Uniloc USA, Inc. et al v. NATIONAL INSTRUMENTS CORP. et al Doc. 262

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

UNILOC USA, INC., ET AL	§	
	§	
Plaintiff,	§	
	§	
vs.	§	**CASE NO. 6:10-CV-373**
	§	**PATENT CASE**
	§	
SONY CORPORATION OF AMERICA, ET AL	§	
Defendant.	§	

UNILOC USA, INC., ET AL	§	
	§	
Plaintiff,	§	
	§	
vs.	§	**CASE NO. 6:10-CV-471**
	§	**PATENT CASE**
	§	
DISK DOCTORS LABS, INC., ET AL	§	
Defendant.	§	

UNILOC USA, INC., ET AL	§	
	§	
Plaintiff,	§	
	§	
vs.	§	**CASE NO. 6:10-CV-472**
	§	**PATENT CASE**
	§	
NATIONAL INSTRUMENTS CORP., ET AL	§	
Defendant.	§	

Dockets.Justia.com

UNILOC USA, INC., ET AL	§	
	§	
Plaintiff,	§	
	§	
vs.	§	**CASE NO. 6:10-CV-636**
	§	**PATENT CASE**
	§	
BMC SOFTWARE, INC., ET AL	§	
Defendant.	§	

ORDER

Before the Court is Defendants Sony Corp. of America, Sony DADC US, Inc., Activision Blizzard, Inc., Aspyr Media, Inc., Borland Software Corp., McAfee, Inc. and Quark, Inc.'s (collectively "the '373 Defendants") Motion to Transfer Venue Under 28 U.S.C. § 1404(a). 6:10cv373, Doc. No. 73. Defendants SolarWinds Worldwide, LLC, SolarWinds, Inc. and Nitro PDF, Inc. (collectively "the '471 Defendants") have filed a notice joining the motion. 6:10cv471, Doc. No. 170. Defendants National Instruments Corp., Adode Systems Inc., SafeNet, Inc., CA, Inc., Pinnacle Systems, Inc., Sonic Solutions, Onyx Graphics, Inc., Symantec Corp., Aladdin Knowledge Systems, Inc. and Aladdin Knowledge Systems, Ltd. (collectively "the '472 Defendants") have filed a separate motion to transfer venue, but have adopted the memorandum of points and authorities filed by the '373 Defendants. 6:10cv472, Doc. No. 113. Defendants BMC Software, Inc., Digital River, Inc., Electronic Arts Inc., Intuit Inc. and Autodesk, Inc. (collectively "the '636 Defendants") have also filed a motion to transfer adopting the memorandum of points and authorities filed by the '373 Defendants. 6:10cv636, Doc. No. 51. Having carefully considered the parties' submissions, the Court **DENIES** the motions.

BACKGROUND

Uniloc USA, Inc. is a Texas limited liability company that was formed in 2010 and has maintained a place of business within this District since 2007. 6:10cv373, Doc. No. 100 at 1, "RESPONSE."[1] Prior to Uniloc's move to Texas, Uniloc was a Rhode Island corporation, maintaining its principal place of business within that state. *Id.* at 13. In September 2003, while domiciled in Rhode Island, Uniloc filed suit against Microsoft alleging infringement of U.S. Patent No. 5,490,216 ("the '216 patent"). 6:10cv373, Doc. No. 73 at 2, "MOTION." The Rhode Island Court: conducted a claim construction; granted Microsoft's summary judgment of non-infringement; received the case on remand from the Federal Circuit after reversal of the finding of non-infringement; presided over a trial resulting in a verdict of infringement against Microsoft; granted Microsoft's judgment as a matter of law for non-infringement; again received the case on remand after reversal of the non-infringement finding for a new trial on damages; and subsequently—pursuant to Rhode Island local rules—reassigned the case to Judge Young of the U.S. District Court for the District of Massachusetts. *See* MOTION at 2-3; Doc. No. 104 at 1-2, "RESPONSE TO SURREPLY."

Meanwhile, Uniloc filed suit in this District against one hundred and twenty parties across nine cases alleging infringement of the '216 patent. RESPONSE at 1. Defendants move to transfer these cases to Rhode Island. *Id.* Of the nine cases pending in the Eastern District of Texas, three have been terminated and, at a minimum, forty-nine defendants have settled. *Id.* At this time, none of the parties before this Court maintain a place of business in, keep documents in or have employees in Rhode Island.

[1] Defendants across all cases have adopted the briefing from the '373 case. Accordingly, unless otherwise indicated, all cites are to the motion and responses in the '373 case.

