

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

APPLE INC. and NeXT SOFTWARE,)
INC. (f/k/a NeXT COMPUTER, INC.),)

Plaintiffs,)

Case No. 10-CV-662-slc

v.)

JURY TRIAL DEMANDED

MOTOROLA, INC. and MOTOROLA)
MOBILITY, INC.)

Defendants.)

**OPENING BRIEF IN SUPPORT OF DEFENDANTS' MOTION TO DISMISS OR TO
SEVER AND TRANSFER CLAIMS IN PLAINTIFFS' AMENDED COMPLAINT
BASED ON PATENTS AT ISSUE IN AN EARLIER-FILED DELAWARE ACTION**

December 23, 2010

TABLE OF CONTENTS

	<u>Page</u>
TABLE OF AUTHORITIES	ii
INTRODUCTION	1
SUMMARY OF ARGUMENT	1
STATEMENT OF FACTS	4
ARGUMENT	7
I. Plaintiffs' Claims Based on the Twelve Amended Complaint Patents Should Be Dismissed Under the First-Filed Rule Pursuant to Fed. R. Civ. P. 12(b)(3)	7
A. Motorola's Filing of the Motorola Delaware Action Did Not Provoke a Race to the Courthouse	9
B. Motorola's Selection of Delaware Favors Judicial and Litigant Economy	9
II. Alternatively, Plaintiffs' Claims Based on the Twelve Amended Complaint Patents Should Be Severed and Transferred to the District of Delaware	10
A. Plaintiffs' Amended Complaint Patent Claims Are Severable Because They Are Discrete and Separate From the Remaining Claims	10
B. Plaintiffs' Amended Complaint Patent Claims Should Be Transferred	12
1. Plaintiffs' Amended Complaint Patent Claims Could Have Been Brought in Delaware	12
2. The Plaintiffs' Choice of Forum Does Not Weigh Against Transfer	12
3. The Convenience to Parties Favors Transfer	13
4. The Convenience to Witnesses Favors Transfer	14
5. The Interests of Justice Weigh Heavily in Favor of Transfer	15
CONCLUSION	18

TABLE OF AUTHORITIES

Page(s)

CASES

<i>Broadcom Corp. v. Agere Systems, Inc.</i> , Civil Action No. 04-066, 2004 WL 1176168 (W.D. Wis. May 20, 1994)	15
<i>Chicago, Rock Island and Pac. R.R. Co. v. Igoe</i> , 220 F.2d 299 (7th Cir. 1955)	15
<i>Coffey v. Van Dorn Iron Works</i> , 796 F. 2d 217 (7th Cir. 1986)	12
<i>Continental Grain Co. v. The Barge FBL-585</i> , 364 U.S. 19 (1960).....	18
<i>Electronics for Imaging, Inc. v. Coyle</i> , 394 F.3d 1341 (Fed. Cir. 2005).....	7, 8
<i>Encyclopedia Britannica, Inc. v. Magellan Navigation, Inc.</i> , 512 F. Supp. 2d 1169 (W.D. Wis. 2007)	15, 16
<i>Gaffney v. Riverboat Serv. of Ind., Inc.</i> , 451 F. 3d 424 (7th Cir. 2006)	11
<i>Heller Fin., Inc. v. Midwhhey Powder Co.</i> , 883 F.2d 1286 (7th Cir. 1989)	18
<i>Kraft Foods Holdings, Inc. v. Proctor & Gamble Co.</i> , Civil Action No. 07-613, 2008 WL 4559703 (W.D. Wis. Jan. 24, 2008)	11, 16
<i>Lineage Power Corp. v. Synqor, Inc.</i> , Civil Action No. 08-397, 2009 WL 90346 W.D. Wis. Jan. 13, 2009)	13, 14, 15, 17
<i>Micron Technology, Inc. v. Mosaid Technologies, Inc.</i> , 518 F. 3d 897 (Fed. Cir. 2008).....	9
<i>Nokia Corp. v. Apple Inc.</i> , C.A. No. 09-1002-GMS.....	5
<i>Nokia Corp. v. Apple Inc.</i> , C.A. No. 09-791-GMS.....	5
<i>Nokia Corp. v. Apple Inc.</i> , C.A. No. 10-249 (W.D. Wis.).....	7, 10
<i>Rudich v. Metro Goldwyn Mayer Studio</i> , Civil Action No. 08-389, 2008 WL 4691837 (W.D. Wis. Oct. 22, 2008).....	13, 15

<i>U.S.O. Corp. v. Mizuho Holding Co.</i> , 547 F.3d 749 (7th Cir. 2008)	15
<i>Uniroyal Engineered Prods., LLC v. Omnova Solutions Inc.</i> , Civil Action No. 08-586, 2009 WL 736700 (W.D. Wis. Mar. 19, 2009).....	9, 10, 12, 15
<i>Vanguard Products Group, Inc. v. Protex Int'l Corp.</i> , Civil Action No. 05-6310, 2006 WL 695700 (N.D. Ill. Mar. 14, 2006).....	7
<i>Winner Int'l Royalty Corp. v. Wang</i> , 202 F. 3d 1340 (Fed. Cir. 2000).....	12

STATUTES

28 U.S.C. § 1391(b)	12
28 U.S.C. § 1391(b)(1)	12
28 U.S.C. § 1391(c)	12
U.S.C. § 1404(a)	1

RULES

Fed. R. Civ. P. 12(b)(3).....	1
Fed. R. Civ. P. 21	1

INTRODUCTION

Defendants Motorola Mobility, Inc. ("Motorola") and Motorola, Inc. ("MI") hereby move to dismiss Counts IV through XV of Apple Inc.'s ("Apple's") and NeXT Software, Inc.'s ("NeXT's") Amended Complaint (D.I. 12) pursuant to Fed. R. Civ. P. 12(b)(3). Alternatively, Defendants move to sever Counts IV through XV of the Amended Complaint and transfer these claims to the District of Delaware pursuant to Fed. R. Civ. P. 21 and 28 U.S.C. § 1404(a).

