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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

SYMANTEC CORPORATION and XTREAMLOK, PTY,

Plaintiffs,

v.

UNILOC USA, INC., UNILOC (SINGAPORE) PRIVATE LIMITED and UNILOC CORPORATION PTY LIMITED,

Defendants.

AND RELATED COUNTERCLAIMS

CASE NO. SACV10-01483 DOC (MLGx)

SYMANTEC AND XTREAMLOK'S OPPOSITION TO MOTION TO TRANSFER VENUE TO THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS OR, IN THE ALTERNATIVE, TO DISMISS

Hearing Date: **December 20, 2010**
Time: **8:30 AM**
Place: **Courtroom 9D**
Judge: **Hon. David O. Carter**

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TABLE OF CONTENTS

PAGE

I. **INTRODUCTION** 1

II. **ARGUMENT** 3

A. Uniloc Has Not Satisfied The Requirements For Transfer 3

1. This action could not have been brought in the Eastern District of Texas 4

2. The convenience and interest of justice factors weigh against transfer 5

a. Judicial economy does not favor transfer 5

b. Plaintiffs' choice of forum is accorded deference 7

c. The comparative costs do not favor transfer 11

d. The factors related to ability to enforce a judgment, obstacles to a fair trial, and conflict of law issues are, at best, neutral 14

e. Convenience of the parties weighs strongly against transfer 14

f. Convenience of the witnesses weighs strongly against transfer 15

g. Accessibility to records and documents does not favor transfer 17

h. Location where the conduct complained of occurred weighs strongly against transfer 18

i. Applicability of each forum State's substantive law weighs against transfer 19

j. The availability of compulsory process weighs against transfer 19

B. The First-to-File Rule Does Not Support Dismissal 20

III. **CONCLUSION** 22

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
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946 F.2d 622 (9th Cir. 1991) 20, 21

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497 F. Supp. 2d 1093 (C.D. Cal. 2007) 8, 15

Arete Power, Inc. v. Beacon Power Corp.,
No. C-07-5167, 2008 U.S. Dist. LEXIS 111000 (N.D. Cal. Feb. 22, 2008) 18

Colt Def. LLC v. Heckler & Koch Def., Inc.,
No. 2:04-CV-258, 2004 U.S. Dist. LEXIS 28690 (E.D. Va. Oct. 22, 2004) 7

Decker Coal Co. v. Commonwealth Edison Co.,
805 F.2d 834 (9th Cir. 1986) 8

DIRECTV, Inc. v. EQ Stuff, Inc.,
207 F. Supp. 2d 1077 (C.D. Cal. 2002) 8

EMG Tech., LLC v. Microsoft Corp.,
No. 6:09-CV-367, 2010 U.S. Dist. LEXIS 104114 (E.D. Tex. Sept. 28, 2010) 15

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245 F. Supp. 2d 1086 (N.D. Cal. 2002) 8

Fujitsu Ltd. v. Tellabs, Inc.,
639 F. Supp. 2d 761 (E.D. Tex. 2009) 18, 19

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743 F.2d 1325 (9th Cir. 1984) 8

Hatch v. Reliance Ins. Co.,
758 F.2d 409 (9th Cir. 1985) 3, 4

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363 U.S. 335 (1960) 4

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No. 05-C-722-S, 2006 U.S. Dist. LEXIS 18615 (W.D. Wis. Apr. 10, 2006) 21

In re Genentech, Inc.,
566 F.3d 1338 (Fed. Cir. 2009) .... passim

In re Hoffmann-La Roche, Inc.,
587 F.3d 1333 (Fed. Cir. 2009) 12, 18

In re Oracle Corp.,
2010 U.S. App. LEXIS 22829 (Fed. Cir. 2010) 10

1 *In re TS Tech USA Corp.*,
551 F.3d 1315 (Fed. Cir. 2009) 19
2
In re Yahoo! Inc.,
3 No. CV-07-3125, 2008 U.S. Dist. LEXIS 20605 (C.D. Cal. Mar.
10, 2008) 4
4
In re Zimmer Holdings, Inc.,
5 609 F.3d 1378 (Fed. Cir. 2010) 6, 12, 15

6 *Jones v. GNC Franchising, Inc.*,
211 F.3d 495 (9th Cir. 2000) 8
7
Kannar v. Alticor, Inc.,
8 No. C-08-5505, 2009 U.S. Dist. LEXIS 35091 (N.D. Cal. Apr. 9,
2009) 17
9
Metz v. United States Life Ins. Co.,
10 674 F. Supp. 2d 1141 (C.D. Cal. 2009) 3, 19

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518 F.3d 897 (Fed. Cir. 2008) 21
12
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13 425 F. Supp. 2d 325 (E.D.N.Y. 2006) 15

14 *Pacesetter Sys., Inc. v. Medtronic, Inc.*,
678 F.2d 93 (9th Cir. 1982) 20
15
Rowsby v. Gulf Stream Coach, Inc.,
16 No. 08-CV-1213, 2009 U.S. Dist. LEXIS 40046 (C.D. Cal. Feb. 9,
2009) 9
17
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18 51 F.3d 1037 (Fed. Cir. 1995) 21

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20 No. C-10-03305, 2010 U.S. Dist. LEXIS 119984 (N.D. Cal. Oct.
28, 2010) 16
21
Texas Instruments Inc. v. Tessera, Inc.,
22 231 F.3d 1325 (Fed. Cir. 2000) 5

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640 F. Supp. 2d 150 (D.R.I. 2009) 17
24
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25 No. 1:05-CV-00510 2005 WL 3244321 (S.D. Ohio Nov. 30, 2005) 21

