

Exhibit 31

Nokia's Memorandum in Support of its Motion to Transfer dated May 24,  
2007

**UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WISCONSIN**

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QUALCOMM INCORPORATED,

Plaintiff,

v.

NOKIA CORPORATION and NOKIA, INC.,

Defendants.

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Case No. 07-C-0187-C

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

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**Preliminary Statement**

The Court should transfer this action to the United States District Court for the Southern District of California where the parties already have a pending lawsuit involving similar technology. QUALCOMM Incorporated ("Qualcomm") is based in San Diego, regularly litigates in that forum, and has its named inventors in that area. Moreover, although defendants' parent company Nokia Corporation is headquartered in Finland, the subsidiary, Nokia Inc. (collectively, "Nokia"), has certain facilities in San Diego, making it more convenient for Nokia to litigate this dispute there as well. In addition, neither Nokia nor Qualcomm has any direct connection to this district or the state of Wisconsin.

Moreover, in other cases outside of California, Qualcomm has repeatedly argued that San Diego is the best venue to resolve disputes to which it is a party, including disputes with Nokia. True to this position, Qualcomm has regularly chosen the Southern District of California as its forum of choice for patent infringement suits in the past, including those it has brought against Nokia. Furthermore, Qualcomm admitted to Magistrate Judge Crocker that the only

reason to bring this lawsuit in Wisconsin was speed. Such a reason is insufficient to keep the case in Wisconsin, given the plethora of reasons to prefer the Southern District of California for this particular dispute for both parties. On May 23, 2007, Nokia filed its counterclaims to Qualcomm's complaint, alleging patent infringement by Qualcomm of Nokia's patents. Should the Court be inclined to grant Nokia's motion to transfer, Nokia requests that its counterclaims be transferred along with Qualcomm's claims.

### **Factual Background**

#### ***The Currently Pending San Diego Action Between the Parties***

On November 4, 2005, Qualcomm filed a patent infringement suit against Nokia in the United States District Court for the Southern District of California (the "San Diego action") asserting twelve patents against Nokia's "products that comply with the GSM family of standards" but specifically excluding "any Nokia product that is licensed under the Subscriber Unit and Infrastructure Equipment License Agreement dated July 2, 2001, including any amendments thereto, between QUALCOMM Incorporated and Nokia Corporation." (San Diego Complaint, ¶¶ 23 and 24, Declaration of Erica Taggart, filed concurrently ("Taggart Decl."), Ex. A.)

The patents asserted in that lawsuit relate to a wide variety of technology used in mobile communications devices, from power control to location services. Two of the patents, U.S. Patents Nos. 5,778,338 ("the '338 patent") and 5,742,734 ("the '734 patent") relate generally to speech signal transmission and more specifically to compression and variable rate coding. (The '338 patent and the '734 patent, Taggart Decl., Exs. B and C.)

In response to the San Diego action, Nokia filed a demand for arbitration (the "GSM Arbitration") with the American Arbitration Association pursuant to the license

agreement then in force between the parties (the Subscriber Unit and Infrastructure Equipment License Agreement, or "SULA"), alleging among other things that Qualcomm should be equitably estopped from asserting its patents against Nokia's GSM<sup>1</sup> products based on patents applied for prior to the SULA due to Qualcomm's misleading conduct in the negotiations leading up to the SULA. (Nokia's Confidential Demand for Arbitration, Taggart Decl., Ex. D.)

Simultaneous with this demand, Nokia moved to stay the San Diego action pursuant to Section 3 of the Federal Arbitration Act. (Taggart Decl., ¶ 7.) The San Diego court initially denied Nokia's motion to stay, but ordered a stay pending appeal of that ruling. (Order Staying the San Diego Action Pending Appeal, Taggart Decl., Ex. E.) However, the Federal Circuit ruled on appeal that the district court had erred in applying the law, and after remand the district court stayed the San Diego action pending the GSM Arbitration. (Transcript of San Diego Action Proceedings, Taggart Decl., Ex. F.) The San Diego action currently remains stayed pursuant to that order.

### ***Subsequent Litigation and this Action***

Since filing the pending San Diego action, Qualcomm has brought lawsuits accusing Nokia's products of infringing Qualcomm patents in London, Paris, Milan, Dusseldorf, Beijing and Shanghai. Until recently, the only other proceeding Qualcomm had initiated in the United States was in Washington D.C., before the International Trade Commission, which is also currently stayed. (Taggart Decl., ¶ 5.) On April 2, 2007, however, Qualcomm filed suit in this Court asserting two patents against Nokia's "products that practice GSM, GPRS and/or EDGE

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<sup>1</sup> For purposes of this Motion, the term "GSM" includes later-developed enhancements to the GSM standard known as GPRS and EDGE.

functionality," again specifically excluding products licensed under the SULA.<sup>2</sup> (Qualcomm's Compl., ¶ 12.)