SUMMARY OF ARGUMENT

Plaintiffs improperly seek to duplicate the adjudication of claims that are already the subject of Defendants' first-filed action in Delaware. Apple's original complaint in this action asserted three patents against Defendants (D.I. 1). That complaint was filed several weeks after Motorola brought an action for a declaratory judgment against Apple and NeXT in the District of Delaware on twelve patents ("the Motorola Delaware Action"). Nearly two months after the Motorola Delaware Action was filed, Plaintiffs filed an Amended Complaint here (D.I. 12), alleging infringement of the twelve patents ("the Amended Complaint Patents") already at issue in the Motorola Delaware Action by the same products at issue in the Delaware action.

Plaintiffs' claims based on the Amended Complaint Patents should be dismissed on the basis of the first-filed rule. Motorola filed the earlier declaratory judgment action in Delaware because the twelve patents were already at issue in two actions pending in Delaware before Judge Sleet (involving different defendants). Motorola's action was also assigned to Judge Sleet. The interests of judicial economy and avoidance of inconsistent rulings are best served by having the same judge hear infringement actions on the same patents involving similar technology (the Android operating system platform used by Motorola, and at least some of the defendants, in the Delaware actions involving the Amended Complaint Patents).

If the Court decides not to dismiss Plaintiffs' claims based on the Amended Complaint

Patents, then severance of those claims and transfer to Delaware is appropriate. The three Apple patents originally at issue here are generally directed to different technology than the Amended Complaint Patents already at issue in Delaware.¹ Specifically, the three original patents² are directed to high-level, user interface functionality – the '949 patent relates to interpreting a user's touches on a touch-sensitive screen, while the '315 and '002 patents relate to different aspects of a graphical user interface. Conversely, the twelve Amended Complaint Patents are directed to unrelated, low-level functionality – eight of the twelve Amended Complaint Patents generally relate to various low-level Operating System functionality,³ two relate to object-oriented networking,⁴ one relates to detecting data structures in a document,⁵ and the last relates to object-oriented graphics.⁶ Because the original three patents relate to technology that is largely discrete

¹ A separate action in this district between the parties here involves patents that are at issue in pending ITC actions between the parties. As a result, the parties have jointly moved to stay that action. (Joint Motion to Stay (Ex. 1).)

² The three original Apple patents are entitled: "Touch Screen Device, Method, and Graphical User Interface for Determining Commands by Applying Heuristics" (U.S. Patent No. 7,479,949 ("the '949 Patent")); "Method and Apparatus for Displaying and Accessing Control and Status Information in a Computer System" (U.S. Patent 6,493,002 ("the '002 Patent")); and "Support for Custom User-Interaction Elements in a Graphical, Event-Driven Computer system" (U.S. Patent No. 5,838,315 ("the '315 Patent")).

³ U.S. Patent Nos. 6,424,354 ("Object-oriented Event Notification System with Listener Registration of Both Interests and Methods"); 5,519,867 ("Object Oriented Multitasking System"); 5,566,337 ("Method and Apparatus for Distributing Events in an Operating System"); 5,915,131 (Method and Apparatus for Handling I/O Requests Utilizing Separate Programming Interfaces to Access Separate I/O Services"); 5,969,705 ("Message Protocol for Controlling a User Interface From an Inactive Application Program"); 6,275,983 ("Object-oriented Operating System"); and 6,343,263 ("Real-time Signal Processing System for Serially Transmitted Data"); and 5,481,721 ("Method for Providing Automatic and Dynamic Translation of Object Oriented Programming Language-based Message Passing into Operation System Message Passing Using Proxy Objects").

⁴ U.S. Patent Nos. RE 39,486 ("Extensible, Replaceable Network Component System") and 5,929,852 ("Encapsulated Network Entity Reference of a Network Component System").

⁵ U.S. Patent No. 5,946,647 ("System and Method for Performing an Action on a Structure in Computer-generated Data").

