IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

TESSERA, INC. and INVENSAS CORPORATION, Plaintiffs, v. BROADCOM CORPORATION, Defendant.	)	Civil Action No. 16-379-LPS-CJB
TESSERA, INC. and TESSERA ADVANCED TECHNOLOGIES, INC., Plaintiffs, v. BROADCOM CORPORATION, Defendant.	)	Civil Action No. 16-380-LPS-CJB

MEMORANDUM ORDER

Presently pending before the Court in these patent infringement cases is Defendant Broadcom Corporation's ("Broadcom") motions seeking a transfer of venue to the United States District Court for the Northern District of California ("Northern District of California") pursuant to 28 U.S.C. § 1404(a) (the "Motions"). (D.I. 12, Civil Action No. 16-379-LPS-CJB; D.I. 14, Civil Action No. 16-380-LPS-CJB) Plaintiffs Tessera, Inc. and Invensas Corporation ("Invensas") (who together are Plaintiffs in Civil Action No. 16-379-LPS-CJB) and Tessera Advanced Technologies, Inc. ("TATI") (who, along with Tessera, Inc., are Plaintiffs in Civil

Action No. 16-380-LPS-CJB) oppose the Motions.[1] For the reasons set forth below, Defendants' Motions are DENIED.

I. BACKGROUND

A. The Parties

Plaintiff Tessera, Inc. is a Delaware corporation with its principal place of business in San Jose, California, which is located in the Northern District of California. (D.I. 26 at ¶ 1, Civil Action No. 16-379-LPS-CJB; D.I. 30 at ¶ 1) It is a wholly owned subsidiary of Tessera Technologies, Inc. (*Id.*) Plaintiff Invensas is a Delaware corporation with its principal place of business in San Jose. (D.I. 26 at ¶ 2, Civil Action No. 16-379-LPS-CJB) Invensas' ultimate parent is also Tessera Technologies, Inc. (*Id.*) Plaintiff TATI is a Delaware corporation with its principal place of business in San Jose. (D.I. 30 at ¶ 2) TATI is also a wholly owned subsidiary of Tessera Technologies, Inc. (*Id.*)

Either Tessera, Inc. or Invensas is the owner of the three patents at issue in Civil Action No. 16-379-LPS-CJB: United States Patent Nos. 6,133,136, 6,849,946 and 6,856,007 (collectively, the "379 patents"). (D.I. 26, Civil Action No. 16-379-LPS-CJB) Either Tessera, Inc. or TATI are the owners of each of the seven patents at issue in Civil Action No. 16-380-LPS-CJB: United States Patent Nos. 5,666,046, 6,043,699, 6,046,076, 6,080,605, 6,218,215,

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[1] Broadcom's briefing in both cases is nearly identical, as is Plaintiffs' briefing. For that reason, further citations will be to the record in Civil Action No. 16-380-LPS-CJB unless otherwise noted. Additionally, all parties agree that the Court should consider the two Motions (and the associated decisions on transfer) together, (D.I. 17 at 1 n.1, Civil Action No. 16-379-LPS-CJB (noting that the two cases should be treated as distinct and should not be grouped "for any purpose other than the instant motions to transfer"); D.I. 19 at 1 n.1 (same); Tr. at 9-10 (Broadcom's counsel noting that the Motions as to these two actions should be "treated somewhat as a unit")), and the Court will thus do so below.

6,284,563, and 6,954,001 (collectively, the "380 patents," and with the 379 patents, the "patents-in-suit"). (D.I. 30)

Tessera Technologies, Inc., the ultimate parent of all three Plaintiffs, is a Delaware corporation with its principal place of business in San Jose. (D.I. 26 at ¶¶ 1-2, Civil Action No. 16-379-LPS-CJB; D.I. 30 at ¶¶ 1-2) Tessera Technologies, Inc., along with Plaintiffs (collectively, "Tessera"), has established a large research, development and licensing business (including the licensing of patented technology) in the area of semiconductor and imaging technology. (D.I. 16, ex. AA, *In the Matter of Certain Semiconductor Devices, Semiconductor Device Packages, and Products Containing Same*, Investigation No. 337-TA-1010, Complaint ("ITC Complaint"), at ¶ 3) Tessera has over 250 employees, including over 200 scientists and engineers. (*Id.*) Over 100 of those employees, who are involved in engineering, research, development and licensing, are based out of Tessera's San Jose offices. (*Id.* at ¶ 132)