26 *Van Dusen v. Barrack*,
376 U.S. 612 (1964) 13
27

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STATUTES

28 U.S.C. § 1404(a) .... passim

Fed. R. Civ. P. 20 .... 2, 7

I. INTRODUCTION

Two years ago, Uniloc stipulated to this Court's jurisdiction over the patent infringement and contract disputes at issue in this lawsuit. Four weeks ago, consistent with that stipulation, Uniloc agreed to drop its patent infringement claim in the Eastern District of Texas and proceed in this forum. Shortly thereafter, Uniloc filed its Answer and Counterclaims in this action. Now, however, Uniloc has changed its mind and asks the Court to either transfer this lawsuit to Texas or dismiss it. The Court should deny Uniloc's request.[1]

Uniloc's motion is fatally defective because Uniloc has failed to establish the threshold requirement for the Court to even consider a transfer under 28 U.S.C. § 1404(a) – *i.e.*, that this action could have been brought in Texas. XtreamLok could not have brought its claims there because the forum selection clause in its 2002 license agreement with Uniloc Corporation Pty Limited specifies that such claims must be brought in this forum. Moreover, Uniloc has not shown that its own claims against XtreamLok, or the Symantec/XtreamLok claims against Uniloc Corporation Pty Limited, could have been brought in Texas. Indeed, Uniloc has made no showing whatsoever that either Uniloc Corporation Pty Limited (the Australian Uniloc entity in this action) or XtreamLok (also an Australian entity) are subject to personal jurisdiction in Texas. In contrast, both Australian entities have appeared in this action and are subject to personal jurisdiction in this district.

Even if the Court were to ignore the threshold legal requirements for a Section 1404 transfer, there simply is no legitimate reason to transfer this lawsuit

[1] *See* Symantec and XtreamLok's Motion to Enjoin Uniloc from Proceeding with Duplicative Action as Against Symantec, and to Require Uniloc to Dismiss Symantec as a Defendant from that Action ("Motion to Enjoin") (Dkt. No. 18). Rather than repeat all of the facts pertinent to this Opposition, Symantec and XtreamLok incorporate herein by reference the facts and arguments set forth in the Motion to Enjoin.

1 to the Eastern District of Texas. The parties' disputes have no factual connection
2 with Texas. In contrast, the disputes are intimately connected with this forum.
3 Uniloc USA is headquartered in Irvine, California. Nearly all of Symantec's U.S.
4 development of the accused technology takes place in the Central District of
5 California. None of it occurs in Texas. Therefore, many witnesses reside here,
6 and the relevant documents would be accessed from Symantec's facility here.
7 Furthermore, the parties contractually agreed to resolve their disputes in this
8 forum. In 2008, the parties stipulated, and the Court ordered, that this Court would
9 be the forum that resolved issues of patent infringement concerning the patent-in-
10 suit. This lawsuit belongs in this forum.

11 Uniloc argues that the Court should ignore all of these facts because Uniloc
12 has sued a lot of other companies in the Eastern District of Texas and it would like
13 to lump Symantec into one of those cases along with eleven other companies
14 unrelated to Symantec. According to Uniloc, this would promote judicial
15 economy. In actuality, Uniloc's Texas action is improper *ab initio* (and Symantec
16 does not belong in it) because it joins multiple unrelated defendants and accuses
17 them of patent infringement by reason of selling multiple unrelated products. This
18 does not meet the requirements of the permissive joinder statute. *See* Fed. R. Civ.
19 P. 20(a)(2). In any event, the Court should not reward Uniloc's procedural
20 gamesmanship or allow it to disregard the parties' prior agreement and Stipulation
21 and this Court's Order.

22 Uniloc also argues that, pursuant to the "first-to-file" rule, this case should
23 be dismissed. That rule, however, does not apply here given the prior history in
24 this forum and the improper joinder discussed above.

25 In short, it is difficult to imagine a case in which a transfer (or dismissal)
26 would be less convenient and less in the "interest of justice."
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II. ARGUMENT

Uniloc's motion to transfer this case to the Eastern District of Texas is an improper attempt to manipulate venue. As set forth in more detail in Symantec and XtreamLok's Motion to Enjoin, the Court should prohibit Uniloc from pursuing its duplicative claims in Texas. Four weeks ago, Uniloc's counsel agreed to dismiss Symantec from the Texas lawsuit and proceed only in this forum. Now, however, it has reneged on that agreement and asks this Court to transfer this case to a forum that has virtually no connection to this dispute.

Under Section 1404(a), Uniloc bears the burden of demonstrating that this action could have been brought in the Eastern District of Texas, and that the convenience and justice factors weigh heavily in favor of that forum. Uniloc does not and cannot meet that burden. Nor can Uniloc demonstrate that this case should be dismissed under the "first-to-file" rule.

A. Uniloc Has Not Satisfied The Requirements For Transfer

"For 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 first inquiry when analyzing a case's eligibility for transfer under Section 1404(a) is whether the litigation "might have been brought" in the proposed transferee district. *Hatch v. Reliance Ins. Co.*, 758 F.2d 409, 414 (9th Cir. 1985). Once that threshold inquiry is met, courts must consider: (1) the convenience of the parties; (2) the convenience of the witnesses; and (3) the interests of justice. *Metz v. United States Life Ins. Co.*, 674 F. Supp. 2d 1141, 1145 (C.D. Cal. 2009). Several considerations are relevant to weighing the interests of justice, 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.

Id.

The party seeking transfer has the burden of showing that the convenience and justice factors "weigh heavily" in favor of the transferee forum. *In re Yahoo! Inc.*, No. CV-07-3125, 2008 U.S. Dist. LEXIS 20605, at *5 (C.D. Cal. Mar. 10, 2008). As discussed below, even ignoring Uniloc's failure to meet the threshold "could have been brought in Texas" requirement, the balancing of the transfer factors is not even close, and weighs heavily *against* transferring this action to the Eastern District of Texas.