⁶ U.S. Patent No. 5,455,599 ("Object Oriented Graphic System").

and separate from that of the Amended Complaint Patents, the claims based on the Amended Complaint Patents may be severed and transferred independently of the remaining claims, even if the Court decides not to dismiss those claims altogether.⁷

Furthermore, Apple has argued inconsistently that other pending actions involving patents and technology that overlap those at issue in Plaintiffs' Amended Complaint Patent claims here should not be litigated in Wisconsin. In a pending patent infringement action against Nokia in this district involving one of the Amended Complaint Patents, Apple has moved for transfer to Delaware. *Nokia Corp. v. Apple Inc.*, Civil Action No. 10-CV-249 (Apple Inc.'s Mem. in Support of Motion to Transfer Venue to the District of Delaware Pursuant to 28 U.S.C. § 1404(a) ("Wisconsin Apple Nokia Transfer Mem.") (Ex. 2)). Apple's arguments on that motion support transfer here. Apple asserted that the case "has no meaningful connection to the Western District of Wisconsin," and made every effort to distance itself from this District, arguing that Apple and Nokia had no relevant contacts with Wisconsin: "Apple does not maintain any relevant offices in Wisconsin; it has no relevant employees in Wisconsin; and it has no relevant documents or other evidence in Wisconsin." (Wisconsin Apple Nokia Transfer Mem. (Ex. 2) at 1, 7.) Apple also argued that a pending, earlier-filed Delaware action on the same patents supported transfer to Delaware:

There can be no genuine dispute, especially in light of Nokia's previously-filed litigation in the District of Delaware, that the District of Delaware is a clearly more convenient forum for the parties and the witnesses (including the overlapping third-party witnesses). Transfer would likewise serve the interests of justice by avoiding duplicative litigation and potentially conflicting rulings, and by facilitating consolidation of these related cases.

⁷ Motorola has also filed counterclaims here against Apple for infringement of six of its own patents by Apple's products. (D.I. 5.) The Amended Complaint Patents do not relate to either the original patents asserted by Apple or the patents asserted by Motorola in its counterclaims. It is more efficient under the transfer analysis to litigate Apple's unrelated Amended Complaint Patents in Delaware, where litigation on those patents is already pending.

(Wisconsin Apple Nokia Transfer Mem. (Ex. 2) at 1-2.) The same is true here.

Similarly, Apple and NeXT opposed transfer of actions they filed in Delaware involving the Amended Complaint Patents (asserted against a different group of defendants) to the Northern District of California (where Apple is located) on the grounds that different judges should not "separately (and potentially inconsistently) decide common issues of fact and law." (Apple Inc. and NeXT Software, Inc.'s Opposition to Defendants' Motion to Transfer Venue Pursuant to 28 U.S.C. § 1404 ("Delaware Apple HTC Transfer Opp.") (Ex. 3) at 1.) Apple and NeXT asserted that the cases should be handled by the same judge currently presiding over Motorola's Delaware declaratory judgment action concerning the Amended Complaint Patents (Judge Sleet) (Delaware Apple HTC Transfer Opp. (Ex. 3) at 1, 4.)

In light of their willingness to avail themselves of the District of Delaware when it suits their litigation strategy, Plaintiffs should not be permitted to create duplicative litigation in this district in an effort to thwart Motorola's appropriate choice of forum and create the potential for inconsistent rulings on twelve patents. Plaintiffs' Amended Complaint Patent claims are more appropriately litigated in Delaware.

STATEMENT OF FACTS

The key facts are not disputed. Motorola's Delaware Action is the first-filed action between Motorola and Plaintiffs on the Amended Complaint Patents. After Motorola initiated the Motorola Delaware Action on October 8, 2010⁸ seeking a declaratory judgment on the twelve Amended Complaint Patents, Apple filed this action on October 29, 2010 asserting three *different* patents against Motorola. (D.I. 1.) More than a month later, on December 2, 2010, Apple and NeXT filed an Amended Complaint adding allegations of infringement of the twelve Amended Complaint Patents to its original complaint. (D.I. 12.) The Amended Complaint

⁸ Motorola served Apple and NeXT on October 13, 2010. (Notice of Mailing (Ex. 4).)

Patents are asserted against the same products here and in the Motorola Delaware Action, namely, the Droid, Droid 2, Droid X, Cliq, Cliq XT, BackFlip, Devour A555, il, and Charm products. (*See, e.g.*, Delaware Motorola Complaint (Ex. 5) ¶ 14); D.I. 12 ¶ 8.) In short, Plaintiffs decided to assert the Amended Complaint Patents against Motorola here after the validity and infringement of those patents had already been challenged by Motorola in Delaware.

It also cannot be disputed that Apple and NeXT have sought and are seeking to enforce the twelve Amended Complaint Patents against other parties in co-pending actions in Delaware involving products based on the same technology at issue here, namely, mobile phones incorporating the Android platform. (Delaware Motorola Complaint (Ex. 5) ¶¶ 6-7; Delaware Apple HTC Complaint I (Ex. 6) ¶ 15; Delaware Apple HTC Complaint II (Ex. 7) ¶ 13.) On March 2, 2010, Apple and NeXT sued HTC Corp., HTC (B.V.I.) Corp., HTC America, Inc., and Exedea, Inc. for infringement of ten of the twelve Amended Complaint Patents in Delaware. *Apple Inc., NeXT Software, Inc. f/k/a/ NeXT Computer, Inc. v. High Tech Computer Corp., a/k/a HTC Corp., HTC (B.V.I.) Corp., HTC America, Inc., and Exedea, Inc.*, C. A. No. 10-166-GMS (D. Del.) (Delaware Apple HTC Complaint I (Ex. 6) ¶ 7)). On that same day, Apple sued the same defendants for infringement of the remaining two Amended Complaint Patents in Delaware. *Apple Inc. v. High Tech Comp. Corp., a/k/a/ HTC Corp., HTC (B.V.I.) Corp., HTC America, Inc., Exedea, Inc.*, C.A. No. 10-167-GMS (D. Del.) (Delaware Apple HTC Complaint II (Ex. 7) ¶ 6)) (with C.A. 10-166, "the HTC Actions").

