

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

MICRO DESIGN LLC,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No. 14-837-LPS-CJB
)	
ASUS COMPUTER INTERNATIONAL,)	
)	
Defendant.)	

MEMORANDUM ORDER

Pending before the Court in this patent infringement case is Defendant Asus Computer International’s (“Defendant” or “Asus”) Motion to Transfer Venue (the “Motion”) to the United States District Court for the Northern District of California (“Northern District of California”). (D.I. 18) For the reasons that follow, the Court orders that Defendant’s Motion be DENIED.¹

I. BACKGROUND

A. Procedural Background

Plaintiff Micro Design LLC (“Plaintiff” or “Micro Design”) filed the instant case on June 27, 2014, alleging that Defendant and its Taiwanese parent, ASUSTeK Computer Inc. (“ASUSTeK”) infringed United States Patent No. 7,437,535 (the “535 patent”), entitled “Method and Apparatus for Issuing a Command to Store an Instruction and Load Resultant Data in a Microcontroller[.]” (D.I. 1; *id.*, ex. A) ASUSTeK was later dismissed from the case by joint stipulation. (D.I. 15) On July 7, 2014, Chief Judge Leonard P. Stark referred the instant case to

¹ Our Court has made clear in recent decisions that a motion to transfer venue should be treated as a non-dispositive motion. *See TSMC Tech., Inc. v. Zond, LLC*, Civil Action No. 14-721-LPS-CJB, 2015 WL 328334, at *1 (D. Del. Jan. 26, 2015); *see also Agincourt Gaming LLC v. Zynga Inc.*, Civil Action No. 11-720-RGA, 2013 WL 3936508, at *2 (D. Del. July 29, 2013). Thus, the Court titles this document as a “Memorandum Order.”

this Court to resolve any and all matters with regard to scheduling, as well as any motions to dismiss, stay and/or transfer venue. (D.I. 5) The Court held a Case Management Conference on December 29, 2014, and entered a Scheduling Order thereafter. (D.I. 17) Defendant filed the instant Motion on January 5, 2015, (D.I. 18), and briefing on the Motion was completed on February 2, 2015, (D.I. 27). Trial in the case is scheduled for April 10, 2017. (D.I. 17 at ¶ 23)

B. The Parties and the Allegations

Plaintiff is a limited liability company formed under Delaware law on May 13, 2014. (D.I. 1 at ¶ 2; D.I. 21 at ¶ 3; *id.*, ex. B) It asserts that its principal place of business is located in Wilmington, Delaware—more specifically, at 845 Tatnall Street, Wilmington, DE 19801. (D.I. 1 at ¶ 2) Plaintiff obtained title to the patent-in-suit on June 6, 2014. (D.I. 21 at ¶ 5; *id.*, ex. D) On June 27, 2014, it brought seven separate suits in this Court (including the instant suit) against various large electronics companies, each asserting infringement of the '535 patent.²

Defendant is a California corporation; its principal place of business is in Fremont, California (located in the Northern District of California). (D.I. 20 at ¶ 2) It is a subsidiary of ASUSTeK. (*Id.* at ¶ 3) Defendant is responsible for all United States-based sales, marketing, distribution and service related to ASUS-branded computer products. (*Id.* at ¶ 4) It ships

² The six additional cases are *Micro Design LLC v. Acer Am. Corp.*, Civil Action No. 14-835-LPS-CJB; *Micro Design LLC v. Cray Inc.*, Civil Action No. 14-836-LPS-CJB; *Micro Design LLC v. Dell Inc.*, Civil Action No. 14-838-LPS-CJB; *Micro Design LLC v. Fujitsu Am. Inc.*, Civil Action No. 14-839-LPS-CJB; *Micro Design LLC v. Lenovo (United States) Inc.*, Civil Action No. 14-840-LPS-CJB; and *Micro Design LLC v. NEC Corp. of Am.*, Civil Action No. 14-841-LPS-CJB. All but one of these additional six cases currently remain pending. In two of them, a stipulation to stay deadlines has been entered, in which the parties indicate that dismissal via settlement is likely to occur soon. In the other four, just prior to the issuance of this Memorandum Order, the Court granted a stipulation for a short 30-day stay of case-related deadlines.

products to its customers' distribution centers; those customers include distributors or large-volume resellers like Amazon.com or Best Buy. (D.I. 28 at ¶¶ 4, 6) Although certain of Defendant's reseller customers (like Best Buy) have locations in Delaware, Defendant had not shipped the accused products directly to Delaware as of the time that this case was filed. (*Id.* at ¶ 7)

According to the Complaint, Defendant is accused of infringing the patent-in-suit by “making, using, selling, importing and/or providing and causing to be used microprocessors that contain the claimed combinations of the [patent-in-suit], including the processor and coprocessor features, including but not limited to memory accessing features[.]” (D.I. 1 at ¶ 11) In its briefing, Plaintiff states that the infringement allegations in each of the related cases involve the same patent claims, and that all of the accused products in this case and the related cases include an Intel “Xeon Phi” coprocessor that forms part of the basis for the infringement allegations. (D.I. 25 at 2-3, 9)

II. DISCUSSION

A. Legal Standard

Section 1404(a) of Title 28 provides the statutory basis for a transfer inquiry.³ It provides that “[f]or the convenience of parties and witnesses, in the interest of justice, a district court may

³ In analyzing a motion to transfer venue in a patent case, it is the law of the regional circuit that applies. *Intellectual Ventures I LLC v. Checkpoint Software Techs. Ltd.*, 797 F. Supp. 2d 472, 487 n.7 (D. Del. 2011) (citing *Micron Tech., Inc. v. Rambus Inc.*, 645 F.3d 1311, 1331 (Fed. Cir. 2011)). Defendant includes a footnote in its opening brief suggesting (without citation to any on-point authority) that “it may be impossible to consider venue for patent cases solely in light of local circuit law.” (D.I. 19 at 4 n.1) Within the same footnote, however, Defendant ultimately “assumes, *arguendo*,” that the Third Circuit’s law applies here. (*Id.*) Defendant’s assumption is correct—Third Circuit law does apply here, pursuant to the longstanding precedent of the Federal Circuit.