1. This action could not have been brought in the Eastern District of Texas

The threshold question under Section 1404(a) is whether the litigation "might have been brought" in the proposed transferee district. 28 U.S.C. § 1404(a); *Hatch v. Reliance Ins. Co.*, 758 F.2d 409, 414 (9th Cir. 1985). This requires Uniloc to prove both personal jurisdiction and venue in the transferee court. *Hoffman v. Blaski*, 363 U.S. 335, 342-44 (1960). Here, Uniloc has failed to prove that the Eastern District of Texas has personal jurisdiction over either XtreamLok – an Australian entity – or Uniloc Corporation Pty Limited, another Australian entity that is an answering defendant in this forum but not a party to any of Uniloc's Texas actions. This failure, alone, compels denial of the motion.[2]

[2] While Uniloc claims that "there can be no legitimate dispute that Uniloc's patent [counter]claim asserted herein could have been brought in the Eastern District of Texas" (Motion at 9), that assertion ignores Uniloc's failure to demonstrate that XtreamLok, a counterclaim defendant in this action, would be subject to personal jurisdiction in the Eastern District of Texas.

1 Moreover, Uniloc Corporation Pty Limited is the entity that entered into the
2 2002 agreement with XtreamLok. That agreement specifies that the "parties
3 consent to the ***exclusive jurisdiction and venue*** of the federal and state courts
4 located in Orange County, California in any action arising out of or relating to this
5 Agreement. The parties ***waive*** any other venue to which either party might be
6 entitled by domicile or otherwise." Dkt. No. 18-3, at 4. Choice of forum clauses
7 are routinely enforced, and "[p]atent infringement disputes do arise from license
8 agreements." *Texas Instruments Inc. v. Tessera, Inc.*, 231 F.3d 1325, 1331 (Fed.
9 Cir. 2000) (finding that choice of forum clause in patent license agreement
10 required patent infringement claim to be brought in California, and noting that the
11 clause "in the present case, as in any patent license agreement, necessarily covers
12 disputes concerning patent issues").
13 The reality is that the claims by and against XtreamLok and Uniloc
14 Corporation Pty Limited could not have been brought in Texas, based on the lack
15 of personal jurisdiction and the forum selection clause. Since Uniloc has failed to
16 satisfy even the threshold requirement under Section 1404(a), the Court should
17 deny the motion.
18 **2. The convenience and interest of justice factors weigh**
19 **against transfer**
20 Even if Uniloc somehow could meet the threshold requirement under
21 Section 1404(a), there is no merit to Uniloc's assertions that the convenience of the
22 parties and witnesses, and the interests of justice, favor a transfer to Texas.
23 **a. Judicial economy does not favor transfer**
24 Uniloc first argues that judicial economy favors transfer because it has
25 already filed seven cases in the Eastern District of Texas. (Motion at 9-10.) But
26 this is misleading. In reality, the Texas court has issued a schedule in only the first
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1 three of those cases.[3] In those three cases, only two of 41 defendants remain. In
2 each of the first two cases, only one defendant remains, and in the third case,
3 Uniloc has voluntarily dismissed all of the defendants. *See* Declaration of Mark A.
4 Flagel ("Flagel Decl.") ¶ 3. Thus, in practice, there have been no meaningful
5 developments in the Texas cases that would suggest judicial economy would be
6 served by a transfer to that forum.
7 Moreover, Uniloc's disregard of the parties' prior agreement (Dkt. No. 18-3)
8 and Stipulation (Dkt. No. 18-5) and this Court's Order (Dkt. No. 18-6) should not
9 be rewarded by assigning any weight to its procedural gamesmanship of suing
10 Symantec together with other defendants in Texas. *Cf. In re Zimmer Holdings,*
11 *Inc.*, 609 F.3d 1378, 1382 (Fed. Cir. 2010) (ordering transfer out of Eastern District
12 of Texas, noting: "The district court assigned substantial weight in its analysis to
13 the fact that [plaintiff] had also filed suit against another defendant in the same
14 forum. However, in the circumstances of this case, we cannot say this negates the
15 significance of having trial close to where most of the identified witnesses reside
16 and where the other convenience factors clearly favor.").
17 Indeed, Uniloc's undifferentiated, scattershot approach of suing multiple
18 defendants in Texas is simply a litigation-inspired manufacturing of "judicial
19 economy." In reality, Uniloc's tactics impede judicial economy and are improper
20 because they do not meet the requirements of the permissive joinder statute.
21 Uniloc's action against Symantec in Texas joins multiple unrelated defendants and
22 accuses them of patent infringement by reason of selling multiple unrelated
23 products. The only thing that Uniloc alleges Symantec has in common with the
24 other defendants in Texas is that it allegedly infringes the same patent. Symantec
25 does not, and is not alleged to, infringe the '216 patent jointly with any of the other
26

27 [3] Each of the cases filed by Uniloc in Texas have been assigned to the Honorable Leonard E. Davis.
28

1 defendants. Symantec does not, and is not alleged to, share any of the technology
2 accused of infringing the '216 patent with any of the other defendants. Likewise,
3 Symantec does not, and is not alleged to, supply to the other defendants (or receive
4 from any of them), any allegedly infringing components. *See* Flagel Decl., Ex. A.
5 This is hardly the stuff from which judicial economy is made. At bottom, the relief
6 that Uniloc seeks against Symantec and the other defendants in Texas does not and
7 is not alleged to arise out of "the same transaction, occurrence, or series of
8 transactions or occurrences." Fed. R. Civ. P. 20(a)(2); *see also Colt Def. LLC v.*
9 *Heckler & Koch Def., Inc.*, No. 2:04-CV-258, 2004 U.S. Dist. LEXIS 28690, at
10 *13 (E.D. Va. Oct. 22, 2004) (noting "the overwhelming weight of authority"
11 "indicates that allegations against multiple and unrelated defendants for
12 independent acts of patent, copyright and/or trademark infringement do not set
13 forth claims arising from the same transaction or occurrence within the meaning of
14 Rule 20(a)").