APPLICABLE LAW

Defendants argue that they are entitled to transfer to Rhode Island pursuant to 28 U.S.C. § 1404(a). Section 1404(a) 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." The first inquiry when analyzing a case's eligibility for §1404(a) transfer is "whether the judicial district to which transfer is sought would have been a district in which the claim could have been filed." *In re Volkswagen AG*, 371 F.3d 201, 203 (5th Cir. 2004) ("*In re Volkswagen I*").

Once that threshold inquiry is met, courts analyze both public and private factors relating to the convenience of parties and witnesses as well as the interests of particular venues in hearing the case. *See Humble Oil & Ref. Co. v. Bell Marine Serv., Inc.*, 321 F.2d 53, 56 (5th Cir. 1963); *In re Nintendo Co., Ltd.*, 589 F.3d 1194, 1198 (Fed. Cir. 2009); *In re TS Tech USA Corp.*, 551 F.3d 1315, 1319 (Fed. Cir. 2008). The private factors are: 1) the relative ease of access to sources of proof; 2) the availability of compulsory process to secure the attendance of witnesses; 3) the cost of attendance for willing witnesses; and 4) all other practical problems that make trial of a case easy, expeditious, and inexpensive. *In re Volkswagen I*, 371 F.3d at 203; *In re Nintendo*, 589 F.3d at 1198; *In re TS Tech*, 551 F.3d at 1319. The public factors are: 1) the administrative difficulties flowing from court congestion; 2) the local interest in having localized interests decided at home; 3) the familiarity of the forum with the law that will govern the case; and 4) the avoidance of unnecessary problems of conflict of laws or in the application of foreign law. *In re Volkswagen I*, 371 F.3d at 203; *In re Nintendo*, 589 F.3d at 1198; *In re TS Tech*, 551 F.3d at 1319.

The plaintiff's choice of venue is not a factor in this analysis. *In re Volkswagen of Am., Inc.*,

545 F.3d 304, 314–15 (5th Cir. 2008) ("*In re Volkswagen II*"). Rather, the plaintiff's choice of venue contributes to the defendant's burden in proving that the transferee venue is "clearly more convenient" than the transferor venue. *In re Volkswagen II*, 545 F.3d at 315; *In re Nintendo*, 589 F.3d at 1200; *In re TS Tech*, 551 F.3d at 1319. Furthermore, though the private and public factors apply to most transfer cases, "they are not necessarily exhaustive or exclusive," and no single factor is dispositive. *In re Volkswagen II*, 545 F.3d at 314–15.

ANALYSIS

Threshold

The Court must first determine whether this case could have been brought in Rhode Island. *In re Volkswagen I*, 371 F.3d at 203. The "critical time" for making this threshold inquiry is the time when the lawsuit was filed. *Balthasar Online, Inc. v. Network Solutions, LLC*, 654 F.Supp.2d 546, 549 (E.D Tex. 2009) (citing *Hoffman v. Blaski*, 363 U.S. 335, 343, 80 S.Ct. 1084, 4 L.Ed. 1254 (1960)). Defendants must make a *prima facie* showing that the transferee court would have jurisdiction over all originally-named defendants. *Id.* at 551. The parties dispute whether these actions could have been filed in the District of Rhode Island.

Federal Circuit law governs the issue of personal jurisdiction in patent cases. *Deprenyl Animal Health, Inc. v. Univ. of Toronto Innovations Found.*, 297 F.3d 1343, 1348 (Fed. Cir. 2002). The Court conducts two inquires to determine whether jurisdiction exists over an out-of-state defendant: "whether a forum state's long arm statute permits service of process and whether assertion of personal jurisdiction comports with due process." *Chirife v. St. Jude Medical Inc.*, 2009 WL 1684563, at *2 (E.D. Tex. June 16, 2009); *see also Silent Drive Inc. v. Strong Indus., Inc.*, 326

F.3d 1194, 1201 (Fed. Cir. 2003).[2] Because Rhode Island's long-arm statute is coextensive with the limits of due process (*see Donatelli v. National Hockey League*, 893 F.2d 459, 461 (1st Cir. 1980)), the sole inquiry is whether jurisdiction comports with due process. *Chirife*, 2009 WL 1684563, at *2.

Due process requires a non-resident defendant have certain "minimum contacts" with the forum state such that maintenance of the suit does not offend "traditional notions of fair play and substantial justice." *Int'l Shoe Co. v. Washington*, 326 U.S. 310, 316, (1945). Such minimum contacts must generally be purposeful. *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 474, 105 S.Ct. 2174, 85 L.Ed.2d 528 (1985) ("purposefully established minimum contacts" remain the "constitutional touchstone") (internal quotation omitted).