transfer any civil action to any other district or division where it might have been brought or to any district or division to which all parties have consented.” 28 U.S.C. § 1404(a). The party seeking a transfer has the burden “to establish that a balancing of proper interests weigh[s] in favor of the transfer[.]” *Shutte v. Armco Steel Corp.*, 431 F.2d 22, 25 (3d Cir. 1970) (citation omitted); *see also Jumara v. State Farm Ins. Co.*, 55 F.3d 873, 879 (3d Cir. 1995). That burden is a heavy one: “unless the balance of convenience of the parties is *strongly in favor of defendant*, the plaintiff’s choice of forum should prevail.” *Shutte*, 431 F.2d at 25 (internal quotation marks and citation omitted) (emphasis added); *see also CNH Am. LLC v. Kinzenbaw*, C.A. No. 08-945(GMS), 2009 WL 3737653, at *2 (D. Del. Nov. 9, 2009).

The Third Circuit has observed that courts must analyze “all relevant factors” to determine whether “the litigation would more conveniently proceed and the interests of justice be better served by transfer to a different forum.” *Jumara*, 55 F.3d at 879 (internal quotation marks and citation omitted). Nevertheless, it has identified a set of private interest and public interest factors that should be taken into account in this analysis (the “*Jumara* factors”). The private interest factors to consider include:

[1] [The] plaintiff’s forum preference as manifested in the original choice, [2] the defendant’s preference, [3] whether the claim arose elsewhere, [4] the convenience of the parties as indicated by their relative physical and financial condition, [5] the convenience of the witnesses—but only to the extent that the witnesses may actually be unavailable for trial in one of the fora . . . and [6] the location of books and records (similarly limited to the extent that the files could not be produced in the alternative forum).

Id. (citations omitted). The public interest factors to consider include:

[1] [T]he enforceability of the judgment, [2] practical considerations that could make the trial easy, expeditious, or inexpensive, [3] the

relative administrative difficulty in the two fora resulting from court congestion, [4] the local interest in deciding local controversies at home, [5] the public policies of the fora, . . . and [6] the familiarity of the trial judge with the applicable state law in diversity cases.

Id. at 879-80 (citations omitted).

B. Discussion

The Court will proceed to analyze the *Jumara* factors and their impact on whether transfer should be granted.

1. Appropriateness of Transferee Venue

The first step in the transfer analysis is to determine whether this action could have been brought in the proposed transferee venue. “The party moving for transfer bears the burden of proving that the action properly could have been brought in the transferee district in the first instance.” *Mallinckrodt Inc. v. E-Z-Em Inc.*, 670 F. Supp. 2d 349, 356 (D. Del. 2009) (internal quotation marks and citation omitted). Here, there can be no dispute that this infringement action could have been properly brought in the Northern District of California, where Defendant is incorporated and has its principal place of business. *See* 28 U.S.C. § 1400(b).

2. Application of the *Jumara* Factors

a. Private Interest Factors

i. Plaintiff’s choice of forum

When analyzing the first *Jumara* private interest factor—the “plaintiff’s forum preference as manifested in the original choice”—the court should not consider simply the fact of that choice, but the reasons behind the choice. *Pragmatius AV, LLC v. Yahoo! Inc.*, Civil Action No. 11-902-LPS-CJB, 2012 WL 4889438, at *4 & n.5 (D. Del. Oct. 15, 2012) (“*Pragmatius I*”)

(internal quotation marks and citation omitted) (citing cases), *adopted by* 2013 WL 174499 (D. Del. Jan. 16, 2013) (“*Pragmatius IP*”); *see also Affymetrix, Inc. v. Synteni, Inc.*, 28 F. Supp. 2d 192, 200 (D. Del. 1998). “If those reasons are rational and legitimate then they will weigh against transfer, as they are likely to support a determination that the instant case is properly venued in this jurisdiction.” *Pragmatius I*, 2012 WL 4889438, at *4 (internal quotation marks and citations omitted) (citing cases); *see also Intellectual Ventures I LLC v. Altera Corp.*, 842 F. Supp. 2d 744, 753 (D. Del. 2012) (“*Altera*”).⁴

As noted above, Plaintiff is a Delaware limited liability company with its principal place of business in Wilmington, Delaware. (D.I. 1 at ¶ 2) Normally, this would end the inquiry as to this first private interest factor, since these connections would provide clear, legitimate reasons for filing suit here and would surely weigh against transfer.

Defendant, however, asserts that Plaintiff has “misrepresented the location of its principal place of business” and has “attempted to manipulate venue[,]” such that the Court should “disregard Micro Design’s preference entirely.” (D.I. 19 at 5) The Court will address both of these issues below.

As to the allegation that Plaintiff has “misrepresented the location of its principal place of business,” Defendant asserts that while Plaintiff has claimed that its business is located at 845 Tatnall Street in downtown Wilmington, in fact, that address has been listed as a vacant property

⁴ On the other hand, where a plaintiff’s choice of forum was made for an improper reason—such as where the choice is “arbitrary, irrational, or selected to impede the efficient and convenient progress of a case”—it should not be afforded substantial weight. *Pragmatius I*, 2012 WL 4889438, at *4; *see also Affymetrix*, 28 F. Supp. 2d at 200 (noting that if a plaintiff had no good reason, or an improper reason, for filing suit in this District, this would likely weigh in favor of transfer).

on the City of Wilmington’s Vacant Property List since February 2007. (*Id.* (citing D.I. 21 at ¶ 4 & ex. C at 32)) Plaintiff responds by asserting that Defendant’s premise is “incorrect[]”; it states that while Plaintiff “maintains an address at [the] office space [at 845 Tatnall Street], [the office] is undergoing renovations.” (D.I. 25 at 4) In an attached declaration submitted by its counsel, it states that the City of Wilmington’s Department of Licenses and Inspections has informed it that “properties listed on the City of Wilmington Vacant Property List cannot be removed from the list until renovations are complete, even if they are no longer vacant.” (D.I. 25, ex. 1 at ¶ 5) The declaration and Plaintiff’s brief say nothing about: (1) how many principals or employees Plaintiff has; (2) whether those people are working at the office address while renovations are continuing; and (3) if they are not, what address they are working from.