15 Given the prior history of the parties' disputes in this forum, and the strong
16 local interests and convenience of having these disputes adjudicated here (as
17 discussed further below), judicial economy can be advanced only by denying
18 Uniloc's motion and keeping the case in this forum, and ordering Uniloc to cease
19 pursuing its claims against Symantec in Texas.[4]

20 **b. Plaintiffs' choice of forum is accorded deference**

21 Uniloc also argues that Symantec's choice of forum should be given no
22 weight because Symantec is located in the Northern District of California. (Motion
23

24 [4] Uniloc also makes the puzzling argument that "[t]he nature of the patent
25 relief requested by Symantec/XtreamLok in this case also favors" transfer or
dismissal because this Court has discretion to determine whether to entertain the
26 dispute under the Declaratory Judgment Act whereas Uniloc's claims in Texas are
affirmative claims for patent infringement. (Motion at 10.) Given that Uniloc has
27 asserted affirmative counterclaims for patent infringement in this action, it is hard
to see how this argument makes any sense at all.
28

1 at 10-11.) Although Uniloc is right about the location of Symantec's headquarters,
2 it is wrong about the conclusion to be drawn.
3 A plaintiff's choice of forum is accorded substantial deference. *See Decker*
4 *Coal Co. v. Commonwealth Edison Co.*, 805 F.2d 834, 843 (9th Cir. 1986) ("The
5 defendant must make a strong showing of inconvenience to warrant upsetting the
6 plaintiff's choice of forum."); *DIRECTV, Inc. v. EQ Stuff, Inc.*, 207 F. Supp. 2d
7 1077, 1082 (C.D. Cal. 2002) ("There is a strong presumption in favor of the
8 plaintiff's choice of forum") (citation omitted); *Florens Container v. Cho Yang*
9 *Shipping*, 245 F. Supp. 2d 1086, 1092 (N.D. Cal. 2002) ("under Ninth Circuit law,
10 a plaintiff's choice of forum is accorded substantial weight . . . and courts generally
11 will not transfer an action unless the 'convenience' and 'justice' factors strongly
12 favor venue elsewhere") (citation omitted). Indeed, a plaintiff's choice of forum is
13 entitled to even ***greater*** deference where the plaintiff is a resident of the chosen
14 forum or where "there is a material connection or significant contact between the
15 forum state and the . . . events allegedly underlying the claim." *See Gates Learjet*
16 *Corp. v. Jensen*, 743 F.2d 1325, 1335 (9th Cir. 1984); *Amini Innovation Corp. v.*
17 *JS Imps., Inc.*, 497 F. Supp. 2d 1093, 1110 (C.D. Cal. 2007) (citation omitted).
18 Here, although Symantec is headquartered in the Northern District of
19 California, the U.S. facility where the accused activation technology is developed
20 is located in the Central District of California. *See* Declaration of James
21 Kazanegras ("Kazanegras Decl.") ¶ 6. Not surprisingly, therefore, this is also the
22 location where most of the knowledgeable witnesses reside, and from which the
23 relevant documents are accessed. *Id.* ¶¶ 4, 6-7. The Central District of California
24 is also where Uniloc USA maintains its principal place of business. Answer ¶ 3
25 (Dkt. No. 13).
26 Moreover, XtreamLok's choice of forum was an unavoidable consequence
27 of the forum selection clause contained in its license agreement with Uniloc. *See*
28 *Jones v. GNC Franchising, Inc.*, 211 F.3d 495, 499 (9th Cir. 2000) ("the presence

1 of a forum selection clause is a 'significant factor' in the court's § 1404(a)
2 analysis"); *Rowsby v. Gulf Stream Coach, Inc.*, No. 08-CV-1213, 2009 U.S. Dist.
3 LEXIS 40046, at *10 (C.D. Cal. Feb. 9, 2009) ("a court may treat a forum
4 selection clause 'as a manifestation of the parties' preferences as to a convenient
5 forum' . . . [and] "it is entitled to substantial consideration") (citation omitted).

6 Ironically, Uniloc asserts that "it is obvious that Symantec is forum-
7 shopping." (Motion at 11.) But it is Uniloc that is forum shopping and should be
8 enjoined from doing so. After all, Uniloc agreed to a forum selection clause
9 specifying that this forum would have exclusive jurisdiction; filed an action in this
10 forum against Symantec and XtreamLok; stipulated that this Court would retain
11 jurisdiction over Uniloc's infringement claims after completion of an arbitration
12 between the parties (which this Court ordered); and voluntarily dismissed its action
13 after completion of the arbitration, only to re-file it against Symantec months later
14 in Texas. *See* Motion to Enjoin.

15 Uniloc also makes a number of other specious arguments. First, it argues
16 that because the arbitrator found that the 2002 license agreement had been
17 terminated, somehow this Court's prior Order retaining jurisdiction after
18 completion of the arbitration "no longer applies." (Motion at 11). This makes no
19 sense, since this Court's Order is specifically directed to that outcome: "This
20 Court shall retain jurisdiction over Uniloc's Patent Infringement and Unfair
21 Competition Claims, and shall re-activate the matter upon application of the parties
22 upon completion of the arbitration . . . ." This Court's retention of jurisdiction was
23 not dependent upon the outcome of the arbitration.

24 Second, Uniloc contends that, even if applicable, this Court's retention of
25 jurisdiction "is not always controlling." (Motion at 11.) For support, Uniloc relies
26 on a non-precedential Federal Circuit decision directing the lower court to vacate
27 its order denying a motion to transfer venue, because the lower court relied solely
28 on "the parties' private expression of venue choice" and "fail[ed] to provide a

meaningful evaluation of the § 1404(a) factors." *See In re Oracle Corp.*, 2010 U.S. App. LEXIS 22829 (Fed. Cir. 2010). Uniloc does not explain why the *Oracle* decision would affect this Court's retention of jurisdiction. All that the *Oracle* decision stands for is that a forum selection clause is not dispositive in the transfer analysis, and the other familiar factors under Section 1404(a) must be considered. That proposition is hardly remarkable, and Symantec and XtreamLok do not contend otherwise.