Minimum contacts may be met by either "general" or "specific" jurisdiction. *Silent Drive, Inc.*, 326 F.3d at 1200. "General jurisdiction" exists when the defendant's contacts with the forum state are "continuous and systematic." *Helicopteros Nacionales de Colombia, S.A. v. Hall*, 466 U.S. 408, 414, 104 S.Ct. 1868, 80 L.Ed.2d 404 (1984). Specific jurisdiction exists where "(1) the defendant purposefully directed its activities at residents of the forum; (2) the claim arises out of or relates to the defendant's activities with the forum; and (3) assertion of personal jurisdiction is reasonable and fair." *Synthes (U.S.A.) v. G.M. Dos Reis Jr. Ind. Com de Equip. Medico*, 563 F.3d 1285, 1291 (Fed. Cir. 2001).

The '373 Defendants

None of the '373 Defendants are incorporated in Rhode Island, nor do they maintain a place

[2] The Federal Circuit defers to the forum state's interpretation of its long arm statute. *3D Systems, Inc. v. Aarotech Labs., Inc.*, 160 F.3d 1373, 1377 (Fed. Cir. 1998).

of business in the state. *See* MOTION, EXS. 13–18; *see also* Doc. No. 97 at 2, "REPLY." All Defendants contend, however, that they sell the accused products in Rhode Island. REPLY, EXS. 1–3. Uniloc counters that this case fails the threshold requirement because Aspyr Media, Inc. and Borland Software Corp.'s declarations fail to properly establish that they offered for sale or sold the *accused* devices in Rhode Island. RESPONSE at 2–4. However, Uniloc does not provide any contrary evidence undermining Aspyr Media, Inc. and Borland Software Corp.'s declarations that they have sold the accused products in Rhode Island to such an extent that they are subject to personal jurisdiction in that state. Accordingly, the '373 Defendants have made a *prima facie* showing via their declarations that they would have been subject to jurisdiction in Rhode Island at the time this suit was filed. *See Campbell Pet v. Miale*, 542 F.3d 879, 888 (Fed. Cir. 2008) (holding that absent an evidentiary hearing, the Court must accept uncontroverted evidence as true when deciding whether a *prima facie* case for personal jurisdiction exists).

The '471 Defendants

Similar to the '373 Defendants, none of the '471 Defendants are incorporated in Rhode Island, nor do they maintain a place of business in the state. 6:10cv471, Doc. No. 170, Exs. 1–2. However, the '471 Defendants contend they are subject to personal jurisdiction in Rhode Island because they sell the accused products in the state. *Id.* SolarWinds Worldwide, LLC and SolarWinds, Inc. have provided the Court with a factually uncontroverted declaration that they are subject to personal jurisdiction in Rhode Island. *Id.* at Ex. 2. However, there is a discrepancy regarding the declaration submitted by Nitro PDF, Inc. Apparently, a non-party, Nitro PDF Pty., Ltd., has filed a declaration contending to be subject to personal jurisdiction in Rhode Island. However, the named party, Nitro PDF, Inc., has not filed a similar declaration or provided any

evidence that it is subject to personal jurisdiction in Rhode Island. Nitro PDF, Inc. fails to provide any explanation regarding this discrepancy.

Nonetheless, assuming the '471 Defendants have established that they are subject to personal jurisdiction in Rhode Island despite Nitro PDF, Inc.'s problems, there are six non-moving defendants in this suit that have not established that they are subject to personal jurisdiction in Rhode Island. Accordingly, Defendants have failed to meet the threshold requirement of 28 U.S.C. §1404(a) because they have not established that all originally-named Defendants are subject to jurisdiction in Rhode Island.

The '472 Defendants

Beyond an assertion that they sell products in Rhode Island, the '472 Defendants have no other contacts with the state. 6:10cv472, Doc. No. 113 at 2; Doc. No. 114 at 1, Doc. No. 132 at 5. Defendant Pervasive Software, Inc., a non-moving Defendant, has not established that it would have been subject to personal jurisdiction in Rhode Island at the time of the filing of this suit. Therefore, the '472 Defendants have failed to satisfy the threshold requirement.

The '636 Defendants

Much like the previous groups of Defendants, the '636 Defendants contend that they are subject to personal jurisdiction in Rhode Island. 6:10cv636, Doc. No. 51 at 2. Defendant Crypkey (Canada), Inc., a non-moving Defendant, has not indicated that it would have been subject to personal jurisdiction in Rhode Island at the time of the filing of this suit. *See Balthasar Online, Inc.* 654 F.Supp.2d at 549 (citing *Hoffman* 363 U.S. at 343). Accordingly, the '636 Defendants' motion fails for a failure to satisfy the threshold requirement.