Furthermore, in two additional Delaware actions, *Nokia Corp. v. Apple Inc.*, C.A. No. 09-1002-GMS (D. Del.), and *Nokia Corp. v. Apple Inc.*, C.A. No. 09-791-GMS (D. Del.), Apple asserted a total of seven of the Amended Complaint Patents by counterclaim. (Apple Inc.'s Answer, Defenses, and Counterclaims ("Delaware Nokia Apple Counterclaims I") (Ex. 8) ¶¶ 58,

64, 70, 82, 88, 94, 100; ("Delaware Nokia Apple Counterclaims II") (Ex. 9) ¶¶ 200, 206, 242).)

The 09-1002 action is currently stayed pending an ITC proceeding. (Stay Order (Ex. 10).)

All four of these actions involving these Apple patents are assigned to the same Delaware judge, Chief Judge Sleet.

Importantly, in the HTC Actions, Apple and NeXT *opposed* a motion by the defendants to transfer to the Northern District of California, where Apple is *located*, arguing that "[l]ike HTC, Apple is capable of litigating cases on the East Coast." (Delaware Apple HTC Transfer Opp. (Ex. 3) at 13.) Apple and NeXT argued in opposing transfer that, based on the pending *Nokia* cases in Delaware involving some of the same patents and issues, transfer would be wasteful and inefficient:

These four cases share numerous overlapping patents and thus share numerous identical issues of fact and law. For example, both sets of cases will involve construction of a number of identical patent claims, a number of the same fact witnesses will need to testify in both cases, and a number of the same experts will provide reports and testimony involving issues of infringement and validity of the overlapping patents. Sending these cases to another District would, as the Supreme Court has noted, be wasteful and inefficient Rather than transfer the two present cases out of this District—so that different judges on opposite ends of the country will separately (and potentially inconsistently) decide common issues of fact and law—these cases should be consolidated with the related Delaware actions before the same judge.

(Delaware Apple HTC Transfer Opp.(Ex. 3) at 1 (internal citation omitted).) Apple and NeXT noted that "the convenience of the parties and the interests of judicial economy both would best be served by keeping these actions in the District of Delaware" before a single judge "[e]ven if these cases are not consolidated." (Delaware Apple HTC Transfer Opp. (Ex. 3) at 2.)⁹

⁹ The District of Delaware denied Apple's motion to consolidate but noted that if "the parties have claim construction disputes regarding claims that are asserted both in C.A. No. 10-167 (*Apple, Inc. v. High Tech Computer Corp.*) and in C.A. No. 09-971 (*Nokia Corporation v. Apple, Inc.*), the court will hear those claim construction arguments at the Markman hearing for

Apple is also currently seeking to transfer a patent infringement action filed against it by Nokia in this Court to Delaware. *Nokia Corp. v. Apple Inc.*, C.A. No. 10-249 (W.D. Wis.) (the "Nokia Wisconsin Action") (Wisconsin Apple Nokia Transfer Mem. (Ex. 2)). This action involves one of the twelve Amended Complaint Patents at issue here, U.S. Patent No. 5,946,647. (Apple Inc.'s Answer, Defenses, and Counterclaims to Nokia's First Amended Complaint (Ex. 12) Counterclaim ¶ 2.) In its June 29, 2010 memorandum in support of its transfer motion, Apple told this Court that it has no "meaningful relationship with the Western District of Wisconsin Apple Inc. is a California corporation with its principal place of business in Cupertino, California; it has no corporate offices or research facilities in Wisconsin." (Wisconsin Apple Nokia Transfer Mem. (Ex. 2) at 7.) That motion is still pending.

ARGUMENT

I. Plaintiffs' Claims Based on the Twelve Amended Complaint Patents Should Be Dismissed Under the First-Filed Rule Pursuant to Fed. R. Civ. P. 12(b)(3)

Plaintiffs' Amended Complaint Patent claims should be dismissed under the first-filed rule pursuant to Fed. R. Civ. P. 12(b)(3). *See, e.g., Vanguard Products Group, Inc. v. Protex Int'l Corp.*, Civil Action No. 05-6310, 2006 WL 695700 (N.D. Ill. Mar. 14, 2006) (dismissing infringement action pursuant to Fed. R. Civ. P. 12(b)(3) on the basis of the first-filed rule in favor of earlier-filed declaratory judgment action). Federal Circuit law governs the determination whether a court should decline jurisdiction over a patent declaratory judgment action in favor of a later-filed patent infringement action. *See, e.g., Electronics for Imaging, Inc. v. Coyle*, 394 F.3d 1341, 1345-46 (Fed. Cir. 2005) (stating that Federal Circuit law applies to the "question whether to accept jurisdiction in an action for a declaration of patent rights in view of a later-filed suit for patent infringement").

C.A. No. 09-971, currently scheduled for May 16, 2011." (Delaware Apple HTC Order re Consolidation (Ex. 11) at 1 n.2.)

Federal Circuit precedent strongly favors application of the first-filed rule here and dismissal of Plaintiffs' Amended Complaint Patent claims in favor of Motorola's first-filed Delaware declaratory judgment action. The Federal Circuit has expressly held that the first-filed rule is equally applicable when the first-filed action is a declaratory judgment action. *See, e.g., Electronics for Imaging*, 394 F. 3d at 1348 (reversing district court's dismissal of first-filed declaratory judgment action and stating that "[t]he considerations affecting transfer to or dismissal in favor of another forum do not change simply because the first-filed action is a declaratory action").

