

# EXHIBIT 1

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WISCONSIN

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QUALCOMM INCORPORATED,

Plaintiff and Counterclaim Defendant,

v.

CASE NO. 07 C 0187 C

NOKIA CORPORATION and NOKIA INC.,

Defendants and Counterclaim Plaintiffs.

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**DEFENDANTS AND COUNTERCLAIM PLAINTIFFS NOKIA CORPORATION AND  
NOKIA INC.'S REPLY MEMORANDUM IN SUPPORT OF DEFENDANTS' MOTION  
TO TRANSFER**

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**PRELIMINARY STATEMENT**

Although Qualcomm attempts to diminish the importance of it and Nokia's various contacts to San Diego, it concedes that neither Qualcomm nor Nokia have *any* connection to this district. Indeed, the closest witness appears to live in Ohio. In contrast, San Diego is where Qualcomm has its headquarters and Nokia has a major office. Although the precise witnesses and documents for this case are still being determined, it is certain that they will be far closer to San Diego than this district.

Moreover, Qualcomm largely ignores the fact that the patents-in-suit in the San Diego action that Qualcomm brought against Nokia overlap with the patent in this case, not just because they concern cellular telephone technology, but because they concern speech coding technology in particular. They will thus involve many of the same Nokia witnesses (including Qualcomm's Ohio inventor), products, and documents as this case. Because the San Diego action is in nearly the same procedural posture as this one, it is the perfect time to transfer.

The fact that Nokia chose to file counterclaims does nothing to change the analysis. Nokia is entitled to present its case in the venue in which it is sued, including showing

a jury that Qualcomm, which is accusing Nokia of infringing one of its patents, is actually infringing multiple Nokia patents. Nevertheless, Nokia is requesting that the Court transfer this entire action to the more convenient forum of San Diego, including both Qualcomm's claim and Nokia's counterclaims.

## **ARGUMENT**

### **I. TRANSFER TO SOUTHERN DISTRICT OF CALIFORNIA IS APPROPRIATE IN INTERESTS OF JUSTICE AND CONVENIENCE OF THE PARTIES**

#### **A. Close Connection With Pending San Diego Case Warrants Transfer**

As explained in Nokia's motion to transfer, this case should be transferred because there is already a pending case in San Diego dealing with patents covering very similar technology. As explained in Nokia's opening brief, one factor to be considered in the analysis of whether the "interest of justice" weighs in favor of transfer is "whether a transfer would facilitate consolidation of related cases." *Snyder v. Revlon, Inc.*, 2007 WL 791865 at \*8 (W.D. Wis. March 12, 2007). *Ellis Corp. v. Jensen USA, Inc.*, 2003 WL 22111100 at \* (N.D. Ill. September 9, 2003). ("When pending litigation involves the same parties and similar legal, technical and infringement issues, transfer to that venue is logical and strongly favored.")

Qualcomm's Opposition concedes that U.S. Patent No. 6,205,130 ("the '130 patent") is related to the patents-in-suit in San Diego in that they all relate to mobile telecommunications. (Qualcomm Opposition, at p. 9.) This in itself is sufficient to make transfer an attractive option. But the relationship between two of the patents-in-suit in San Diego, U.S. Patent No. 5,778,338 ("the '338 patent") and U.S. Patent No. 5,742,734 ("the '734 patent") goes much further. Specifically, the '130 (Wisconsin), '734 (California), and '338 (California) patents all deal with a discrete aspect of mobile communications -- speech signal transmission. Qualcomm's Opposition argues that because the patents each describe different methods for facilitating speech signal transmission, they are not sufficiently similar to support an

argument in favor of transfer and consolidation. This distinction ignores the reality of just how much overlap in evidence and witnesses would exist in trying both patents. In order to understand how each alleged invention facilitates speech signal transmission, a court must first come to a basic understanding of how speech signals are transmitted between wireless devices. Both cases will thus involve overlapping witnesses, source code, experts, products, and evidence.

By way of example, Nokia has already identified two witnesses required for both cases. Kari Jarvinen is a Nokia employee located in Tampere, Finland who has been intimately involved in the standardization of the speech codecs used in Nokia phones.<sup>1</sup> Nokia plans to call Mr. Jarvinen as a witness in both the San Diego action and this case. (Declaration of Keith Broyles, filed concurrently ("Broyles Decl."), ¶ 2.) Alastair Black is another Nokia employee who lives and works in Southwood, England. Mr. Black has extensive knowledge relating to speech signal transmission in Nokia products and will likely be a witness in both cases. (Broyles Decl., ¶ 3.) Furthermore, Mr. Jarvinen and Mr. Black will have to travel overseas to participate in both cases. It would clearly be more convenient for them to participate in one, rather than two, cases, especially in a city where there will be facilities available for them to continue their work during any downtime that may occur during preparation and trial. Moreover, Mr. Jarvinen and Mr. Black are likely only two of numerous Nokia employees that will be required to provide testimony or otherwise participate in both cases if they are not consolidated. Because this case is still in the early stages of discovery, Nokia is still in the process of identifying the other witnesses, most of who also reside in Finland or the United Kingdom. The increased burden on Mr. Jarvinen and Mr. Black and these other overlapping witnesses is in itself sufficient reason to warrant transfer.

