ex. 3, Declaration of SafeNet, Inc.; Ex. 4, Declaration of CA, Inc.; Ex. 5, Declaration of Pinnacle Systems, Inc.; Ex. 6, Declaration of Sonic Solutions; Ex. 7, Declaration of Onyx Graphics, Inc.; Ex. 8, Declaration of Symantec Corp.; Ex. 9 Declaration of Aladdin Knowledge Systems, Inc. and Aladdin Knowledge Systems Ltd.).

C. The Private "Convenience" Factors Are, at Best, Neutral

Uniloc spends the bulk of its opposition discussing various convenience factors.[2] Most are identical to those made in the *Sony* case and are addressed in the moving and supporting papers submitted in that case, which are hereby incorporated by reference.

Uniloc's arguments regarding these convenience factors are largely irrelevant. Until two years ago, Uniloc was based in Rhode Island. Uniloc chose to bring its first suit on the '216 Patent in Rhode Island, demonstrating that Rhode Island is not inconvenient for Uniloc. Not surprisingly, Uniloc makes little mention of any hardship to itself and instead focuses on purported hardships to

[2] Uniloc also suggests that the motion failed to comply with the "meet and confer" requirements. Because the instant Motion essentially joined a contested motion already on file with the Court in the *Sony* case, Defendants considered the Rule 7(h & i) requirements to be moot. Nonetheless, Defendants have since conferred with Uniloc and confirmed that the parties are at an impasse.

Defendants. The Defendants, of course, have all joined this motion to transfer and would not have done so if they felt that it would be inconvenient to litigate this case in Rhode Island. Thus, any arguments by Uniloc about Defendants' convenience should be ignored.

Uniloc's arguments should also be discounted as they are founded on its deliberate forum-shopping tactics. It is readily apparent that Uniloc carefully divided the 77 defendants in the six currently pending actions into separate cases, so that in each individual case, Uniloc could argue that no other forum was "clearly more convenient" than Texas due to its central location.[3] This is further confirmed by examining the specific composition of defendants in each case.[4] In each action, Uniloc carefully selected a few defendants from different regions of the country in an attempt to avoid transfer to a more convenient and/or judicially efficient forum. Uniloc's attempt to create a connection to this forum after originally litigating the asserted patent in Rhode Island, and then improperly join disparate defendants with disparate products in this forum (one in which most defendants do not have any significant presence) should not be rewarded. Accordingly, beyond the fact that any convenience factors identified by Uniloc are at best neutral, any factor the existence of which arises from Uniloc's improper joinder stratagem should be discounted.

D. Conclusion

For all of the foregoing reasons and those stated in the moving and supporting papers, Defendants respectfully request this case be transferred to the District of Rhode Island.

[3] The central location of Texas as a basis for denying transfer has been rejected by the Federal Circuit. *See, e.g., In re Genentech*, 566 F.3d 1338 (Fed. Cir. 2009).

[4] Rather than suing defendants from the same region in the same action, Uniloc has sued three Minnesota defendants in two separate actions; three Colorado and nine Florida defendants in three separate actions; and a dozen Texas defendants and 22 California defendants in six separate actions.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the above and foregoing document has been served, via the Court's CM/ECF system per Local Rule CV-5(a)(3), upon all counsel of record, as identified below, on April 29, 2011:

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