In *Electronics for Imaging*, the district court dismissed the first-filed declaratory judgment action on the grounds that it was filed in anticipation of an impending infringement action. The district court viewed the filing of the declaratory judgment action as prompting a "race to the courthouse." *Id.* at 1347. The Federal Circuit reversed the district court's dismissal of the declaratory judgment, finding that the court "abused its discretion in its dismissal order by focusing on the anticipatory nature of the suit." *Id.* The Federal Circuit stated that the first-filed rule applies "unless considerations of judicial and litigant economy, and the just and effective disposition of disputes, requires otherwise." *Id.* The Federal Circuit further explained that although courts may consider whether the filing of a declaratory judgment action prompted a "race to the courthouse," this consideration is "merely one factor in the analysis." *Id.* Other factors include "the convenience and availability of witnesses, or absence of jurisdiction over all necessary or desirable parties, or the possibility of consolidation with related litigation, or considerations relating to the real party in interest." *Id.* at 1348 (internal quotations and citation omitted). The first-filed rule applies in the absence of "sound reason that would make it unjust or inefficient to continue the first-filed action." *Id.* at 1347 (internal quotations and citations omitted).

A. Motorola's Filing of the Motorola Delaware Action Did Not Provoke a Race to the Courthouse

The facts demonstrate that Motorola's filing of the Motorola Delaware Action did not provoke a race to the courthouse. It is beyond dispute that, several weeks after Motorola filed the Delaware action, Apple brought suit in this Court for three *different* patents against Motorola but did not at that time assert the Amended Complaint Patents. It is similarly beyond dispute that Plaintiffs did not assert the Amended Complaint Patents in this Court until *nearly two months* after Motorola filed the Delaware action, when they filed their Amended Complaint. There was no race to the courthouse here. *Cf. Uniroyal Engineered Prods., LLC v. Omnova Solutions Inc.*, Civil Action No. 08-586, 2009 WL 736700, at *3-5 (W.D. Wis. Mar. 19, 2009) (declining to dismiss action pursuant to the first-filed rule on the grounds that "[a] race to the courthouse appears to be exactly what happened in this case, with defendant filing its action two days after plaintiff first initiated its filing here," but transferring case pursuant to application of transfer factors); *Micron Technology, Inc. v. Mosaid Technologies, Inc.*, 518 F.3d 897, 904 (Fed. Cir. 2008) (stating that "where the two actions were filed almost simultaneously, this court detects that the transfer analysis essentially mirrors the considerations that govern whether the California court could decline to hear the case").

B. Motorola's Selection of Delaware Favors Judicial and Litigant Economy

Furthermore, consideration of the other factors the Federal Circuit set out as relevant to the first-to-file analysis demonstrates that the first-to-file rule requires dismissal of Plaintiffs' Amended Complaint Patent claims in this district. The pendency of four related cases in Delaware involving the same patents and underlying technology strongly supports litigation of the present dispute between Motorola and Plaintiffs on the Amended Complaint Patents in Delaware, rather than in this Court because it permits consolidation and coordination of issues

common to all the actions.

In fact, Apple itself is currently moving to transfer an action involving one of the Amended Complaint Patents at issue here from this Court to Delaware on the basis of the pendency of the related Delaware actions. *Nokia Corp. v. Apple Inc.*, Civil Action No. 10-249 (Wisconsin Apple Nokia Transfer Mem. (Ex. 2)). In its motion to transfer, Apple argued:

litigating all cases in the same forum will facilitate coordination of the practical aspects of discovery, thereby reducing duplicative efforts and preserving the resources of the courts and parties and facilitating the resolution of any discovery disputes. Similarly, the parties and the courts will benefit from litigating disputes before a court that is familiar with the parties, their products, and the essential technology.

(Wisconsin Apple Nokia Transfer Mem. (Ex. 2) at 15.) By Apple's own reasoning, Motorola's selection of Delaware was wholly appropriate from the standpoint of judicial and litigant economy. Plaintiffs' Amended Complaint Patent claims should therefore be dismissed.

II. Alternatively, Plaintiffs' Claims Based on the Twelve Amended Complaint Patents Should Be Severed and Transferred to the District of Delaware

In *Uniroyal*, this Court declined to dismiss an action pursuant to the first-filed rule but transferred the action after consideration of the convenience factors of 28 U.S.C. § 1404(a). *See Uniroyal*, 2009 WL 736700, at *1. Because the parties were involved in a declaratory judgment action in another forum concerning the patent at issue, this Court found that "the likely result of transfer will be that the two cases will be consolidated and both judicial and litigant resources will be saved." *Id.* Here, severance and transfer of Plaintiffs' Amended Complaint Patent claims to Delaware would be similarly appropriate, in view of the prospects for consolidation or coordination with the currently pending Delaware actions involving the same patents.