Of the various groups of Defendants, only the '373 Defendants have properly established that

they would have been subject to jurisdiction in Rhode Island at the time of the filing of these suits. Nonetheless, assuming the '471, '472 and '636 Defendants were able to meet the threshold requirement, as explained in detail below, all Defendants have failed to demonstrate that the District of Rhode Island is "clearly more convenient" to warrant transfer pursuant to §1404(a).

The Relative Ease of Access to Sources of Proof

Despite technological advances that certainly lighten the relative inconvenience of transporting large amounts of documents across the country, this factor is still a part of the transfer analysis. *In re Volkswagen II*, 545 F.3d at 316. Courts analyze this factor in light of the distance that documents, or other evidence, must be transported from their existing location to the trial venue. *See id.* This factor will turn upon which party, usually the accused infringer, will most probably have the greater volume of documents relevant to the litigation and their presumed location in relation to the transferee and transferor venues. *See, e.g.*, *In re Volkswagen II*, 545 F.3d at 314–15; *In re Nintendo*, 589 F.3d at 1199; *In re Genentech, Inc.*, 566 F.3d 1338, 1345 (Fed. Cir. 2009). However, documents that have been moved to a particular venue in anticipation of a venue dispute should not be considered. *In re Hoffman-La Roche Inc.*, 587 F.3d 1333, 1336–37 (Fed. Cir. 2009).

The '373 Defendants

The '373 Defendants do not maintain any documents or evidence in Rhode Island. Instead, the '373 Defendants claim that this factor is irrelevant because most documents can be collected in electronic format and accessed virtually. MOTION at 13. Though Defendants' argument is logical, the Federal Circuit has expressly rejected such reasoning. *See In re Genentech, Inc.*, 566 F.3d at 1346 (rejecting argument that "the notion that the physical location of some relevant documents should play a substantial role in the venue analysis is somewhat antiquated in the era of electronic

storage and transmission.”). Accordingly, the actual physical location of documents and evidence is relevant to the transfer analysis.

Of the eight Defendants in the ‘373 case, two are headquartered in Texas,[3] two are in California,[4] and three are in Colorado, Indiana and New York, respectively.[5] Accordingly, only one Defendant, Sony Corp., is located closer to Providence, Rhode Island than to Tyler, Texas. Because the Court must presume that Defendants normally provide “the bulk of relevant evidence” in a patent case (*In re Genentech*, 566 F.3d at 1345), all but one of the ‘373 Defendants’ documents are closer to this District than the transferee district. Moreover, Uniloc is a Texas corporation and has maintained a place of business and its relevant documents in an office in Plano, Texas for the duration. RESPONSE at 1, 7.

Four parties to this litigation are either headquartered or maintain offices in Texas, and all but one Defendant is closer to this District. No party maintains offices or houses evidence in Rhode Island. Therefore, transporting documents or evidence to trial in this District will be less burdensome on the majority of the parties. As such, this factor weighs against transfer.

The ‘471 Defendants

The ‘471 Defendants also argue that this factor is antiquated in the era of electronic discovery. The ‘471 Defendants do not identify any relevant documents or evidence in Rhode

---

[3] Aspyr and Borland are in Austin, Texas.

[4] McAfee and Activision are headquartered in California.

[5] Quark is located Colorado, Sony DADC is located in Indiana, and Sony Corp. is located in New York.

Island. On the other hand, four of the nine Defendants in this case are headquartered in Texas,[6] three are in California,[7] and the two remaining Defendants are in Minnesota and Pennsylvania.[8] All but one Defendant is located closer to this District than Rhode Island, and presumably all the relevant evidence is located closer also. Therefore, this factor weighs against transfer.

The '472 Defendants

Much like the previous groups of Defendants, the '472 Defendants make the "antiquated era" argument that must be rejected. *See In re Genentech, Inc.*, 566 F.3d at 1346. The '472 Defendants do not identify any documents or witnesses located in Rhode Island. On the other hand, two of the eleven Defendants in this case are headquartered in Texas,[9] five are in California,[10] and the four remaining are in Utah, Illinois, New York and Maryland.[11] All but two Defendants in this litigation are located closer to this District than Rhode Island, and presumably all the relevant evidence is located closer also.

The '472 Defendants additionally contend that Uniloc has engaged in deliberate forum-shopping tactics by "carefully dividing" the Defendants in the six pending cases, "so that in each individual case, Uniloc [can] argue that no other forum was 'clearly more convenient' than Texas due to its central location." 6:10cv472, Doc. No. 132 at 6. However, no Defendant has moved for

---

[6]Thursby Software Systems, Inc. is headquartered in Arlington, Texas, and SolarWinds Worldwide, LLC, SolarWinds, Inc. and Intego, Inc. are headquartered in Austin, Texas.