Third, Uniloc argues that this Court's retention of jurisdiction in fact "is not controlling in this case." (Motion at 12.) In an apparent attempt to justify its own forum shopping, Uniloc asserts that it was entitled to dismiss the case in this Court and file a new action in Texas because this Court's Order required the parties to apply to the Court to reactivate the prior action after completion of the arbitration, and neither party did so. (*Id.*) However, nothing in the Court's Order required immediacy, and the parties' failure to immediately reactivate the prior action does not render this Court's retention of jurisdiction "not controlling." Moreover, it does nothing to vitiate either (a) the forum selection clause in the Uniloc/XtreamLok agreement, or (b) the parties' Stipulation in which they agreed without condition or any "immediate reactivation" requirement that this Court would retain jurisdiction to resolve any infringement or related disputes after completion of the arbitration.

Uniloc's stratagem to get its claims out of this Court and into Texas simply by dismissing the prior action in this Court and re-filing the same claims against Symantec in Texas is tactical gamesmanship. This maneuvering does not vitiate the parties' Stipulation to or this Court's retention of jurisdiction, and Uniloc cites no legal authority to the contrary. In any event, this Court should prohibit Uniloc's forum shopping and permit this case to be resolved where it began, here.

1 **c. The comparative costs do not favor transfer**

2 Uniloc argues that the comparative costs of litigating in Texas instead of
3 California favor transfer. Specifically, it argues that: (1) some of Uniloc's
4 documents are located in Texas and its witnesses are amenable to traveling to
5 Texas; (2) the parties' witnesses and experts who live outside the Central District
6 of California will have to travel anyway and Symantec can afford any increase in
7 travel costs resulting from transferring the case to Texas; and (3) Symantec has
8 previously litigated in Texas, thereby acknowledging that the costs of litigating
9 there are acceptable. (Motion at 12-13.) Each of these arguments is specious or
10 irrelevant to the transfer analysis.

11 First, although Uniloc argues that its documents from an earlier Rhode
12 Island lawsuit with Microsoft are now located in Texas, the location of the accused
13 infringer's documents is far more relevant under the transfer analysis. *See In re*
14 *Genentech, Inc.*, 566 F.3d 1338, 1345 (Fed. Cir. 2009) ("In patent infringement
15 cases, the bulk of the relevant evidence usually comes from the accused infringer.
16 Consequently, the place where the [accused infringer's] documents are kept weighs
17 in favor of transfer to that location.") (citations and quotations omitted). Virtually
18 all relevant documentary evidence in this case is accessed from computers in Los
19 Angeles County, California and Sydney, Australia, or otherwise resides physically
20 in those locations, and virtually none exists in Texas. *See* Kazanegras Decl. ¶ 6.
21 All of the U.S. development of the accused technology takes place in Los Angeles
22 County, and all of the code and related documentation is accessed from there. *Id.*

23 Moreover, even if the purported location of Uniloc's documents were
24 somehow relevant, it should be accorded no weight because it is unsubstantiated
25 and rendered irrelevant by Uniloc's prior actions. In support of Uniloc's motion,
26 all that its CEO testifies is that Uniloc has an office in Texas; he conspicuously
27 omits mention of the location of any documents. We do know, however, that
28 Uniloc USA admits that its principal place of business is in the Central District of

California (Answer ¶ 3 (Dkt. No. 13)); that Uniloc previously sued Microsoft in Rhode Island in a litigation which is pending appeal (Motion at 5); and that in the first two of the Texas actions that it filed, Uniloc opposed motions to transfer to Rhode Island and stated that certain documents produced during that prior litigation in Rhode Island were actually located in its Texas office. *See* Flagel Decl., Exs. C & D. All of this simply suggests that Uniloc and its litigation counsel easily can move documents around. *See In re Zimmer Holdings, Inc.*, 609 F.3d at 1381 (noting that plaintiff transported copies of certain documents "from Michigan to its Texas office space, which it shares with another of its trial counsel's clients," and concluding that "[o]ur assessment of the realities of this case makes it clear that the Eastern District of Texas is convenient only for [plaintiff's] litigation counsel"); *In re Hoffmann-La Roche, Inc.*, 587 F.3d 1333, 1336-37 (Fed. Cir. 2009) (finding that "there appears to be no connection between this case and the Eastern District of Texas except that in anticipation of this litigation, [plaintiff's] counsel in California converted into electronic format 75,000 pages of documents . . . and transferred them to the offices of its litigation counsel in Texas . . . Thus, the assertion that these documents are 'Texas' documents is a fiction which appears to be have been created to manipulate the propriety of venue."). Consequently, not only does the location of the parties' documents not favor transfer, but in fact the location of the Symantec and XtreamLok documents favors keeping the case in this forum.

Second, the fact that certain Uniloc witnesses, including its experts, may need to travel regardless of the forum, and that Uniloc is willing to pay for those costs, does not somehow "favor" transfer to Texas. Here, the reality is that the comparative costs favor keeping the case in this forum. Aside from the fact that Uniloc USA's principal place of business is here, and its board members reside here, the travel that would be required of Symantec's witnesses by a transfer to Texas is significant, burdensome and costly. Given that most of Symantec's

1 developers who develop the accused technology in the United States actually work
2 in Symantec's Los Angeles County facility, Uniloc's argument that the higher
3 costs in airfare for travel are negligible when comparing flights is based on the
4 faulty premise that most witnesses would need to travel from Symantec's
5 Mountain View headquarters. However, most of the relevant Symantec witnesses
6 residing in the United States would not need to fly at all if the case is kept in this
7 forum, but *would* need to do so if this case were transferred to Texas. Moreover,
8 even if Uniloc's premise were not faulty to begin with, contrary to Uniloc's
9 suggestion, the amount of cash that Symantec has in the bank is irrelevant to the
10 transfer analysis. In short, the increase in costs resulting from transferring the case
11 to Texas actually supports keeping the case in this forum.