A. Plaintiffs' Amended Complaint Patent Claims Are Severable Because They Are Discrete and Separate From the Remaining Claims

According to Seventh Circuit precedent, severance of claims pursuant to Fed. R. Civ. P. 21 is appropriate where the claims are "discrete and separate." *See, e.g., Gaffney v. Riverboat*

Serv. of Ind., Inc., 451 F.3d 424, 442-43 (7th Cir. 2006) (finding severance of claims by district court appropriate where the claims were "clearly independent" of each other); *Kraft Foods Holdings, Inc. v. Proctor & Gamble Co.*, Civil Action No. 07-613, 2008 WL 4559703 (W.D. Wis. Jan. 24, 2008) (severing plaintiff's infringement claim relating to one patent from defendant's infringement counterclaim and third party claim relating to a different patent). In *Gaffney*, the Seventh Circuit stated that two claims are "discrete and separate" where one claim is "capable of resolution despite the outcome of the other claim." *Gaffney*, 451 F.3d at 442.

In *Kraft*, Procter & Gamble ("P&G") sued Kraft in the Northern District of California for infringement of a P&G patent ("the '418 Patent") by a particular Kraft coffee container product. Kraft subsequently filed an action in this Court alleging that a P&G coffee container product infringed a Kraft patent ("the '443 Patent"). P&G then answered, counterclaimed, and asserted a third party claim for infringement of a related patent ("the '419 Patent") by the Kraft coffee container products at issue in the California action. This Court granted Kraft's motion to sever P&G's counterclaim and third party claim and transfer them to the Northern District of California. Regarding severance, this Court reasoned that severance was appropriate because Kraft's infringement claim could be resolved regardless of the outcome of P&G's infringement claim. *See Kraft*, 2008 WL 4559703, at *3. This Court further reasoned that "[i]n fact, it is possible that Kraft's coffee container could infringe the '419 patent and that P&G's coffee container could infringe the '443 patent as well." *Id.*

Similarly, Plaintiffs' claims of infringement of the three original patents in this action (D.I. 1 ¶¶ 8-10) and Defendants' counterclaims of infringement of six additional patents (D.I. 5 Counterclaim ¶ 27) are discrete and separate from Plaintiffs' Amended Complaint Patent infringement claims (D.I. 12 ¶¶ 12-23). Because resolution of these claims in no way turns on resolution of the Amended Complaint Patent claims, severance of those claims is permissible.

B. Plaintiffs' Amended Complaint Patent Claims Should Be Transferred

Decisions regarding transfer of patent actions are governed by the law of the regional circuit. *See, e.g., Winner Int'l Royalty Corp. v. Wang*, 202 F.3d 1340, 1352 (Fed. Cir. 2000) (applying law of regional circuit in upholding district court's denial of transfer motion). Transfer pursuant to 28 U.S.C. § 1404(a) is appropriate if the transferee district is one in which the action might have been brought initially. *See Coffey v. Van Dorn Iron Works*, 796 F.2d 217, 219 (7th Cir. 1986). If this threshold condition is met, the transfer analysis requires a court to consider whether transfer serves the convenience of the parties and witnesses and will promote the interests of justice. *See Uniroyal*, 2009 WL 736700, at *3; *Coffey*, 796 F.2d at 219 n.3, 219-20. Relevant factors in this determination are: (1) the plaintiff's choice of forum; (2) the convenience to parties; (3) the convenience to witnesses; and (4) the interests of justice. *See id.*

1. Plaintiffs' Amended Complaint Patent Claims Could Have Been Brought in Delaware

Pursuant to 28 U.S.C. § 1391(b), venue is proper in a judicial district where any defendant resides, if all defendants reside in the same state. 28 U.S.C. § 1391(b)(1). Pursuant to 28 U.S.C. § 1391(c), a corporation is deemed to reside in any judicial district in which it is subject to personal jurisdiction at the time the action was commenced. 28 U.S.C. § 1391(c). Because both Motorola and MI are Delaware corporations (Declaration of William P. Alberth Jr. in Support of Defendants' Motion to Dismiss or, in the Alternative, to Transfer Venue ("Alberth Dec.") ¶¶ 4-5 filed concurrently herewith), there is no dispute that Plaintiffs' Amended Complaint Patent claims could have been brought against Motorola and MI in Delaware.

2. The Plaintiffs' Choice of Forum Does Not Weigh Against Transfer

Apple's choice to litigate the Amended Complaint Patent claims in this Court deserves no weight because Apple is not litigating in its home forum. *See, e.g., Uniroyal*, 2009 WL 736700, at *3 (stating that a plaintiff's choice of forum deserves deference "only when a plaintiff is

litigating in his home forum"); *Lineage Power Corp. v. Synqor, Inc.*, Civil Action No. 08-397, 2009 WL 90346, at *5 (W.D. Wis. Jan. 13, 2009); *Rudich v. Metro Goldwyn Mayer Studio*, Civil Action No. 08-389, 2008 WL 4691837 at *4 (W.D. Wis. Oct. 22, 2008). Apple argued in its motion in *Nokia Corp. v. Apple Inc.* to transfer from this Court to Delaware that it has no connection to this district and that "[t]his complete lack of connection to Wisconsin 'militates toward transfer.'" (Wisconsin Apple Nokia Transfer Mem. (Ex. 2) at 10.)

3. The Convenience to Parties Favors Transfer

Delaware is the more convenient forum for both parties as a result of the pendency of the related Delaware actions involving the Amended Complaint Patents. As Apple argued in its motion to transfer from this Court to Delaware in *Nokia Corp. v. Apple Inc.*:

The District of Delaware is a clearly more convenient forum because the parties are already conducting related litigation in that district. The parties and their principal lawyers will be litigating in the District of Delaware regardless of where this case proceeds.