Also, although Nokia's investigation of the situation is ongoing, it is very likely that the source code that implements the speech codecs, facilitating speech signal transmission,

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<sup>1</sup> The speech codec is one of the key components in any mobile communications device related to speech signal transmission.

will be an issue in both cases. Obviously, the overlap in witnesses and products means there will be a significant overlap in the evidence in both cases, both documentary and testimonial. Justice will thus be best served by transfer to San Diego to join the related case pending there.

**B. Qualcomm's San Diego Presence Warrants Transfer**

Qualcomm does not dispute that its headquarters is in San Diego, and most of its documents, witnesses, executives, and information is there. Instead, Qualcomm asks this court to disregard this key fact by arguing that it is only what is convenient for Nokia that factors into whether to transfer a case under Section 1404(a). But the plain language of the statute refers to the convenience of the "*parties*" not of the moving party. 28 U.S.C. § 1404(a).

While disregarding its own substantial presence in San Diego, Qualcomm quibbles with Nokia's claim that San Diego would be more convenient because Qualcomm's inventors of the patents-in-suit are located there. With U.S. Patent No. 7,184,954 ("the '954 patent") dropped from the suit,<sup>2</sup> there is only one remaining named inventor of a Qualcomm patent-in-suit -- Andrew DeJaco. In its Opposition, Qualcomm states that Mr. DeJaco is no longer employed by Qualcomm and now lives in Ohio, not San Diego. (Qualcomm Opposition, at 7.) Qualcomm thus argues that the convenience of Mr. DeJaco as a third-party witness does not favor transfer.

But Qualcomm ignores the fact that Mr. DeJaco is also a named inventor of U.S. Patent No. 5,742,734 ("the '734 patent"), which Qualcomm has accused Nokia of infringing in the San Diego action. Because Mr. DeJaco will already be a witness in the San Diego action, it would be more convenient for him to testify as to both patents at once, than to appear for deposition and trial in multiple fora.

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<sup>2</sup> Between the time Nokia filed its Motion to Transfer and Qualcomm filed its Opposition, Qualcomm amended its complaint to drop one of the two original patents-in-suit and narrow the class of accused products.

**C. Nokia's San Diego Presence Warrants Transfer**

Qualcomm also argues that Nokia has failed to show that San Diego is clearly more convenient for Nokia because it has failed to articulate a nexus between Nokia's activities in San Diego and this case. (Qualcomm Opposition, at 5.) Qualcomm cites no authority for the proposition that such a nexus is required to demonstrate convenience, and it is obviously more convenient for Nokia to litigate in a forum where it maintains a physical presence than one to which it has no direct ties whatsoever.<sup>3</sup> In San Diego, Nokia can more conveniently prepare witnesses, hold depositions, and coordinate document productions with the benefit of Nokia's resources nearby. And although the products currently accused were not developed in San Diego, it is far more likely that witnesses and documents will be located in that office than in Wisconsin, where neither party has any presence.

**D. Nokia Has Not Waived Its Right to Seek Transfer**

Qualcomm's other arguments based on Nokia's actions in this and other cases are without merit. First, Qualcomm suggests that because Nokia has sued Qualcomm for breach of contract in Delaware, Nokia cannot argue that San Diego is a more convenient forum than Wisconsin for this patent infringement suit. (Qualcomm Opposition, at 5.) Putting aside the fact that both Qualcomm and Nokia Inc., the U.S. Nokia subsidiary, are organized under the laws of Delaware,<sup>4</sup> the question before this Court is whether San Diego is "clearly more convenient" than the Western District of Wisconsin as a forum to adjudicate the claims in this particular lawsuit. As explained above, both Nokia's presence in San Diego and the fact that it is already involved

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<sup>3</sup> In its Opposition, Qualcomm notes that Nokia has offices in Minnesota, Illinois and Indiana, apparently suggesting that there are facilities close to Wisconsin. Conveniently ignored is the fact that in addition to the San Diego facility discussed herein, Nokia maintains no less than six offices in cities around the state of California. (Wainscoat Declaration, filed concurrently with Qualcomm's Opposition, Ex. A.)