The Court concludes that Defendant has failed to sufficiently demonstrate that Plaintiff has misrepresented its principal place of business. If Defendant had shown that Plaintiff’s allegations as to this issue were a sham, or were put forward in a manner designed to wrongfully manipulate the Court, then Plaintiff’s position as to transfer would clearly be harmed. *MAZ Encryption Techs. LLC v. Hewlett-Packard Co.*, Civil Action No. 13-306-LPS, 2014 U.S. Dist. LEXIS 33566, at *16-17 (D. Del. Mar. 6, 2014) (noting that the facts relating to a plaintiff’s choice of forum could harm its ability to resist a transfer motion “where a party points in support to the existence of its office location in its preferred district, but that office is, in fact, nothing more than a ‘front’ or ‘fraud[]’—a drop-box meant to obscure that the party’s real physical location was somewhere else.”); *see also Microsoft Corp. v. Geotag Inc.*, 847 F. Supp. 2d 675,

682 (D. Del. 2012).⁵ For example, in *Memory Integrity, LLC v. Intel Corp.*, Civil Action No. 13-1804 GMS, 2015 WL 632026, at *2-3 (D. Del. Feb. 13, 2015), this Court addressed an argument, supported by photographic evidence, that plaintiff’s alleged principal place of business in Delaware consisted of a single vacant office, with no employees and a sign that listed only other companies as occupying that floor of the building. (See Civil Action No. 13-1804-GMS, D.I. 11 at 2-4) Following those allegations, the *Memory Integrity* Court found that plaintiff was “a non-practicing entity with no facilities, operations, employees, or presence in Delaware[,]” and held that the plaintiff’s forum preference “weighs [only] minimally against transfer[.]” *Memory Integrity*, 2015 WL 632026 at *2-3. In this action, however, Plaintiff maintains that its principal office location is in Delaware, and Defendant has not made a clear record indicating that this assertion was misleading or false. Nor has Defendant demonstrated that Plaintiff actually maintains its place of business in some other federal district.⁶

As to Defendant’s claim that Plaintiff has “attempted to manipulate venue,” the allegation here is that Plaintiff was formed as a Delaware LLC in May 2014—less than a month before the date on which it obtained title to the patent-in-suit (June 6, 2014). (D.I. 19 at 6; *see also* D.I. 21

⁵ Cf. *In re Zimmer Holdings, Inc.*, 609 F.3d 1378, 1381 (Fed. Cir. 2010) (“This is a classic case where the plaintiff is attempting to game the system by artificially seeking to establish venue by sharing office space with another of the trial counsel’s clients.”); *id.* (noting that another situation demonstrating venue manipulation would be where a party, in anticipation of litigation, simply moved thousands of key case documents from one district into its preferred district, so that it could later claim to the court that the location of key documents favored its position) (citing *In re Hoffman-LaRoche Inc.*, 587 F.3d 1333, 1336-37 (Fed. Cir. 2009)).

⁶ With all that said, it appears from what record there is that Plaintiff’s physical presence in Delaware is minimal at best, and Plaintiff itself does not suggest otherwise. The Court is under no illusion that there are large numbers of Micro Design employees to be found in downtown Wilmington.

at ¶¶ 3, 5, & ex. B) On the same day that it obtained title, Plaintiff sent a notice letter to Defendant asserting that Defendant was infringing the patent. (D.I. 1 at ¶ 12) Defendant asserts that this demonstrates that Plaintiff's formation in Delaware is a "litigation-driven" tactic that should not be tolerated. (D.I. 19 at 6 (citing *In re Microsoft Corp.*, 630 F.3d 1361, 1365 (Fed. Cir. 2011))

The Court agrees that the record suggests a connection between Plaintiff's formation as a Delaware LLC, the assignment of the patent to Plaintiff, and the filing of the instant suit in this Court, all of which occurred in relatively short order. In some cases, the circumstances surrounding a plaintiff's incorporation, viewed in the context of the entire record, might help demonstrate an improper attempt to manipulate venue. For example, in *In re Microsoft Corp.*, 630 F.3d 1361, 1364-65 (Fed. Cir. 2011), the Federal Circuit found that where a plaintiff incorporated in Texas just 16 days before filing litigation in a Texas federal district court, that incorporation was the type of "recent, ephemeral" act that appeared to be taken "in anticipation of litigation." *See also Gian Biologics, LLC v. Biomet Inc.*, Civil Action No. 10-865-LPS, 2011 WL 2470636, at *1-3 (D. Del. June 21, 2011) (suggesting that were plaintiff's incorporation in Delaware just prior to the filing of the instant lawsuit to have been "litigation-contrived[,] this could result in plaintiff's Delaware corporate status being given lesser or no weight in the transfer calculus) (emphasis omitted). It is worth noting, however, that the *In re Microsoft Corp.* Court, in finding that the plaintiff's actions there amounted to manipulation of venue, also pointed to a number of other facts that suggested this conclusion. These included the fact that although plaintiff was clearly operated from the United Kingdom, it maintained an office in Texas at which it did not employ any individuals. *In re Microsoft Corp.*, 630 F.3d at 1362, 1364-

65. Additionally, plaintiff's website directed inquiries to that Texas office, but plaintiff's principal simply answered those inquiries from his home in the United Kingdom. *Id.* at 1362.