(Wisconsin Apple Nokia Transfer Mem. (Ex. 2) at 11 (footnotes omitted).) The convenience of the parties also favors Delaware because Defendants are both Delaware corporations and Apple has a physical presence in Delaware. Defendants have no facilities located in Wisconsin.

(Alberth Dec. ¶ 9; Declaration of Michael Romie in Support of Defendants' Motion to Dismiss or, in the Alternative, to Transfer Venue ("Romie Dec.") ¶ 3, filed concurrently herewith.) Apple does not dispute that it has a retail store in Newark, Delaware. (Delaware Apple HTC Transfer Opp. (Ex. 3) at 5.) By Apple's own admission, Apple does not have "any meaningful relationship with the Western District of Wisconsin" and "has no corporate offices or research facilities in Wisconsin." (Wisconsin Apple Nokia Transfer Mem. (Ex. 2) at 7.) As Apple has argued in opposing transfer of the HTC actions out of Delaware, "Apple is capable of litigating cases on the East Coast." (Delaware Apple HTC Transfer Opp. (Ex. 3) at 13.)

In its motion to transfer the *Nokia v. Apple* action from this district to Delaware, Apple argued that:

Nokia cannot deny that the District of Delaware is a convenient forum. Indeed, Nokia made the choice to litigate this ongoing business dispute between Nokia and Apple in the District of Delaware—where its U.S. subsidiary, Nokia Inc. is incorporated—by filing its first two lawsuits against Apple in that forum.

(Wisconsin Apple Nokia Transfer Mem. (Ex. 2) at 8.) Similarly, Apple has chosen to litigate the Amended Complaint Patents in Delaware by filing two infringement actions against HTC in that forum. (Delaware Apple HTC Complaint I (Ex. 6) and II (Ex. 7).)

4. The Convenience to Witnesses Favors Transfer

Delaware is the more convenient forum for witnesses that will appear in Delaware in one or more of the related actions. Apple argued in its *Nokia Corp. v. Apple Inc.* transfer motion that Delaware was more convenient because "many of the witnesses will be appearing in the District of Delaware regardless of where this case proceeds" and "because consolidation permits effective coordination and can eliminate the need for duplicative appearances of both the parties and the witnesses." (Wisconsin Apple Nokia Transfer Mem. (Ex. 2) at 11.)

As this Court stated in *Lineage Power*, in granting a motion to transfer a second-filed suit to a forum where two related suits were pending, "[t]o the extent that this third-filed lawsuit can plug into the discovery process currently occurring in the [transferee forum] lawsuits, it is possible to save some witnesses time and money by consolidating their depositions, affidavits and other evidentiary input, whereas such economies would be elusive or nonexistent if witnesses were in play" both in the transferor and transferee fora. *Lineage Power*, 2009 WL 90346, at *6.

Relevant employees and documents of Defendants will be equally available in Delaware and Wisconsin. (Alberth Dec. ¶¶ 6-8.) The products at issue are not and have not been

manufactured in Wisconsin, and no research or testing of these products took place in Wisconsin. (*Id.* ¶ 7.) None of Defendants' third-party manufacturers are located in Wisconsin and Defendants are not aware of any third-party witnesses or third-party documents located in Wisconsin. (*Id.* ¶ 8.)

As Apple argued in its motion to transfer the *Nokia v. Apple* action from this district to Delaware:

neither Apple nor Nokia has "any connection to this district," ... and it is highly unlikely that any relevant fact witness resides or is employed in Wisconsin. This complete lack of connection to Wisconsin "militates toward transfer." *Lineage Power Corp.*, 2009 WL 90436, at *5; *see also, e.g., U.S.O. Corp. v. Mizuho Holding Co.*, 547 F.3d 749, 753 (7th Cir. 2008) ("The more tenuous a party's relation to the forum, the weaker the case for litigating there."); *cf. Chicago, Rock Island and Pac. R.R. Co. v. Igoe*, 220 F.2d 299, 304 (7th Cir. 1955) ("this factor has minimal value where none of the conduct complained of occurred in the forum selected by the plaintiff.").

(Wisconsin Apple Nokia Transfer Mem. (Ex. 2) at 11 (record citations omitted).)

5. The Interests of Justice Weigh Heavily in Favor of Transfer

This Court has repeatedly stated that "[t]he interests of justice may be determinative in a particular case," *Uniroyal*, 2009 WL 736700, at *4, and that "judicial economy may be dispositive in determining whether the interests of justice warrant transfer." *Encyclopedia Britannica, Inc. v. Magellan Navigation, Inc.*, 512 F. Supp. 2d 1169, 1177 (W.D. Wis. 2007) (granting motion to transfer to district where related infringement suits were pending); *see also Broadcom Corp. v. Agere Systems, Inc.*, Civil Action No. 04-066, 2004 WL 1176168, at *3 (W.D. Wis. May 20, 1994) (granting motion to transfer patent infringement action on grounds that a related case was pending in the transferee forum and noting the transferee forum's "familiarity with the general technology behind the patents at issue" and the possibility of consolidation); *Rudich*, 2008 WL 4691837, at *6 (granting transfer on the grounds that the "interest of justice factor tips the scale in favor of transfer" where defendant had filed a related

case in the transferee forum so that consolidation was likely and "judicial economy favors facilitating such consolidation").