12 Third, Symantec's prior litigation in the Eastern District of Texas also does
13 not somehow favor transfer to Texas or serve as an "acknowledge[ment] that the
14 cost of trying a case in Texas is acceptable." (Motion at 12.) That litigation
15 involved different technology, different patents, and different parties. It is
16 completely irrelevant to the transfer analysis. "The Supreme Court has long held
17 that § 1404(a) requires 'individualized, case-by-case consideration of convenience
18 and fairness.'" *In re Genentech*, 566 F.3d at 1346 (quoting *Van Dusen v. Barrack*,
19 376 U.S. 612, 622 (1964)). In ordering a patent infringement case transferred from
20 Texas to California, the Federal Circuit in *Genentech* held that the district court
21 "clearly erred in finding Genentech's prior suit weighed against transfer," since
22 there was no indication that "Genentech's previous lawsuit involved the same
23 parties, witnesses, evidence and facts." *In re Genentech*, 566 F.3d at 1346. The
24 same applies here. Indeed, ***it is Uniloc's own prior action in this Court against***
25 ***Symantec and XtreamLok that involves the same parties, witnesses, evidence and***
26 ***facts***. Uniloc's argument otherwise simply is a red herring, and unsupported by
27 any legal precedent.
28

d. The factors related to ability to enforce a judgment, obstacles to a fair trial, and conflict of law issues are, at best, neutral

Symantec and XtreamLok agree with Uniloc that each forum's ability to enforce a judgment, obstacles to a fair trial, and conflict of law issues do not meaningfully affect the transfer analysis. (*See* Motion at 13.) However, given that XtreamLok has asserted a California common law claim for Money Paid, if this action were transferred to Texas, there is a question of local law that would need to be determined, contrary to Uniloc's assertion.

e. Convenience of the parties weighs strongly against transfer

Uniloc asserts that Texas is more convenient for the parties because: (1) although Symantec's headquarters are in the Northern District of California, Symantec has facilities and is registered to do business in Texas; (2) Symantec previously filed a patent litigation in Texas; and (3) Uniloc has an office in Texas and its documents are located there. Again, each of these arguments is specious or irrelevant to the transfer analysis.

As discussed above, the facility where development of the accused technology takes place is not Symantec's headquarters. Instead, nearly all of the U.S. development of the accused technology takes place at Symantec's facility in the Central District of California, and that is the location from which the relevant documents would be accessed. *See* Kazanegras Decl. ¶ 6. That makes this forum far more convenient than Texas. Again, Symantec's prior lawsuit in Texas involving different parties, technologies and patents is irrelevant to the transfer analysis.

While Uniloc's CEO, Brad Davis, claims that Uniloc "has maintained an office in the Eastern District of Texas since February 2007," he omits to mention that it only incorporated in Texas in July 2010 – a few months after motions to

1 transfer venue were filed by defendants in the first two Texas lawsuits brought by
2 Uniloc, and just two months before Uniloc filed its lawsuit against Symantec there.
3 This Texas incorporation also came years after Uniloc had incorporated in Rhode
4 Island. *See* Flagel Decl. ¶¶ 5-6, Exs. A, D & E. Mr. Davis also neglects to
5 mention that, at least as of April 2010, Uniloc had only a single employee in
6 Texas. *See id.*, Exs. C & D. In reality, Uniloc's "presence in Texas appears to be
7 recent, ephemeral, and an artifact of litigation." *In re Zimmer Holdings, Inc.*, 609
8 F.3d at 1381; *see also EMG Tech., LLC v. Microsoft Corp.*, No. 6:09-CV-367,
9 2010 U.S. Dist. LEXIS 104114, at *9 (E.D. Tex. Sept. 28, 2010) ("While
10 [plaintiff] does have an office in Tyler, Texas where its documents are kept, the
11 Court gives no weight to this fact as it appears that the documents are kept there
12 solely to influence the Court's venue analysis."). For these reasons, Uniloc's
13 purported presence in Texas should be disregarded entirely for purposes of the
14 transfer analysis.
15 Given that this dispute has strong ties to this forum and virtually no
16 connection to the Eastern District of Texas, the convenience of the parties weighs
17 strongly against transfer.

18 **f. Convenience of the witnesses weighs strongly against**
19 **transfer**

20 "The convenience of the witnesses is probably the single most important
21 factor in transfer analysis." *In re Genentech*, 566 F.3d at 1343 (quoting *Neil Bros.*
22 *Ltd. v. World Wide Lines, Inc.*, 425 F. Supp. 2d 325, 329 (E.D.N.Y. 2006)); *Amini*
23 *Innovation Corp.*, 497 F. Supp. 2d at 1111. It "becomes more inconvenient and
24 costly for witnesses to attend trial the further they are away from home." *In re*
25 *Genentech*, 566 F.3d at 1343. Therefore, "[w]hen the distance between an existing
26 venue for trial of a matter and a proposed venue under § 1404(a) is more than 100
27 miles, the factor of inconvenience to witnesses increases in direct relationship to
28 the additional distance to be traveled." *Id.* (citations and quotations omitted).

1 Remarkably, despite failing to identify a single witness residing in or near
2 the Eastern District of Texas, Uniloc argues that the convenience of the witnesses
3 "favors" transfer. (Motion at 14.) For support, Uniloc simply states that its CEO
4 (who resides in the Central District of California), the inventor of the '216 patent
5 (who resides in Australia), and its paid expert witnesses would be willing to travel
6 to Texas if the case is transferred there. (*Id.* at 14-15.) These facts hardly "favor"
7 a transfer based on convenience of witnesses.