Here, the Court is not prepared to conclude that Plaintiff's formation as a Delaware entity just over one month before filing suit, without more, constitutes the kind of manipulation of venue or inappropriate act that could cause this *Jumara* factor to weigh in favor of transfer. After all, and particularly as to Delaware, "business entities choose their situs of incorporation for varied reasons, including the ability to sue and be sued in that venue." *Cradle IP, LLC v. Texas Instruments, Inc.*, 923 F. Supp. 2d 696, 699 (D. Del. 2013); *see also Micron Tech., Inc. v. Rambus Inc.*, 645 F.3d 1311, 1332 (Fed. Cir. 2011) ("Given that both parties were incorporated in Delaware, they had both willingly submitted to suit there, which weighs in favor of keeping the litigation in Delaware."); Jens C. Dammann, *Freedom of Choice in European Corporate Law*, 29 *Yale J. Int'l L.* 477, 493 (2004) ("Indeed, as the case of Delaware suggests, corporations may well choose to incorporate in a particular state, precisely because they seek access to that state's courts. The quality of Delaware's courts is generally portrayed as an important or even as the single most important reason for reincorporating in Delaware.") (footnotes omitted); Franklin A. Gevurtz, *Why Delaware LLCs?*, 91 *Or. L. Rev.* 57, 105 (2012) (listing reasons why limited liability corporations choose to form in Delaware, including "Delaware's judicial infrastructure"). Thus, there is often an element of "business/litigation strategy" inherent in the decision to form an entity in a particular state that relates to where that entity wishes to pursue litigation—but that reality does not generally give rise to the conclusion that the decision itself is a fraud or fiction, nor one born of illegitimate motives. *Cradle IP, LLC*, 923 F. Supp. 2d at 699 (concluding that plaintiff's incorporation in Delaware, less than four months before it brought

suit in this District, should not detract from the weight given to plaintiff's choice of forum); *see also Cruise Control Techs. LLC v. Chrysler Grp. LLC*, Civil Action No 12-1755-GMS, 2014 WL 1304820, at *3 (D. Del. Mar. 31, 2014) (finding that the fact that plaintiff's LLC was formed in Delaware just four days prior to filing suit did not prevent this factor from counseling against transfer, and "declin[ing] to strip the plaintiff's forum choice of the deference due merely because the plaintiff may have been formed primarily to enforce patent rights"). Here, Defendant has not demonstrated that Plaintiff's status as a Delaware LLC, even one of recent vintage, is anything other than the product of a legitimate, business-related choice.

In sum, it is undisputed that Plaintiff is a Delaware LLC, and it appears that Plaintiff maintains at least some (albeit likely very minimal) presence within the state. These Delaware connections—and particularly Plaintiff's decision to form an LLC in this District—present clear, legitimate reasons for Plaintiff to have filed suit in Delaware. As such, Plaintiff's choice of forum weighs against transfer.

ii. Defendant's forum preference

As for the second private interest factor—the defendant's forum preference—Defendant prefers to litigate in the Northern District of California. (D.I. 19 at 6-7) In analyzing this factor, our Court has similarly "tended to examine whether the defendant can articulate rational, legitimate reasons to support that preference." *Pragmatus I*, 2012 WL 4889438, at *6 (citation omitted).

Defendant argues that it has a legitimate reason for seeking to transfer this action to the Northern District of California, as its corporate headquarters is located there and it is incorporated in California. (D.I. 19 at 6-7) This Court has often held that the physical proximity

of a defendant's place of business (and relatedly, of witnesses and evidence potentially at issue in the case) to the proposed transferee district is a clear, legitimate basis for seeking transfer to that district. *See, e.g., Nalco Co. v. AP Tech Grp. Inc.*, C.A. No. 13-1063-LPS, 2014 WL 3909114, at *1 (D. Del. Aug. 8, 2014) (finding the fact that a defendant's principal place of business was located in the proposed transferee forum to "weigh[] in favor of transfer"); *Genetic Techs. Ltd. v. Natera, Inc.*, C.A. No. 12-1737-LPS, 2014 WL 1466471, at *1 (D. Del. Apr. 15, 2014) (finding that defendant's choice of forum "weighs in favor of transfer" because defendant's principal place of business was in the proposed transferee district and was where the majority of its 289 employees work). So too is the fact that the defendant is incorporated in the proposed transferee district. *See Smart Audio Techs., LLC v. Apple, Inc.*, 910 F. Supp. 2d 718, 730 (D. Del. 2012) (holding that this factor "weighs in favor of transfer" where defendant was incorporated in and had its principal place of business in the transferee district).

Thus, the second private interest *Jumara* factor weighs in favor of transfer.

iii. Whether the claim arose elsewhere

The third private interest *Jumara* factor asks "whether the claim arose elsewhere." *Jumara*, 55 F.3d at 879. As a matter of law, a claim regarding patent infringement arises "wherever someone has committed acts of infringement, to wit, 'makes, uses, offers to sell, or sells any patented invention' without authority." *McRo, Inc. v. Activision Blizzard, Inc.*, Civil Action No. 12-1508-LPS-CJB, 2013 WL 6571618, at *5 (D. Del. Dec. 13, 2013) (internal quotation marks and citations omitted), *adopted by* 2013 WL 6869866 (D. Del. Dec. 30, 2013). Nevertheless, as to this factor, this Court typically focuses on the location of the production, design and manufacture of the accused instrumentalities. *Id.* (citing cases); *Altera*, 842 F. Supp.

2d at 755 (“[I]f there are significant connections between a particular venue and the events that gave rise to a suit, this factor should be weighed in that venue’s favor.”) (alterations in original) (quoting *In re Hoffmann-La Roche, Inc.*, 587 F.3d 1333, 1338 (Fed. Cir. 2009)).

In this case, it is undisputed that Defendant manages the importation, sales, marketing, customer service, returns and repairs of the accused products from its headquarters in the Northern District of California. (D.I. 19 at 7 (citing D.I. 20 at ¶ 4); D.I. 25 at 5; D.I. 27 at 3) However, the Court notes that unlike some other cases, Defendant does not suggest that the production, design, manufacture or actual importation of its products occurs in the proposed transferee district. (*See* D.I. 20 at ¶ 4 (stating only that Defendant “manages” certain activities from the Northern District of California)) Additionally, Defendant did not disclose where those products are actually sold. (D.I. 28 at ¶¶ 4-7 (stating that as of 2013, ACI “shipped products to customers directly, where they are located[,]” and that those customers included “OfficeMax, Staples, Office Depot, Newegg, CompUSA, Fry’s, and others.”) (internal quotation marks omitted)) And so, it is a bit unclear exactly what proportion of the acts giving rise to Plaintiff’s claims of infringement (i.e., Defendant’s “making, using, selling, importing and/or providing and causing to be used microprocessors that contain the claimed combinations of the [patent-in-suit,]” as called out in the Complaint), (D.I. 1 at ¶ 11), actually occurred in the Northern District of California (as compared to other districts, like this one). While Defendant could be “causing [the accused products] to be used” or sold, (*id.*), by “managing” the company’s marketing and customer service efforts in the Northern District of California, (D.I. 27 at 3), this does not appear to be a case (as some are) where from conception to production to sale, an accused product is overwhelmingly associated with the transferee district.