[7] Unity Technologies SF, Nitro PDF, Inc., and Berkley Integrated Audio Software Inc.

[8] Component One, LLC is in Pittsburgh, PA; Stat-Ease, Inc. is in Minneapolis, MN.

[9] National Instruments and Pervasive are located in Austin, Texas.

[10] Adobe, FileMaker, Pinnacle, Sonic and Symantec are located in California.

[11] Onyx is in Utah, Aladdin is in Illinois, CA is in New York and SafeNet is in Maryland.

transfer to its "home" forum; instead, all Defendants are requesting transfer to Rhode Island based on judicial economy. Had Uniloc divided the Defendants differently across cases (*i.e.* regionally) or not divided the Defendants at all (*i.e.* filed a single suit as to all Defendants), the analysis of the §1404(a) factors would be the same regarding transfer to Rhode Island.[12] Accordingly, in the '472 case, this factor also weighs against transfer to Rhode Island.

The '636 Defendants

The '636 Defendants make the "antiquated era" argument that must be rejected. *See In re Genentech, Inc.*, 566 F.3d at 1346. The '636 Defendants do not identify any documents or evidence located in Rhode Island. On the other hand, one Defendant is headquartered in Texas,[13] three are in California,[14] and the remaining party is in Minnesota.[15] All Defendants in this litigation are located closer to this District than Rhode Island, and presumably all the relevant evidence is located closer also.

The '636 Defendants make the same argument as the '472 Defendants, verbatim, regarding Uniloc's division of defendants across cases (6:10cv636, Doc. No. 67 at 6), and the Court's analysis is the same. As such, this factor weighs against transfer.

The Availability of Compulsory Process to Secure the Attendance of Witnesses

This factor will weigh more heavily in favor of transfer when more third-party witnesses

---

[12] Also, the '471, '472 and '636 Defendants have failed to meet the threshold requirement of 28 U.S.C. § 1404(a) by demonstrating that this case could have been filed in Rhode Island. Had Uniloc divided the Defendants differently or consolidated all the cases into one, the Defendants would still not be capable of curing this fatal flaw.

[13] BMC Software is located in Houston, Texas.

[14] Electronic Arts, Intuit, and Autodesk are located in California.

[15] Digital River is located in Minnesota.

reside within the transferee venue. *See In re Volkswagen II*, 545 F.3d at 316. The factor will weigh the heaviest in favor of transfer when a transferee venue is said to have "absolute subpoena power." *Id.* "Absolute subpoena power" is subpoena power for both depositions and trial. *In re Hoffmann-La Roche Inc.*, 587 F.3d at 1338.

The Defendants fail to identify a witness in either venue, arguing that this factor is inapplicable because in the early stages of litigation it is difficult to determine whether a potential witness is indeed unwilling to testify. MOTION at 14; REPLY at 5. Though Defendants' argument that this factor should almost always be treated as inapplicable during the early stages of litigation seems logical, the Federal Circuit counsels otherwise and the consideration of this factor is an integral part of the §1404(a) transfer analysis. *See In re Genentech*, 566 F.3d at 1345.

Uniloc has identified non-party witnesses in Texas in each case that, absent subpoena, may be unwilling to testify at trial or provide deposition testimony.[16] *See* MOTION, EX. 2 at 3. Some of the identified witnesses are located within this District, while others may reside within 100 miles of Tyler; thus, this Court would have "absolute subpoena power" over those non-party witnesses. The District of Rhode Island, on the other hand, cannot compel any of the identified non-party witnesses to appear for deposition or trial. Also, while this District may not have "absolute subpoena power" over all of the identified non-party witnesses in Texas, when a venue has "useable subpoena power," compared to a venue without subpoena power, this factor weighs against transfer. *See In re Genentech*, 566 F.3d at 1345. This Court will have useable subpoena power over the

[16] Uniloc has identified 16 non-party witnesses in Case No. 6:10cv373. *See* Motion, Ex. 2 at 3. Eight in Case No. 6:10cv471. *See* Doc. No. 172, Ex. 1. Twenty-nine in Case No. 6:10cv472. *See* Doc. No. 117, Ex. A. Thirteen non-party witnesses in Case No. 6:10cv636. *See* Doc. No. 55, Ex. A

identified non-party witnesses in Texas, while the District of Rhode Island will not be able to compel any witness to sit for deposition or testify at trial. Accordingly, this factor weighs against transfer in all of the cases.