In *Uniroyal*, this Court granted a motion to transfer a second-filed infringement action to the venue of the first-filed declaratory judgment action on the grounds that transfer "is very likely to lead to a consolidation of lawsuits." *Id.* This Court reasoned that that the declaratory judgment action "is a mirror image of [the] infringement action" that "concerns the same parties and the same patent." *Id.* As a result, transfer would not only conserve judicial resources but also "avoid the possibility that two courts could reach inconsistent rulings on claim constructions, dispositive motions, and verdicts." *Id.*; see also *Encyclopedia Britannica*, 512 F. Supp. 2d at 1177 (noting that litigation of the dispute in two different fora would present the "risk that the same patents will be interpreted differently creating inconsistent claim construction rulings, piecemeal litigation, and inconsistent judgments"). As this Court stated in *Encyclopedia Britannica*:

the facts and circumstances weigh heavily in favor of transfer to conserve judicial resources through consolidation. First, practicality of consolidation supports the Court's expectation that this case would be consolidated with [either of the two cases pending in the transferee forum]. All three cases involve common questions of law and fact concerning the three related patents and the alleged infringement.

Id.

In *Kraft*, this Court severed the claims in the second-filed action and transferred those claims to the forum of the first-filed action where related claims were pending. This Court found that the "interests of justice factor is determinative in this case" and that "[t]he interests of justice analysis involves the consideration of factors relating to the efficient administration of the court system." *Kraft*, 2008 WL 4559703, at *3-4 (internal quotations and citations omitted). This Court concluded:

[t]ransfer and consolidation of actions involving common questions of law or fact support judicial economy and favor transfer in the interests of justice. The facts and circumstances surrounding P&G's counterclaim and third party claim for infringement of the '419 patent weigh heavily in favor of transfer to conserve judicial resources through consolidation....

Id. at *4. In *Kraft*, there were common questions of law and fact between the severed and transferred action and the first-filed action because each action involved the same potentially infringing product. *Id.* at *4-5. Transfer was also favored because it would eliminate the risk of inconsistent claim construction and inconsistent judgments. *Id.*

In *Lineage Power*, this Court found the interests of justice weighed heavily in favor of transfer where there was a "concrete overlap between the technology and the patents" in the second-filed and first-filed cases. *Lineage Power*, 2009 WL 90346, at *6. Because the transferee court was already familiar with the technology at issue, "that court incurs only a small marginal cost to use that knowledge to preside simultaneously over a third [related] case." *Id.*

These considerations apply in full force here, where four related actions in addition to Motorola's Delaware declaratory judgment action are pending in Delaware. All twelve of the Amended Complaint Patents are involved in the HTC Delaware Actions (Delaware Apple HTC Complaint I (Ex. 6) ¶ 7); Delaware Apple HTC Complaint II (Ex. 7) ¶ 6)), and seven of the twelve are involved in the Nokia Delaware Actions (Delaware Nokia Apple Counterclaims I (Ex. 8) ¶¶ 58, 64, 70, 82, 88, 94, 100; Delaware Nokia Apple Counterclaims II (Ex. 9) ¶¶ 200, 206, 242). These actions involve accused products that share the same accused technology so that numerous common questions of law and fact exist and the potential for inconsistent rulings in the absence of coordination or consolidation is significant.

As Apple itself recognized in its motion to transfer in from this district to Delaware in *Nokia Corp. v. Apple Inc.*:

[t]he benefits of consolidation are particularly important in complex patent cases, where consolidation "reduce[s] the need for duplicative time-consuming [technological] tutorials" necessary for both the Court and the jury to understand the issues in dispute.

(Ex. 2 at 14 (citation omitted).) In that motion, Apple argued in every possible manner that the interests of justice strongly favored transfer:

- [t]ransfer would likewise serve the interests of justice by avoiding duplicative litigation and potentially conflicting rulings.... As the Supreme Court has made clear, litigating the same issues in multiple cases across different district courts inevitably "leads to the wastefulness of time, energy and money that [28 U.S.C.] § 1404(a) was designed to prevent. *Continental Grain Co. v. The Barge FBL-585*, 364 U.S. 19, 26 (1960). (Ex. 2 at 2.)
- [o]ne of the most important factors in assessing the "interests of justice" is whether transfer would permit related litigation to proceed in the same district. *See Heller Fin., Inc. v. Midwhay Powder Co.*, 883 F.2d 1286 (7th Cir. 1989) ("[t]he 'interest[s] of justice' include such concerns as ensuring speedy trials, trying related litigation together, and having a judge who is familiar with the applicable law try the case.") (Ex. 2 at 12.)
- even without full consolidation, litigating all cases in the same forum will facilitate coordination of the practical aspects of discovery, thereby reducing duplicative efforts and preserving the resources of the courts and parties and facilitating the resolution of any discovery disputes. Similarly, the parties and the courts will benefit from litigating disputes before a court that is familiar with the parties, their products, and the essential technology. (Ex. 2 at 15 (citations omitted).))

All of these assertions by Apple support transfer here.

CONCLUSION

For the foregoing reasons, Defendants respectfully request that the Court grant their motion to dismiss or sever and transfer to Delaware Plaintiffs' Amended Complaint Patent claims.

Respectfully submitted this 23rd day of December, 2010.

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** Motion for Pro Hac Vice Admission
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