The patents-in-suit in this case, U.S. Patents Nos. 6,205,130 ("the '130 patent") and 7,184,954 ("the '954 patent"), relate generally to speech signal transmission and detection of bad packets in encoded speech signals. (Qualcomm's Compl., Exs. 2 and 1, respectively.) The '130 patent identifies as its named inventor Andrew DeJaco from San Diego. (Qualcomm's Compl., Ex. 2.) The '954 patent lists as named inventors both Mr. DeJaco and Dr. Paul Jacobs, Qualcomm's chief operating officer, from La Jolla, California. (Qualcomm's Compl., Ex. 1.)

***The Parties' Relationship to the Western District of Wisconsin***

Neither Qualcomm nor Nokia has any physical presence, such as a research facility or corporate offices, in this District or anywhere else in the state of Wisconsin. (Declaration of Rob Givens, filed concurrently ("Givens Decl."), ¶ 2.) Neither Nokia Corporation nor Nokia, Inc. directly employs anyone in Wisconsin. (Givens Decl., ¶ 3.) Qualcomm did not develop any of the technology described by the patents-in-suit in Wisconsin. (Qualcomm's Compl, Exs. 1 and 2.) Nokia does not manufacture or produce any mobile communications devices in Wisconsin. (Givens Decl., ¶ 2.) In explaining its choice of venue during the scheduling conference this Court held by telephone on May 9, 2007, Qualcomm articulated only one reason for filing suit in this Court as opposed to another venue -- speed of the docket. (Taggart Decl, ¶ 10.) As with the San Diego action, Nokia has moved to stay this case pending the GSM Arbitration as well as a subsequent arbitration initiated by Qualcomm after the San Diego stay was already in place.

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<sup>2</sup> On the same day it filed this suit, Qualcomm also filed a similar suit in the Eastern District of Texas. *See Qualcomm Inc. v. Nokia Corp.*, No. 07cv111 (E.D. Tex. April 2, 2007).

### ***The Parties' Relationship to the Southern District of California***

In contrast, both parties have certain connections to San Diego, which lend support for this particular dispute being decided there. According to its website, Qualcomm was founded in San Diego in 1985, and maintains its headquarters there today. ("History" section of Qualcomm website, Taggart Decl., Ex. M.) Its San Diego location encompasses all of its business areas and makes Qualcomm one of the largest employers in the city. ("Careers" section of Qualcomm website, Taggart Decl., Ex. M.) Qualcomm litigates regularly in San Diego. In fact, Qualcomm has brought suit in the Southern District of California twenty-nine (29) times from 1991 to the present. (PACER Printout, Taggart Decl., Ex. G.) Three of those cases were against Nokia, including the pending San Diego action. (PACER Printout, Taggart Decl., Ex. G.) Furthermore, when Qualcomm has been sued for patent infringement in other jurisdictions in the past, it has sought and secured transfer to San Diego pursuant to 28 U.S.C. § 1404(a). *See, e.g., GTE Wireless, Inc. v. Qualcomm, Inc.*, 71 F. Supp. 2d 517, 520 (E.D. Va. 1999).

Qualcomm has similarly sought transfer to San Diego in other, pending litigation with Nokia.<sup>3</sup> On August 8, 2006, Nokia sued Qualcomm for breach of contract and declaratory relief in state court in Delaware (the "Delaware action"). (Delaware Action Complaint, Taggart Decl., Ex. H.) On August, 16, 2006, after removing the case to the United States District Court for the District of Delaware, Qualcomm filed a motion to transfer to the Southern District of California "in the interest of justice and convenience of the parties and witnesses pursuant to 28 U.S.C. §1404(a)." (Qualcomm's Motion to Transfer the Delaware Action, p. 1, Taggart Decl., Ex. I.) In that same motion, Qualcomm invoked the first-filed rule with respect to the San Diego

action, arguing that "the claims should be transferred in favor of QUALCOMM's first-filed San Diego suit." (Qualcomm's Motion to Transfer the Delaware Action, p. 14, Taggart Decl., Ex. I.)

Nokia also has a facility in San Diego, at which research and development are conducted along with certain business activities. (Givens Decl., ¶ 4.) Furthermore, because both companies have a presence there, the parties have at least twice in the past contracted to designate Southern California as an appropriate jurisdiction to resolve disputes. (SULA, ¶ 22, Taggart Decl., Ex. K; BREW License Agreement, ¶ 19.6, Taggart Decl., Ex. L.)