The Cost of Attendance for Willing Witnesses

This factor is analyzed giving broad "consideration [to] the parties and witnesses in all claims and controversies properly joined in a proceeding." *In re Volkswagen I*, 371 F.3d at 204. All potential material and relevant witnesses must be taken into account for the transfer analysis, irrespective of their centrality to the issues raised in a case or their likelihood of being called to testify at trial. *See In re Genentech*, 566 F.3d 1343 ("Requiring a defendant to show that a potential witness has more than relevant and material information at this point in the litigation or risk facing denial of transfer on that basis is unnecessary.").

The Fifth Circuit has adopted a "100 mile rule" to assist with analysis of this factor. *See In re Volkswagen I*, 371 F.3d at 204–05. "When the distance between an existing venue for trial of a matter and a proposed venue under § 1404(a) is more than 100 miles, the factor of inconvenience to witnesses increases in direct relationship to the additional distance to be traveled." *Id.* at 205. When applying the "100 mile rule" the threshold question is whether the transferor and transferee venues are more than 100 miles apart. *See In re Volkswagen II*, 545 F.3d at 317; *In re TS Tech*, 551 F.3d at 1320. If so, a court determines the respective distances between the residences (or workplaces) of all the identified material and relevant witnesses and the transferor and transferee venues. *See In re Volkswagen II*, 545 F.3d at 317; *In re TS Tech*, 551 F.3d at 1320. The "100 mile rule" favors transfer (with differing degrees) if the transferee venue is a shorter average distance from witnesses than the transferor venue. *See In re Volkswagen II*, 545 F.3d at 317; *In re TS Tech*,

551 F.3d at 1320. Furthermore, the existence or non-existence of direct flights can impact the analysis of travel time. *See In re Volkswagen I*, 371 F.3d at 204, n.3. Thus, regardless of the "straight line" distances calculated for the "100 mile rule," if "travel time" distances favor the transferee venue, then this factor will favor transfer. However, the "100 mile rule" should not be rigidly applied. *See In re Genentech*, 566 F.3d at 1344. When a particular witness will be required to travel "a significant distance no matter where they testify," then that witness is discounted for purposes of the "100 mile rule" analysis. *Id*. (discounting European witnesses in the convenience analysis when reviewing a denial of transfer from Texas to California).

In cases where no potential witnesses are residents of the court's state, favoring the court's location as central to all of the witnesses is improper. *Id.* at 1344. Finally, this factor favors transfer when a "substantial number of material witnesses reside in the transferee venue" and no witnesses reside in transferor venue regardless of whether the transferor venue would be more convenient for all of the witnesses. *Id.* at 1344–45.

The Defendants fail to identify any witnesses in or near the District of Rhode Island. Instead, Defendants contend that: (1) transferring the case will avoid duplication of effort because, among other things, the litigants in the previous Rhode Island case have already borne the cost of a technical tutorial; and (2) Uniloc cannot now contend that Rhode Island is inconvenient because it previously chose the District of Rhode Island to litigate the '216 Patent. MOTION at 13. Uniloc, on the other hand, has identified both non-party and party witnesses with relevant information located both in this District and Texas. RESPONSE, Ex. 2 at 3–4.

Despite Defendants' assertions, neither contention addresses the §1404(a) factor at issue. The Federal Circuit has placed great weight on this factor. *See In re Genentech*, 566 F.3d at 1343

(stating that convenience of the witnesses and parties is an important factor and citing case law describing this factor as "probably the single most important factor in transfer analysis."). Given the importance of this factor, Defendants' wholesale failure to identify any witnesses located in Rhode Island, or even closer to Rhode Island than this District, is likely fatal. *See id.* at 1345 (finding that the district court "clearly erred" by not giving greater weight to a "substantial number of witnesses" in one venue and state compared with the complete lack of witnesses in the other forum).

As previously discussed, the vast majority of Defendants are located closer to this District than Rhode Island, and a good number are headquartered in Texas. Accordingly, most trial witnesses would have to travel further and endure longer and more expensive stays if this case were tried in Rhode Island. When most witnesses and evidence are in or closer to one venue than a proposed venue, this factor must weigh against transfer. *See In re Nintendo Co., Ltd.*, 589 F.3d at 1198 (citing *In re Hoffman-La Roche*, 587 F.3d 1333 (Fed. Cir. 2009); *In re Genentech*, 566 F.3d 1338; *In re TS Tech*, 551 F.3d 1315). Also, Uniloc has identified potential trial witnesses that reside in Texas.

Defendants counter that many witnesses will have to travel a significant distance no matter where they testify; therefore, those witnesses should be discounted for purposes of the "100 mile rule." MOTION at 5. The Federal Circuit has disregarded the 100-mile rule only when the potential witnesses reside outside of the United States. *See In re Genentech, Inc.*, 566 F.3d 1338. This Court has not held otherwise. *Fujitsu Ltd. v. Tellabs, Inc.*, 639 F.Supp.2d 761, 767 (E.D. Tex 2009) (Davis, J.) (discounting the 100-mile rule for witnesses located outside of the United States). Moreover, Defendants have failed to identify *any* relevant witnesses.