8 In fact, as already noted, nearly all of Symantec's developers of the accused
9 technology reside in or around either Los Angeles County or Sydney, Australia.
10 *See* Kazanegras Decl. ¶ 6. Uniloc USA's principal place of business is here, and
11 its board members reside here as well. Answer ¶ 3 (Dkt. No. 13); Flagel Decl., Ex.
12 E. It is not convenient to travel from this district to the Eastern District of Texas.
13 Flight time from Los Angeles to Houston or Dallas is approximately 3 hours. It is
14 then another 45 minute to 1 hour flight to Tyler. Alternatively, the last leg of the
15 trip can be driven, with the 200-mile route from Houston to Tyler taking
16 approximately four hours, or the 120-mile route from Dallas to Tyler taking
17 approximately two hours. Accounting for airport security, flight check-in, and
18 flight layover or drive time, a trip from the Central District of California to Tyler,
19 Texas is a day-long endeavor.

20 Moreover, this District would be far more convenient for the likely non-
21 party witnesses in this case. *See SkyRiver Tech. Solutions, LLC v. OCLC Online*
22 *Computer Library Ctr., Inc.*, No. C-10-03305, 2010 U.S. Dist. LEXIS 119984, at
23 *10 (N.D. Cal. Oct. 28, 2010) ("Importantly, while the convenience of party
24 witnesses is a factor to be considered, the convenience of non-party witnesses is
25 the more important factor."). These include the former Symantec developers of the
26 accused technology who still reside here, and the law firm and lead attorney who
27 prosecuted the '216 patent who also reside here. *See* Kazanegras Decl. ¶ 7, Flagel
28 Decl. ¶ 9, Ex. F. Furthermore, Professor Martin E. Hellman, the author of the key

prior art reference relied on by Microsoft in the prior Rhode Island case filed by Uniloc, and who testified at trial as a fact witness in that case, is a professor at Stanford University. *See Uniloc USA, Inc. v. Microsoft Corp.*, 640 F. Supp. 2d 150, 169 n. 20, 180-83 (D.R.I. 2009); Flagel Decl., Exs. G & H. This Court clearly is the more convenient forum for all of these non-party witnesses.

Symantec is not aware of any relevant witness located in the Eastern District of Texas, and Uniloc has not identified a single such witness. *See In re Genentech*, 566 F.3d at 1345 (finding this factor to weigh substantially in favor of transfer from Texas to California "[b]ecause a substantial number of material witnesses reside within the transferee venue . . . and no witnesses reside within the Eastern District of Texas"). Clearly, it would be far more convenient for the potential relevant witnesses, most of whom reside in the Central District of California and none of whom resides in Texas, to testify in the Central District of California rather than 1,500 miles away. *See Kannar v. Alticor, Inc.*, No. C-08-5505, 2009 U.S. Dist. LEXIS 35091, at *6 (N.D. Cal. Apr. 9, 2009) ("The Court finds unpersuasive defendants' argument that little significance should be given the additional time it would take such witnesses to travel to the [transferee forum]").

Therefore, this factor weighs strongly against transfer to Texas.

g. Accessibility to records and documents does not favor transfer

Uniloc claims that its own documents are located in its office in the Eastern District of Texas, and that Symantec can move its own documents to that jurisdiction. As discussed above, the location of the accused infringer's documents is far more relevant under the transfer analysis, and in this case most of the relevant documents are accessed from Symantec's facility in Los Angeles County. Moreover, the purported location of Uniloc's documents should be given no weight because it is unsubstantiated and rendered irrelevant by Uniloc's prior

1 actions. *See* section II.A.2.c, *supra*. For these reasons, this factor does not favor
2 transfer.

3 **h. Location where the conduct complained of occurred**
4 **weighs strongly against transfer**

5 Uniloc suggests that the allegedly infringing activity did not occur in this
6 district or in Texas, and therefore this factor is neutral in the transfer analysis.
7 (Motion at 15-16.) However, as discussed above, development of the accused
8 technology actually does take place in this district, and therefore many potential
9 witnesses are here as well. "The law asks us, here, to identify the principal
10 location of the legally operative facts – and in patent cases that location generally
11 is where the allegedly infringing product was designed, developed and produced."
12 *Arete Power, Inc. v. Beacon Power Corp.*, No. C-07-5167, 2008 U.S. Dist. LEXIS
13 111000, at *12-13 (N.D. Cal. Feb. 22, 2008) (citation omitted). Moreover, Uniloc
14 USA maintains its principal place of business here. Thus, there is a compelling
15 local interest in adjudicating this case in the Central District of California. *See also*
16 *In re Hoffman-La Roche*, 587 F.3d at 1338 ("if there are significant connections
17 between a particular venue and the events that gave rise to a suit, this factor should
18 be weighed in that venue's favor"); *Fujitsu Ltd. v. Tellabs, Inc.*, 639 F. Supp. 2d
19 761, 769 (E.D. Tex. 2009) ("Because the accused products are designed and
20 developed in Illinois and defendants' principal places of business are located
21 within the Northern District of Illinois, that district certainly has a particularized
22 local interest in the dispute.").

23 In contrast, Uniloc does not even argue that there is a particular local interest
24 that would be served by having this litigation against Symantec decided in the
25 Eastern District of Texas. Indeed, the residents of that district have virtually no
26 connection to the events giving rise to this litigation. As a general principle, "local
27 interests that 'could apply virtually to any judicial district or division in the United
28 States' are disregarded in favor of particularized local interests." *Fujitsu*, 639 F.

Supp. 2d at 769 (citation omitted). Symantec's products are sold throughout the United States. Accordingly, "the citizens of the Eastern District of Texas have no more or less of a meaningful connection to this case than any other venue." *In re TS Tech USA Corp.*, 551 F.3d 1315, 1321 (Fed. Cir. 2009).