Plaintiff, for its part, counters that Defendant “distributes the infringing product across the United States, including Delaware[,]” (D.I. 25 at 5; *see also* D.I. 1 at ¶ 8), but Plaintiff has not provided much in the way of detail regarding the magnitude of that distribution. Thus, although Defendant’s showing that the claims at issue “arose” in the Northern District of California could have been stronger, Plaintiff’s showing of a connection between infringing activity and Delaware is even weaker.

In such a circumstance, the Court finds that this factor weighs slightly in favor of transfer. *See Ithaca Ventures k.s. v. Nintendo of Am. Inc.*, C.A. No. 13-824-GMS, 2014 WL 4829027, at *3 (D. Del. Sept. 25, 2014) (holding that this factor “weighs slightly in favor” of transfer where the products were sold in Delaware, and where “[e]ven though the products are not designed or manufactured within the [proposed transferee district, the Western District of Washington,] they are marketed from Washington, which ultimately will bear on Ithaca’s claims of induced infringement and willful infringement.”) (citation omitted); *see also Endeavor MeshTech, Inc. v. Aclara Techs. LLC*, C.A. No. 13-1618-GMS, 2015 WL 849211, at *3 (D. Del. Feb. 25, 2015) (finding this factor to “weigh[] slightly toward transfer” under similar circumstances).

iv. Convenience of the parties as indicated by their relative physical and financial condition

In assessing the next private interest factor—“the convenience of the parties as indicated by their relative physical and financial condition”—this Court has traditionally examined issues including: “(1) the parties’ physical location; (2) the associated logistical and operational costs to the parties’ employees in traveling to Delaware (as opposed to the proposed transferee district) for litigation purposes; and (3) the relative ability of each party to bear these costs in light of its size and financial wherewithal.” *Audatex N. Am., Inc. v. Mitchell Int’l, Inc.*, C.A. No. 12-cv-139

(GMS), 2013 WL 3293611, at *4 (D. Del. June 28, 2013) (internal quotation marks and citations omitted); *McKee v. PetSmart, Inc.*, C.A. No. 12-1117-SLR-MPT, 2013 WL 1163770, at *4 (D. Del. Mar. 20, 2013) (citations omitted).

Defendant argues that because its entire management team is located in the Northern District of California, including any employees with relevant information regarding this case, it will be more convenient for it to litigate near to home than across the country in Delaware. (D.I. 19 at 7) For that reason alone, there is little doubt that Defendant’s proposed forum would be more convenient for it.

But Defendant has been described by our Court recently as a “global corporation with annual revenues exceeding one billion dollars.” *Graphics Props. Holdings Inc. v. Asus Computer Int’l, Inc.*, 964 F. Supp. 2d 320, 328 (D. Del. 2013); *see also Round Rock Research LLC v. ASUSTeK Comp. Inc.*, 967 F. Supp. 2d 969, 972 (D. Del. 2013) (noting that over a 6 ½ year period, Defendant’s United States-based sales exceeded \$5 billion). It does business with some of the largest electronics retailers in the country, and it employs approximately 325 people at its California headquarters. (D.I. 20 at ¶ 5; D.I. 28 at ¶¶ 4-5) Perhaps as a result of this, Defendant does not suggest that it would be unable to easily bear any increased costs associated with litigating in Delaware (as opposed to the proposed transferee forum). Moreover, while there would be some additional inconvenience to Defendant’s employee witnesses, were they actually obligated to travel to Delaware for pre-trial or trial proceedings, the amount of such travel is not likely to be large—particularly if this case does not result in a trial. *See Graphics Props. Holdings*, 964 F. Supp. 2d at 328-29 (“[A]s a practical matter, regardless of the trial venue, most of the discovery [in a patent case involving Defendant] will take place in California or other

locations mutually agreed to by the parties.”); *Human Genome Scis., Inc. v. Genentech, Inc.*, C.A. Nos. 11-082-LPS, 11-156-LPS, 11-328-LPS, 2011 WL 2911797, at *7 (D. Del. July 18, 2011) (noting that the likelihood that few case events would occur in Delaware—particularly few if the case did not go to trial—weighed against transfer, as did technological advances that allow traveling employees to more easily interact with their office while away).

In its briefing, Plaintiff states that it “is a small company with limited resources.” (D.I. 25 at 7) Unfortunately for the Court (and unhelpfully for Plaintiff), it made no effort to make any record of its size, its number of employees, or its resources. The Court understands that Plaintiff has an office of some kind in this State. At most, it can infer only that it would be more convenient for Plaintiff’s client representative(s) to attend trial here in Delaware (where Plaintiff also has other related litigation pending) as opposed to the Northern District of California. On the other hand, Plaintiff has brought a number of lawsuits against large electronics companies in this District, which suggests that it at least possesses sufficient financial resources to litigate several patent infringement cases simultaneously. *See Round Rock Research*, 967 F. Supp. 2d at 980 (“Plaintiff is a small corporation . . . but it has patent lawyers perfectly capable of litigating anywhere, and has sued an array of prominent defendants with sprawling allegations in this and related cases.”); *Microsoft Corp.*, 847 F. Supp. 2d at 678.