### Argument

#### **I. UNDER 28 U.S.C. § 1404(a), VENUE SHOULD BE TRANSFERRED TO THE SOUTHERN DISTRICT OF CALIFORNIA**

##### **A. The Court Should Transfer Because the San Diego Venue is More Convenient for this Dispute for Both Parties**

“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). Separate from the mandatory transfer analysis under § 1400, § 1404(a) allows transfer of an action “properly venued under § 1400(b)” when another Court would provide a better forum. *Snyder v. Revlon, Inc.*, 2007 WL 791865 at \*8 (W.D. Wis. March 12, 2007). This Court should order transfer of venue under § 1404(a) if Nokia, the moving party, establishes “that the proposed transferee forum is ‘clearly more convenient.’” *Snyder*, 2007 WL 791865 at \*8 (*quoting Coffey v. Van Dorn Iron Works*, 796 F.2d 217, 219-20 (7th Cir. 1986)).

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<sup>3</sup> Nokia opposed Qualcomm motions in the Delaware action on various grounds, including that Nokia feared Qualcomm's influence in San Diego would prevent Nokia receiving a fair hearing. Recent cases in San Diego have somewhat assuaged Nokia's fears in that regard.

Although the statute requires consideration of certain factors, such as "the convenience of the parties, the convenience of the witnesses, and the interest of justice," "these factors are best viewed as placeholders for a broader set of considerations, the contours of which turn upon the particular facts of each case." *Coffey*, 796 F.2d at 219 n.3. This broader set of considerations can include, for example, "the situs of material events, ease of access to sources of proof and the plaintiff's choice of forum." *Snyder*, 2007 WL 791865 at \*8 (citing *Harley-Davidson, Inc. v. Columbia Tristar Home Video*, 851 F. Supp. 1265, 1269 (E.D. Wis. 1994); *Kinney v. Anchorlock Corp.*, 736 F. Supp. 818, 829 (N.D. Ill. 1990)). "The weighing of factors for and against transfer necessarily involves a large degree of subtlety and latitude, and, therefore, is committed to the sound discretion of the trial judge." *Coffey*, 796 F.2d at 219.

With respect to the plaintiff's choice of forum, "[w]hen a plaintiff chooses to litigate in her *home forum*, the general rule is that her choice will be given more deference than if she had selected a different forum." *Snyder*, 2007 WL 791865 at \*8 (emphasis added) (citing *Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 255 (1981)). By contrast, however, where the "plaintiff's chosen forum 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*." *Id.* (emphasis added) (citing *Chicago, Rock Island & Pac. R. Co. v. Igoe*, 220 F.2d 299, 304 (7th Cir. 1955)).

"[R]elated litigation should be transferred to a forum where consolidation is feasible." *Coffey*, 796 F.2d at 221; *see also Symbol Techs., Inc. v. Intermec Techs. Corp.*, 2005 WL 1657091 at \*3 (W.D. Wis. July 14, 2005) (quoting *Coffey*). Where two infringement actions involve the same general technology, "consolidating the parties' dispute in front of one judge would reduce the need for duplicative time-consuming tutorials . . . ." *Broadcom Corp. v. Agere Sys., Inc.*, 2004 WL 1176168 at \*1 (W.D. Wis. May 20, 2004); *see also Broadcom Corp. v.*

*Microtune, Inc.*, 2004 WL 503942 at \*4 (W.D. Wis. March 9, 2004) (case transferred to a district “familiar with the general silicon-based tuner technology” at issue). This Court has noted in the past that one factor often considered in an "interest of justice" analysis is "whether a transfer would facilitate consolidation of related cases." *Snyder*, 2007 WL 791865 at \*8.

**B. Important Witnesses and Facts for this Dispute are Located in the Southern District of California and that Forum is More Convenient than Wisconsin for this Dispute for Both Parties**

As described above, Qualcomm's home forum is the Southern District of California.<sup>4</sup> Qualcomm's corporate world headquarters are located in San Diego, housing many of its engineers and other employees. In fact, the named inventor of the '130 patent is Andrew DeJaco, who is identified on the patent as being from San Diego. On the '954 patent, Mr. DeJaco is joined as a named inventor by Dr. Paul Jacobs, Qualcomm's CEO, who is listed as being from La Jolla, California, a city just north of San Diego and also in the Southern District of California. These gentlemen will be necessary witnesses in this proceeding and the facts related to their activities as inventors appear to have occurred in and around San Diego.