Based on the foregoing, the Court finds that this factor weighs against transfer to Rhode Island.

The Administrative Difficulties Flowing from Court Congestion

The speed with which a case can come to trial and be resolved is a factor in the transfer analysis. *In re Genentech*, 566 F.3d at 1347. This factor appears to be the most speculative, and this factor alone should not outweigh other factors. *Id.*

Defendants in all cases argue that time to trial in the District of Rhode Island is six-months faster than in this District. MOTION at 11. Uniloc contends that Defendants rely on non-patent cases, and that only two patent cases have been filed in Rhode Island since 2003 and the median time to trial was fifty-one months in those cases. RESPONSE at 9–10. While Uniloc is correct that the proper focus is on the median times from filing to trial in patent cases, given the small number of patent cases in Rhode Island, the comparison is not wholly relevant. Given that the median time to trial for all civil cases is 6 months faster in Rhode Island, but the small number of patent cases have taken significantly longer, the Court finds that this factor, at best, slightly weighs against transfer.

The Local Interest in Having Localized Interests Decided at Home

The Fifth Circuit has explained that "[j]ury duty is a burden that ought not to be imposed upon the people of a community which has no relation to the litigation." *In re Volkswagen I*, 371 F.3d at 206. This factor analyzes the "factual connection" that a case has with both the transferee and transferor venues. *See id.* Generally, local interests that "could apply virtually to any judicial district or division in the United States" are disregarded in favor of particularized local interests. *In re Volkswagen II*, 545 F.3d at 318 (in a products liability suit, disregarding local interest of

citizens who used the widely-sold product within the transferor venue); *In re TS Tech*, 551 F.3d at 1321. Thus, when products are sold throughout the United States, citizens of a venue do not have a particularized interest in deciding the dispute simply based on product sales within the venue. *In re Nintendo*, 589 F.3d at 1198.

Uniloc USA, Inc., was a Rhode Island corporation until 2010, when it reorganized as a Texas corporation. MOTION at 11. If Uniloc had no other connection to the State of Texas and this District, Defendants' argument that Uniloc's incorporation in Texas is merely a litigation-inspired tactic would have more merit. However, for two years prior to filing this lawsuit, Uniloc maintained an office in this District. Also, many of the Defendants across all cases are either headquartered in or maintain a place of business in Texas. On the other hand, Defendants have no connection with Rhode Island. Accordingly, this factor slightly counsels against transfer.

The Familiarity of the Forum with the Law that Will Govern the Case

The parties do not dispute that this factor is neutral. MOTION at 12; RESPONSE at 11.

Avoidance of Unnecessary Problems of Conflict of Laws

The parties do not dispute that this factor is neutral. MOTION at 12; RESPONSE at 11.

Other Practical Problems

Practical problems include those that are rationally based on judicial economy. Particularly, the existence of duplicative suits involving the same or similar issues may create practical difficulties that will weigh heavily in favor or against transfer. *In re Volkswagen of Am., Inc.*, 566 F.3d 1349, 1351 (Fed. Cir. 2009) ("*In re Volkswagen III*").

The '373, '471, '472 and '636 Defendants all contend that judicial economy weighs "heavily" toward transfer. Motion at 5. Defendants assert that transferring this case to Rhode Island

will promote judicial economy because that District has: (1) experience with the technology and claims related to the ‘216 patent; and (2) previously construed the terms of the ‘216 patent and presided over a trial on the same. *Id.* at 7–8. According to Defendants, transferring this case to Rhode Island will save this Court from needing to become educated on the ‘216 patent and the related technology. *Id.* Defendants also contend that the Rhode Island Court has already construed many of the ‘216 patent’s claims; therefore, transferring this case will avoid the risk of inconsistent claim constructions. *Id.*

Uniloc counters that there is not substantial overlap between the suits. RESPONSE at 11. For example, Uniloc asserts that the Rhode Island case was dominated by Microsoft’s evidence and technology, neither of which are implicated in the suits filed in this District. *Id.* at 11-12. Uniloc also argues that some key claim terms of the ‘216 patent have been construed by the Federal Circuit; therefore, this Court must apply those constructions. *Id.* at 12. Uniloc also asserts that this District can rely on the Rhode Island District’s constructions to avoid any potential conflicts in claim construction. *Id.* at 12.