Had the Plaintiff put forward evidence suggesting that it would be a real hardship, financial or otherwise, for it to litigate in the Northern District of California, this factor might have redounded in its favor. As it stands, with both entities located on opposite coasts and near their preferred forum, and with neither entity having shown that their “relative physical and financial condition” would prevent them from easily litigating in the other district, the Court

finds this factor to be neutral. *See, e.g., Graphics Props. Holdings*, 964 F. Supp. 2d at 328-29 (finding this factor to be neutral, where the plaintiff was an East Coast-based entity that had filed a number of related suits in this Court, and where Defendant had “failed to demonstrate that litigating in Delaware will pose any unique or unusual burden”); *see also Round Rock Research*, 967 F. Supp. 2d at 980 (finding this factor also to be neutral, where the plaintiff was a small, East Coast-based company, but where it and Defendant were financially capable of “litigating anywhere”).

v. Convenience of the witnesses to the extent that they may actually be unavailable for trial in one of the fora

The “convenience of the witnesses” is the next factor, “but only to the extent that the witnesses may actually be unavailable for trial in one of the fora[.]” *Jumara*, 55 F.3d at 879. Of particular concern here are fact witnesses who may not appear of their own volition in the venue-at-issue and who could not be compelled to appear by subpoena pursuant to Federal Rule of Civil Procedure 45. *ADE Corp. v. KLA-Tencor Corp.*, 138 F. Supp. 2d 565, 569 (D. Del. 2001); *Affymetrix*, 28 F. Supp. 2d at 203-05.

The only living third party witnesses identified by Defendant in its opening brief were: (1) Michael Shenker, the prosecuting attorney who signed off on all of the responses to office action of the patent-in-suit, and who appears to be currently based in Palo Alto, California (in the Northern District of California); and (2) Asad Khamisy, one of the two inventors listed on the patent-in-suit. (D.I. 19 at 9 (citing D.I. 21 at ¶¶ 2, 8, 10 & exs. A, G, I)) Defendant does not indicate why it believes Mr. Shenker will be a relevant third party trial witness in the case (its Amended Answer, for example, does not indicate that a defense of inequitable conduct is currently at issue here). (D.I. 10) As for Mr. Khamisy, although Defendant suggests that to “the

best of [its] knowledge [he] currently lives in Fremont, California,” the exhibit Defendant cites in support of the proposition is a nearly 13-year old-document in which Mr. Khamisy listed a Fremont address. (*See* D.I. 19 at 9 (citing D.I. 21, ex. I at 2)) Defendant’s statement indicates some uncertainty as to Mr. Khamisy’s present location, and it is decidedly unclear from the record whether Mr. Khamisy *currently* lives or works in the Northern District of California or within the confines of its subpoena power.

Defendant also noted in its opening brief that the other of the two inventors, Alexander Joffe, is deceased. (D.I. 19 at 9) But citing to a 2012 obituary, Defendant asserts that Mr. Joffe, “at the time of his passing . . . lived in the Northern District of California,” and therefore, Defendant suggests that “any relevant documents in his possession at the time of his death presumably remain there.” (*Id.* (citing D.I. 21, ex. H)) Left unsaid is how this assertion, even if true, relates to a *Jumara* factor that assesses the “convenience of the witnesses.” And even if it were instead relevant to the next private interest *Jumara* factor—that assessing the “location of books and records”—it would have to be supported by the record. Yet here, the obituary Defendant produces does not, in fact, state that “at the time of his passing [Mr. Joffe] lived in the Northern District of California.” (D.I. 21, ex. H at 1) To the contrary, it states that Mr. Joffe “relocated to Israel in 2007[,]” and that he returned to California thereafter only for a 2009 event and for “family visits.” (*Id.*) The obituary goes on to state that Mr. Joffe died in 2012 “in Tel Aviv[,]” and lists his wife as also being of “Tel Aviv” at that time. (*Id.*) Thus, if the Court could presume that Mr. Joffe still retained relevant documents regarding this case, the most it could reasonably infer is that those documents are located in Israel.

The practical impact of this factor has often been said to be limited, in light of the fact

that so few civil cases today proceed to trial (and at trial, so few fact witnesses testify live). *See Collectis S.A. v. Precision Biosciences, Inc.*, 858 F. Supp. 2d 376, 382 n.6 (D. Del. 2012); *Altera*, 842 F. Supp. 2d at 757-58. And, here, Defendant has not only identified few third party witnesses who might be located in the Northern District of California, but it has also either: (1) failed to articulate why those persons are likely to be witnesses in the case; or (2) provided evidence of questionable accuracy regarding the whereabouts of those persons. Considering all of this, together with the fact that there is nothing in the record to suggest that any of these witnesses would be unlikely to participate in a trial in Delaware, *see McRo, Inc.*, 2013 WL 6571618, at *9 (“Absent some concrete evidentiary showing that [potential third party witnesses] would be unlikely to testify, it is difficult to give [d]efendants’ argument as to their potential unavailability significant weight.”), the Court cannot find that this factor should favor Defendant. Instead, it finds the factor to be neutral.

vi. Location of books and records

Next the Court considers “the location of books and records (similarly limited to the extent that the files could not be produced in the alternative forum).” *Jumara*, 55 F.3d at 879. “In patent infringement cases, the bulk of the relevant evidence usually comes from the accused infringer. Consequently, the place where the defendant’s documents are kept weighs in favor of transfer to that location.” *In re Genentech, Inc.*, 566 F.3d 1338, 1345 (Fed. Cir. 2009) (internal quotation marks and citation omitted). Yet this factor is commonly given little weight, as technological advances have “shortened the time it takes to transfer information, reduced the bulk or size of documents or things on which information is recorded . . . and have lowered the cost of moving that information from one place to another.” *Cypress Semiconductor Corp. v.*

Integrated Circuit Sys., Inc., No. 01-199-SLR, 2001 WL 1617186, at *3 (D. Del. Nov. 28, 2001) (internal quotation marks and citation omitted); *see also Collectis*, 858 F. Supp. 2d at 382; *ADE Corp.*, 138 F. Supp. 2d at 571.

Here, there is no real dispute that nearly all of the relevant books and records (at least those in Defendant's possession) are likely to be found in the Northern District of California. (D.I. 19 at 10; D.I. 20 at ¶ 6; D.I. 25 at 6; D.I. 27 at 7) On the other hand, there is no credible argument that hurdles exist to producing those books and records in Delaware for trial.