Because the case against Symantec has significant connections to the Central District of California and lacks any meaningful connection to the Eastern District of Texas, this factor weighs heavily against transfer.

i. Applicability of each forum State's substantive law weighs against transfer

Symantec and XtreamLok agree with Uniloc that the patent issues would be resolved under federal patent law. (Motion at 16.) However, XtreamLok has asserted a California common law claim for Money Paid in this forum. Therefore, this forum would be the preferred one to adjudicate that claim, and therefore this factor weighs against transfer.[5]

j. The availability of compulsory process weighs against transfer

Although Uniloc does not discuss it, the availability of compulsory process to compel attendance of unwilling non-party witnesses is a relevant factor in the transfer analysis. *Metz*, 674 F. Supp. 2d at 1145. Here, the power of courts in the Eastern District of Texas to compel process does not apply to any third-party witnesses known to Symantec. On the other hand, this Court has the power to compel process over several third-party witnesses. These include the former Symantec developers of the accused technology who still reside in the Central

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[5] To the extent Uniloc is suggesting that the rest of the case should be transferred, but this claim should not be, the suggestion has no merit. Even a cursory review of that claim demonstrates that all of the patent claims and issues must be resolved in order to resolve that claim.

1 District of California, and the law firm and lead attorney who prosecuted the
2 asserted patent, also located in the Central District of California. *See* Kazanegras
3 Decl. ¶ 7; Flagel Decl. ¶ 9, Ex. F. Thus, this factor weighs against transfer. *See In*
4 *re Genentech, Inc.*, 566 F.3d at 1345 (the "venue with usable subpoena power"
5 weighs in favor of that venue for transfer purposes, "and not only slightly").

6 **B. The First-to-File Rule Does Not Support Dismissal**

7 As a last ditch effort, Uniloc argues that Symantec's claims should be
8 dismissed under the first-to-file rule. The first-to-file rule is a "generally
9 recognized doctrine of federal comity which permits a district court to decline
10 jurisdiction over an action when a complaint involving the same parties and issues
11 has already been filed in another district." *Pacesetter Sys., Inc. v. Medtronic, Inc.*,
12 678 F.2d 93, 94-95 (9th Cir. 1982). "The most basic aspect of the first-to-file rule
13 is that it is discretionary." *Alltrade, Inc. v. Uniweld Prods., Inc.*, 946 F.2d 622, 628
14 (9th Cir. 1991). In applying the rule, courts consider three factors: "(1) the
15 chronology of the two actions; (2) the similarity of the parties, and (3) the
16 similarity of the issues." *See id.* at 625. The first-to-file rule does not support
17 Uniloc, for several reasons.

18 First, this Court is the first court with jurisdiction over this action, dating
19 back to Uniloc's filing of suit in 2008. This Court is the court that the parties
20 stipulated, in 2008, would have jurisdiction over this dispute. The fact that Uniloc
21 filed its complaint in Texas after dismissing the 2008 action and two weeks before
22 Symantec filed the present action does not change this reality. Moreover, Uniloc's
23 suit in Texas, unlike its Counterclaims here, does not (and for jurisdictional
24 reasons could not) name XtreamLok as a defendant. Instead, it names eleven other
25 companies, all unrelated to Symantec, and accuses them of patent infringement by
26 reason of selling numerous unrelated products. *See* Flagel Decl., Ex. A;
27 Kazanegras Decl. ¶ 5. Similarly, Uniloc Corporation Pty Limited is a defendant
28 and counterclaim plaintiff in this action, but it is not a party in Uniloc's Texas suit.

Accordingly, this lawsuit is essentially the first-filed action. In any event, the parties and issues in this case are substantially different from those in the Texas case.

Second, even if the factors somehow permitted application of the rule, this Court "can, in the exercise of [its] discretion, dispense with the first-filed principle for reasons of equity." *Alltrade*, 946 F.2d at 628. Uniloc's agreements that this Court would adjudicate its infringement claims against Symantec and XtreamLok, and this Court's prior Order, provide ample reason to dispense with the rule. *See Hy Cite Corp. v. Advanced Mktg. Int'l, Inc.*, No. 05-C-722-S, 2006 U.S. Dist. LEXIS 18615, at *10 (W.D. Wis. Apr. 10, 2006) ("The interests of justice mandate that the first-to-file rule should not be applied . . . because of the forum selection clause."); *Valpak of Cincinnati, Inc. v. Valpak Direct Mktg. Sys., Inc.*, No. 1:05-CV-00510, 2005 WL 3244321, at *3 (S.D. Ohio Nov. 30, 2005) ("One of the 'special circumstances' justifying departure from the first-to-file rule is the presence of a forum selection clause").

Third, because Uniloc acted in bad faith by disregarding its agreements and this Court's Order, and by maneuvering to get its claims against Symantec out of the first California action and into Texas, Uniloc should not be entitled to the benefit of the first-to-file rule. *See Alltrade*, 946 F.2d at 628 ("Circumstances under which an exception to the first-to-file rule typically will be made include bad faith, anticipatory suit and forum shopping.") (citations omitted).

Finally, because the convenience factors weigh strongly against a transfer, the first-to-file rule should not be applied. *See Micron Tech., Inc. v. Mosaid Techs., Inc.*, 518 F.3d 897, 904 (Fed. Cir. 2008) (explaining that "instead of . . . automatically going with the first filed action," a court should weigh the Section 1404(a) convenience factors); *Serco Servs. Co., L.P. v. Kelley Co., Inc.*, 51 F.3d 1037, 1038 (Fed. Cir. 1995) (affirming dismissal of first-filed action where

1 convenience of witnesses and location of evidence favored the second-filed
2 forum).

3 **III. CONCLUSION**

4 Uniloc's motion should be denied. It has not met its burden of
5 demonstrating that this action could have been brought in Texas, or that the
6 convenience and justice factors favor transfer. In fact, this action could not have
7 been brought in Texas, and the relevant factors weigh heavily against transfer.
8 Moreover, this action should not be dismissed under the first-to-file rule, as the
9 rule simply does not apply to this case.

10

11 Dated: November 29, 2010

Respectfully submitted,
LATHAM & WATKINS LLP

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13
14 By *_/s/_* Mark A. Flagel
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15 Attorneys for Plaintiffs
16 SYMANTEC CORPORATION AND
XTREAMLOK, PTY

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