Nokia, Inc., the U.S. subsidiary, also has a presence in San Diego, employing engineers and business people in its facilities there. Since Nokia Corporation, the parent company, is headquartered in Finland, it would be more convenient for it to litigate in a U.S. city where it maintains a presence than to be forced to proceed in Wisconsin, where it maintains no physical presence. Nokia does not manufacture or develop any devices in Wisconsin. Indeed, neither party has a physical presence in Wisconsin and venue is only proper in this district

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<sup>4</sup> The largest sports arena in the area, "Qualcomm Stadium," even bears the company's name. ("Qualcomm Stadium" section of Qualcomm website, Taggart Decl., Ex. M.)

because Qualcomm has alleged that acts of infringement occurred here, and those only through the stream of commerce.

Furthermore, Qualcomm itself has argued that the Southern District of California is a convenient district in which to litigate cases against Nokia. Qualcomm made that very argument in its motion to transfer the Delaware action from the District of Delaware. Moreover, Qualcomm has sought and secured transfer to San Diego in at least one other unrelated case on grounds that it is a more convenient forum. *GTE Wireless*, 71 F. Supp. 2d at 520. The parties have even agreed in the past to designate Southern California as an appropriate jurisdiction to resolve disputes between them, including in at least two contracts. In sum, neither party has any significant connection to Wisconsin. By contrast, both parties have facilities in San Diego that are likely to house facts and witnesses relevant to both the patents-in-suit and Nokia's accused products. Thus, access to facts and convenience of the parties and witnesses all weigh in favor of transferring this case to San Diego.

**C. In the Interest of Justice, the Court Should Transfer this Case to the Southern District of California, Where a Similar Infringement Action is Already Pending**

This case should also be transferred to San Diego because there is already a pending patent case there between these parties involving similar technology. In the San Diego action, Qualcomm accuses Nokia's GSM products of infringing twelve patents. (San Diego Complaint, Taggart Decl., Ex. A.) Those patents relate to many aspects of the form and function of a cellular communications device, including power control and maximizing battery life, data transmission, and location services or global positioning. Two of those patents, the '338 and '734 patents, relate generally to speech signal transmission in cellular communications. In particular, these two patents purport to describe methods for compressing and coding speech signals. (The

'338 patent and the '734 patent, Taggart Decl., Exs. B and C.) In this Court, Qualcomm has accused the very same products accused in the San Diego action of infringing two patents. The patents-in-suit in this action, the '130 patent and the '954 patent, each purport to describe a method and apparatus for detecting bad packets in decoded speech signals.

The two speech signal transmission patents in San Diego are closely related to the patents before this court. By way of example, the '338 patent asserted in San Diego, like the '130 and '954 patents asserted here, is directed to technology regarding speech signals. For example, claims of both the '338 and '130 patents include limitations related to handling errors in the transmission of coded speech. Similarly, the '734 patent in San Diego relates to variable rate speech coding implicated in, e.g., claim 9 of the '130 patent. It also bears noting that Mr. DeJaco appears as a named inventor on the '130 patent [Wisconsin], the '954 patent [Wisconsin] and the '734 patent [San Diego]. Dr. Jacobs is a named inventor of both the '338 patent [San Diego] and the '954 patent [Wisconsin].

Thus, both the San Diego action and the suit before this Court will require the review and understanding of similar complex technologies. As the situation stands now, two different courts will have to take the time and energy to understand technology that is closely related, not only at the broad level of mobile telecommunications, but also in the specific area of speech signal transmission. Furthermore, if this case is not transferred, both courts will have to become familiar with similar, if not the same, products. The Court should therefore transfer this case to the Southern District of California where that tribunal can consolidate it with the closely related San Diego action. Such a transfer would result in efficient use of judicial resources and comport with the interest of justice.

**D. Qualcomm Should Not Be Allowed to Avoid a Stay by Filing a Related Suit in Another Jurisdiction**

The court for the San Diego action stayed that case for one of the same reasons that Nokia has moved to stay this case -- because it includes claims against Nokia's GSM products while a pending arbitration examines whether Qualcomm is estopped from asserting infringement against such products. By filing this lawsuit against the same products on similar technology, Qualcomm is improperly seeking to avoid that stay. In doing so, Qualcomm is asking this Court not only to analyze similar patents and the same products as the San Diego court, but also to revisit the same arguments regarding the propriety of proceeding with an infringement action concurrently with pending arbitration. The Court should see this tactic for what it is, and transfer this case to San Diego, where it can be managed along with another previously filed and closely related Qualcomm-initiated action.

**Conclusion**

For the foregoing reasons, Nokia respectfully requests an order transferring venue of this action to the United States District Court for the Southern District of California.

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