Pragmatus I, 2012 WL 4889438, at *11.⁷ The Court thus finds this factor to weigh in favor of transfer, though only slightly. *See, e.g., Joao Control & Monitoring Sys., LLC v. Ford Motor Co.*, C.A. No. 12-cv-1479 (GMS), 2013 WL 4496644, at *6 (D. Del. Aug. 21, 2013); *Altera*, 842 F. Supp. 2d at 759.

b. Public Interest Factors

⁷ Defendant states that due to complexity and sensitivity concerns, it keeps its “financial information in an enterprise resource planning database that cannot practicably be copied and produced” and that “there is no way to copy this database and produce it in a useable format, and it is not feasible to run reports that export *all the data* it contains.” (D.I. 19 at 10 (citing D.I. 20 at ¶ 6) (emphasis added)) Thus, Defendant suggests that it “may produce its financial evidence by making its databases available for inspection at its Northern California headquarters, as it has done in the past” and since “the relevant evidence is entirely outside this district, and at least some of it is not reasonably transportable to this district, the location of the evidence favors transfer.” (*Id.*) This argument seems strained. It is not clear to the Court why Plaintiff would be seeking (or Defendant would be required to produce) “all the data” contained in such a database, or anything close to that. Indeed, Plaintiff indicates it will seek only “targeted financial” data in the case. (D.I. 25 at 6) In any event, were Plaintiff to be required to physically travel to the Northern District of California to view certain financial data in the possession of Defendant, the Court does not find this fact significant enough to tip the “books and records” factor any further in Defendant's favor. *Cf. Pragmatus I*, 2012 WL 4889438, at *11-12 (noting that where defendant's proprietary source code was located in the proposed transferee district, any risk associated with its transfer to Delaware for trial “could likely be well managed with thoughtful preparation[,]” and finding this factor to slightly favor transfer where the bulk of relevant records were located in the proposed transferee district).

The parties agree that three of the six public interest factors are neutral here. (D.I. 19 at 10-13; D.I. 25 at 7-11; D.I. 27 at 7-10). The Court below thus addresses the three public interest factors that were clearly disputed by the parties.

i. Practical considerations that could make the trial easy, expeditious, or inexpensive

The first of these public interest factors is “practical considerations that could make the trial easy, expeditious, or inexpensive[.]” *Jumara*, 55 F.3d at 879.

The primary practical consideration cited by Plaintiff is that on the date of the filing of the instant suit, Plaintiff also filed civil actions against six other defendants in this Court. (D.I. 25 at 1 (arguing that “[s]eparating the[se] cases would be inefficient and could lead to inconsistent” rulings); *id.* at 8-10) In numerous recent cases where a single defendant sought to transfer its case—thereby seeking to separate that case from other related, pending cases that would remain in this District regardless of how the motion to transfer was decided—our Court has recognized the efficiencies that could be captured were the motion denied and all related cases litigated together here. *See, e.g., Graphics Props. Holdings*, 964 F. Supp. 2d at 330 (finding this factor to weigh “heavily against transfer” where the court had “at least 11 other cases pending in Delaware, each of which involves one or more of the asserted patents[.]” such that “even if the present case were transferred to California, the Court would still need to learn the technology claimed in the asserted patents, construe the claims of those patents, resolve summary judgment motions (if any), address the parties’ discovery disputes, and ultimately try the cases that proceed to trial”); *FastVDO LLC v. Paramount Pictures Corp.*, 947 F. Supp. 2d 460, 464 (D. Del. 2013) (“There are twenty-four other related suits pending in this district; while this case will be argued separately, there are efficiencies in having all related cases considered in a single district.”);

Smart Audio Techs., 910 F. Supp. 2d at 733-34 (denying a motion to transfer one of four related suits, and holding that “the commonalities that . . . exist between the four lawsuits may allow the court to develop some familiarity with the patents and technology involved, thereby conserving judicial time and resources. This is an important practical consideration, and the court therefore finds that this factor weighs against transfer.”) (footnote omitted).

As could have reasonably been expected at the time all seven suits were instituted, *see Round Rock Research*, 967 F. Supp. 2d at 981-82, the Court has gone on to devote resources to these cases, in setting a case schedule and in taking up a pending motion in one of the six related cases. (*See* D.I. 12; D.I. 17; *see also* Civil Action No. 14-836-LPS-CJB, D.I. 8) At the time of suit, it would also have been reasonable to expect that some of the other related cases would be litigated well into or past the close of discovery, meaning that the Court might gain familiarity with the patent-in-suit, and with the coprocessor component that forms part of the basis for the infringement allegations in all of the cases. Thus, were this case to be transferred and were two courts then required to devote resources to cases involving the same patent and same component, there could “be a net loss of efficiency for the federal court system as a whole.” *Pragmatus II*, 2013 WL 174499, at *1.⁸

⁸ Defendant cites to *IPVenture, Inc. v. Acer, Inc.*, 879 F. Supp. 2d 426 (D. Del. 2012) as a case in which “this district [] previously transferred patent cases against [it], notwithstanding that ‘concurrent litigation on the same patents on similar technology’ was pending in this district[.]” (D.I. 19 at 12) But as Plaintiff points out, (D.I. 25 at 10), the decision in *IPVenture* was significantly affected by the fact that there, not only were both defendants located in the proposed transferee district (there, the Northern District of California), but the plaintiff was a California corporation, with its principal place of business also located in the transferee district. *IPVenture, Inc. v. Acer, Inc.*, 879 F. Supp. 2d 426, 431 (D. Del. 2012). As a result, the *IPVenture* Court was clearly influenced by the fact that the case was “a business dispute between three corporations with no connection to Delaware, but with extensive connections to the Northern District of California.” *Id.* at 433. In contrast here, not only is