<sup>4</sup> Qualcomm even alleges as much in its amended complaint. (Amended Complaint, ¶¶ 1 and 3.)

in related litigation with Qualcomm in that forum make the Southern District of California a more convenient forum. There is no case law suggesting that because Nokia has litigated other cases in other jurisdictions, it has somehow waived its right to transfer any given case there based on the specific facts of that case.

Next, Qualcomm argues that by filing permissive counterclaims in this Court, Nokia has acted inconsistently with its position that the Southern District of California is a more convenient forum. (Qualcomm Opposition, at p. 6.) But Nokia obviously chose this forum to present its counterclaims because that's where Qualcomm filed its case. Nokia is entitled to present to the jury in this case evidence that Qualcomm is using Nokia's patents. Injecting such issues into the case did nothing to waive Nokia's right to have the entire case--claim and counterclaims--in a forum more convenient for everyone. Moreover, since Qualcomm's headquarters are in San Diego, it is very likely that San Diego will be a much more convenient forum for the witnesses relating to the Qualcomm products accused of infringing Nokia's patents.

## **II. DESIRE FOR SPEED DOES NOT OUTWEIGH THESE SUBSTANTIAL CONVENIENCE FACTORS**

Against this backdrop of substantial reasons to transfer the case to San Diego, Qualcomm presents only one reason to keep it here -- speed. But this Court has previously explained that "speed alone would be insufficient to overcome a motion to transfer if other factors showed that another venue is clearly more convenient." *Legget & Platt, Inc. v. Lozier, Inc.*, 2005 WL 1168360 at \*2 (W.D. Wis. May 17, 2005); *see also Broadcom Corp. v. Microtune, Inc.*, 2004 WL 503942 (W.D. Wis. March 9, 2004) (transferring a case where "[p]laintiff's sole stated reason for selecting the Western District of Wisconsin is the relative speed of this Court's docket" and the other relevant factors favored transfer). Where the chosen forum is not plaintiff's home forum and "bears only a tangential relation to the events at issue in

the lawsuit, a plaintiff's choice has weight equal to other factors and will not receive deference." *Snyder*, 2007 WL 791865 at \*8 (citing *Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 255 (1981)).

Qualcomm's Opposition concedes that the relative speed of this Court's docket is the only reason it has chosen this forum. (Qualcomm Opposition, at pp. 8.) Qualcomm argues, however, that "this case is procedurally further along" than the San Diego action. (Qualcomm Opposition, at p. 2.) But the only step that has occurred here that has yet to occur in San Diego is that the parties have served (but not responded to) discovery requests. Notably, neither party in either case has filed an answer. Furthermore, although the San Diego action has been stayed, that stay will likely be lifted shortly upon Qualcomm's own motion, as soon as the arbitrator in the first arbitration concludes its findings.



**III. CONCLUSION**

For the foregoing reasons, Nokia respectfully requests that the Court transfer this case to the United States District Court for the Southern District of California, where it can be consolidated with the litigation currently pending between the parties in that forum.

<p>Dated: June 25, 2007</p> <p>OF COUNSEL:</p> <p>A. William Urquhart (CA Bar No. 140996) Marshall M. Searcy III (CA Bar No. 169269) Erica P. Taggart (CA Bar No. 215817) QUINN EMANUEL URQUHART OLIVER &amp; HEDGES, LLP 865 South Figueroa Street, 10th Floor Los Angeles, California 90017-2543 Telephone: (213) 443-3000 Facsimile: (213) 443-3100</p> <p>Charles K. Verhoeven (CA Bar No. 170151) QUINN EMANUEL URQUHART OLIVER &amp; HEDGES, LLP 50 California Street, 22nd Floor San Francisco, California 9411 Telephone: (415) 875-6600 Facsimile: (415) 875-6700</p> <p>Keith E. Broyles John D. Haynes ALSTON &amp; BIRD LLP One Atlantic Center 1201 Peachtree Street Atlanta, Georgia 30309-3424 Telephone: (404) 881-7737 Facsimile: (404) 881-7777</p> <p>Attorneys for Defendants Nokia Corporation and Nokia, Inc.</p>	<p>/s/ Allen Arnsten</p> <hr/> <p>Allen Arnsten FOLEY &amp; LARDNER LLP 150 East Gilman Street Verex Plaza Madison, Wisconsin 53703 Telephone: 608-258-4293 Facsimile: 608-258-4258</p> <p>G. Peter Albert, Jr. FOLEY &amp; LARDNER LLP 11250 El Camino Real, Suite 200 San Diego, California 92130 Telephone: 858-847-6735 Facsimile: 858-792-6773</p> <p>Attorneys for Defendants Nokia Corporation and Nokia, Inc.</p>
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