If “[t]he proper administration of justice may be to transfer to the far more convenient venue even when the trial court has some familiarity with a matter from prior litigation” the converse must be true also. *See In re Morgan Stanley*, 417 Fed.Appx. 947, 949 (Fed. Cir. 2011). This is such a case. As noted earlier, the vast majority of parties are located either in or closer to this District and no party is located in Rhode Island. Moreover, were this Court to transfer these cases, there would be at least three remaining cases regarding the ‘216 patent in this District. While the Court acknowledges that there will be overlap between the cases in this District and the previous Rhode Island litigation, that will be the case regardless of this Court’s decision on transfer. The efficiency

gained by transfer does not outweigh the other §1404(a) factors counseling against transfer.[17]

Uniloc has filed nine cases in this District on the '216 patent, and in at least three, there are no requests to transfer to Rhode Island.[18] Any efficiencies gained from transferring a subset of the cases in this District to Rhode Island would subsequently be offset by the inefficiencies of parallel litigations on similar issues in two districts. Moreover, the Federal Circuit has remanded the Rhode Island matter for a new trial solely on the issue of damages. *See Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292 (Fed. Cir. 2011). The issues of claim construction, infringement and validity have been resolved in Rhode Island. Therefore, a transfer of a subset of the Uniloc cases from this District to Rhode Island will create parallel litigations on the same issues in different districts, undermining any efficiencies gained by the Rhode Island court's previous experience with the '216 patent. Should all of the cases remain in this District, even if the new trial regarding Microsoft's damages for infringement is ongoing in Rhode Island, there is no risk of parallel litigations proceeding on that same issue in both districts.

Defendants in this case "have not made a compelling showing that [Rhode Island] is a more convenient forum, particularly in light of the fact that none of the defendants are headquartered there." *In re Apple, Inc.*, 374 Fed.Appx. 997, 999 (Fed. Cir. 2010). While the Court recognizes the efficiencies that may be gained by transferring these cases to Rhode Island, the transfer analysis

---

[17] Further, the United States Patent and Trademark Office issued a notice of intent to issue *ex parte* reexamination certificate confirming claims 1-20 of the '216 Patent. *See* 6:10cv373, Doc. No. 172, Ex. A. Therefore, if this Court were to transfer this case to Rhode Island, that district, much like this Court, would have "to familiarize itself with reexamination materials that were not part of the record during the previous suit." *In re Verizon Network Services, Inc.*, 635 F.3d 559, 562 (Fed. Cir. 2011).

[18] Indeed, much like some of the moving Defendants, there is no guarantee that the non-moving Defendants are subject to personal jurisdiction in Rhode Island.

requires balancing "a number of case-specific factors." *In re Vistaprint*, 628 F.3d 1342, 1346 (Fed. Cir. 2010). The Federal Circuit has explicitly rejected a *per se* rule that once a patent is litigated in one district, all future litigation involving that patent remain in that venue. *Id.* at 1347, n.3; *see also In re Verizon Business Network Services, Inc*., 635 F.3d, 559, 562 (Fed. Cir. 2011). To the contrary, this Court must conduct an "individualized, case-by-case consideration of convenience and fairness" in all cases. *Id.* at 1346 (quotations and citations omitted).

As explained in detail above, most of the §1404(a) factors weigh against transfer. Defendants urge that the efficiencies gained by the District of Rhode Island's previous experience with the '216 patent should outweigh the undisputed fact that none of the parties have any connection to Rhode Island. No party maintains a place of business, documents, or can identify any witnesses in Rhode Island. In fact, all of the identified witnesses are either in Texas or closer to this District than Rhode Island. Moreover, given that five years have passed since Judge Smith conducted the claim construction of the '216 patent, and that there has been an intervening reexamination of the patent, any efficiencies gained from transfer are overwhelmingly outweighed by the factors counseling against transfer. *See In re Verizon Business Network Services, Inc.*, 635 F.3d at 562.

Indeed, while there will be some efficiency gained by transferring this case to Rhode Island, the Federal Circuit has repeatedly held "that in a case featuring most witnesses and evidence closer to the transferee venue with few or no convenience factors favoring the venue chosen by the plaintiff, the trial court should grant a motion to transfer." *In re Nintendo*, 589 F.3d at 1198. Again, the converse is true. Thus, any efficiency gained from transfer to Rhode Island can not trump all the convenience factors counseling against transfer.

CONCLUSION

Based of the foregoing, the Court **DENIES** the ‘373, ‘471, ‘472 and ‘636 Defendants motions to transfer this case to Rhode Island pursuant to 28 U.S.C. §1404.

So ORDERED and SIGNED this 20th day of September, 2011.

LEONARD DAVIS
UNITED STATES DISTRICT JUDGE