Defendant argues that the passing of the Leahy-Smith America Invents Act (“AIA”), and the availability of procedures relating to the Multidistrict Litigation statute, all suggest that in the transfer context, the Court cannot even consider the efficiencies gained by resolving multiple cases involving the same patents and same products in one jurisdiction. (D.I. 19 at 12-13; D.I. 27 at 8-9) Yet such a conclusion would contravene our own Court’s precedent. That conclusion is not suggested by any Third Circuit decision of which the Court is aware; indeed, the Third Circuit has emphasized the importance of considering to what extent a decision on a motion to transfer venue would result in a “waste [of] judicial resources.” *In re Amendt*, 169 F. App’x 93, 96 (3d Cir. 2006). And although Federal Circuit law does not control, it is worth noting that such a conclusion would expressly contradict the precedent of that Court (both before and after the passage of the AIA), to the effect that “the existence of multiple lawsuits involving the same issues” is a “paramount consideration when determining whether a transfer is in the interest of justice[.]” *In re Volkswagen of Am., Inc.*, 566 F.3d 1349, 1351 (Fed. Cir. 2009); *see also In re Altair Eng’g, Inc.*, 562 F. App’x 978, 979 (Fed. Cir. 2014) (refusing to issue a writ of mandamus to transfer a case, due in part to the existence of co-pending cases in that jurisdiction, and holding that “a district court may properly consider any judicial economy benefits . . . including those arising from having the same judge handle suits against multiple defendants involving the same patents and technology”) (internal quotation marks and citation omitted); *In re EMC Corp.*, 501 F. App’x 973, 976 (Fed. Cir. 2013); *In re Vicor Corp.*, 493 Fed. App’x 59, 61 (Fed. Cir. 2012);

Plaintiff a Delaware LLC with its principal place of business (such as it is) in Delaware, but it is also *not* located in the very district to which Defendant seeks transfer. Were Plaintiff here to be a corporate entity located in the Northern District of California, that fact would certainly have an impact on many portions of the *Jumara* calculus.

In re Vistaprint Ltd., 628 F.3d 1342, 1346 (Fed. Cir. 2010).⁹ Of course, none of this suggests that the existence of other related lawsuits in this District can or should be dispositive in the *Jumara* inquiry, nor that it should dominate the inquiry. *Cf. In re EMC Corp.*, 501 F. App'x at 976; *In re Zimmer Holdings, Inc.*, 609 F.3d at 1382. It is simply one consideration among many that a court must balance.

Otherwise, to the extent Defendant argues that the “practical considerations” factor should favor it, it points to issues (e.g., the location of its witnesses, or the proprietary nature of certain of its financial documents) that have been addressed above, and found not to weigh much or at all in favor of transfer. (D.I. 19 at 10-11) Therefore, primarily due to the number of related cases at issue, and the fact that they all involve the same patent-in-suit and infringement allegations relating to the same component, the Court finds this factor to weigh against transfer.

ii. Local interests in deciding local controversies at home

In patent litigation, the local interest factor is typically neutral, as patent issues tend to raise controversies that are more properly viewed as national, not local, in scope. *Graphics Props. Holdings*, 964 F. Supp. 2d at 330. Nevertheless, “[w]hile the sale of an accused product offered nationwide does not give rise to a substantial interest in any single venue . . . if there are significant connections between a particular venue and the events that gave rise to a suit, this factor should be weighed in that venue’s favor.” *In re Hoffmann–La Roche*, 587 F.3d at 1338 (citations omitted); *see also Graphics Props.*, 964 F. Supp. 2d at 330-31.

Our Court’s case law indicates that Plaintiff’s formation in Delaware could be said to

⁹ The Court also notes that the AIA, on its literal terms, addressed only joinder, not transfer. *See* 35 U.S.C. § 299.

foster some type of local interest in Delaware as to the outcome of this dispute. *See Human Genome Scis.*, 2011 WL 2911797, at *11 (“Delaware has an interest in adjudicating disputes involving companies incorporated in Delaware[.]”) This interest, however, is counterbalanced here by the fact that Defendant is headquartered in the proposed transferee district. *See id.* For these reasons, the Court finds this factor to be neutral. *See Graphics Props.*, 964 F. Supp. 2d at 331; *cf. In re Amendt*, 169 F. App’x at 94, 97 (finding that the “interests of the two fora in deciding the controversy appear roughly equal because the [plaintiffs] live in [the district in which the case was filed], but [defendant] is headquartered in [the transferee district]”).

iii. Public policy of the fora

The next factor relates to the public policy of the respective fora.

In the “public policy” section of its answering brief, Plaintiff cites to the “fact that [it] has filed other cases [in the District]” as one that “weighs heavily in favor of retaining venue in Delaware.” (D.I. 25 at 8) In one case, our Court noted that “having one court decide related cases is an important public policy factor in the [transfer] analysis[.]” *Zazzali v. Swenson*, 852 F. Supp. 2d 438, 453 (D. Del. 2012). Yet where the opposing side showed that the transferee forum also had a public policy interest in having the matter adjudicated there (in light of the fact that that party was located in the transferee forum and had affected employees there), the public policy calculus was deemed neutral. *Id.*

For its part, Defendant suggests that public policy favors transfer. As noted above, *see infra* Section B.2.b.i, its argument is that, *inter alia*, the policy behind Congress’ passage of the AIA would be contravened were the Court to deny transfer in the instant case, and rely on the pendency of other related cases in this Court as a factor in that decision. The Court has

addressed that argument above, finding it to be overstated.

The Court finds this factor to be neutral.

c. Conclusion Regarding Impact of *Jumara* Factors

In sum, Plaintiff's choice of forum and the "practical considerations" factor weigh squarely against transfer. Defendant's forum preference weighs squarely in favor of transfer, and where the claim arose and the location of books and records weigh slightly in favor of transfer. The remainder of the *Jumara* factors are neutral.

The Court concludes that a balancing of the *Jumara* factors produces a result that is not "strongly in favor of" transfer. *Shutte*, 431 F.2d at 25. The outcome as to the factors is about even. This is not the kind of case where all signs clearly point to the transferee district as the site where the matter should be litigated.

III. CONCLUSION

For these reasons, the Court hereby ORDERS that the Motion be DENIED.

Dated: May 1, 2015



Christopher J. Burke
UNITED STATES MAGISTRATE JUDGE