Defendant Broadcom is a California corporation. (D.I. 30 at ¶ 3) Prior to its 2016 acquisition by Avago Technologies Limited, Broadcom had its corporate headquarters in Irvine, California, which is located within the geographical boundaries of the United States District Court for the Central District of California ("Central District of California"). (D.I. 20, ex. 2 at 1, 20) Today, it has two "co-headquarters": one in Irvine and one in San Jose. (D.I. 17 at ¶ 4) It has other significant engineering design facilities in California, as well as many other offices located throughout the United States and the world. (*Id.* at ¶¶ 6, 8; D.I. 20, ex. 2 at 6, 20) Broadcom is a "'fabless'" or "'fabrication-less'" semiconductor design company, which means that it designs and sells semiconductor devices, but outsources all manufacturing to other companies. (D.I. 17 at ¶ 3) As of December 31, 2014, it had approximately 10,650 employees

(including 8,000 working in research and development and 1,000 working in sales and marketing) and had reported net revenue of $8.43 billion. (D.I. 20, ex. 2 at 2, 10) Today, over 2,000 of its employees are located in one of Broadcom's Northern California offices. (D.I. 17 at ¶ 7)

In these cases, Plaintiffs accuse Broadcom of directly and indirectly infringing the patents-in-suit by, among other things, making, selling, offering to sell, using, and/or importing (1) certain of Broadcom's semiconductor device products (or related products) that fall within the scope of certain of the claims of the patents-in-suit; (2) Broadcom products that contain such infringing products; and/or (3) Broadcom semiconductor device products that are made by a process patented in one of the patents-in-suit (collectively, "accused products"). (*See, e.g.*, D.I. 26, Civil Action No. 16-379-LPS-CJB; D.I. 30)[2] The operative complaints also accuse Broadcom of inducing others to do the same (as to the accused products or products containing them) and encouraging others to do the same (as to such products). (*Id.*) At the time of the filing of the briefing regarding these Motions, Plaintiffs had accused at least 73 Broadcom semiconductor devices of infringing the patents-in-suit. (D.I. 15 at 5)

B. Procedural Background

On May 23, 2016, Tessera, Inc. and Invensas filed their Complaint in Civil Action No. 16-379-LPS-CJB, alleging that Broadcom infringed the 379 patents; the operative pleading is now an Amended Complaint that was filed on September 8, 2016. (D.I. 1 & D.I. 26, Civil

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[2] The accused products are often identified in the relevant Complaints by "marketing numbers," (*see, e.g.*, D.I. 26 at ¶¶ 12, 22, 32, Civil Action No. 16-379-LPS-CJB; D.I. 30 at ¶¶ 12, 23, 35, 43, 56, 69, 82), which the Court now knows to be representative of certain "categories" of products, (*see* D.I. 86 at 87-89).

Action No. 16-379-LPS-CJB) On May 23, 2016, Tessera, Inc. and TATI also filed their Complaint in Civil Action No. 16-380-LPS-CJB against Broadcom; the operative pleading is now a Second Amended Complaint filed on September 8, 2016, which alleges that Broadcom infringes each of the 380 patents. (D.I. 1 & D.I. 30) Chief Judge Leonard P. Stark has referred the cases to the Court to resolve, *inter alia*, motions to transfer venue. (D.I. 5, Civil Action No. 16-379-LPS-CJB; D.I. 5)

The 379 patents are the same as those at issue in a complaint that Tessera, Inc. and Invensas filed with the ITC on May 23, 2016, alleging, *inter alia*, Broadcom's infringement of the 379 patents. (ITC Complaint at ¶¶ 1-2, 36) Broadcom later moved that Civil Action No. 16-379-LPS-CJB be stayed pursuant to 28 U.S.C. § 1659(a), (D.I. 12, Civil Action No. 16-379-LPS-CJB), and the Court granted that unopposed motion.[3]

On July 18, 2016, Broadcom filed the instant Motions. (D.I. 12, Civil Action No. 16-379-LPS-CJB; D.I. 14) The parties completed briefing on the Motions on August 15, 2016, (*see, e.g.*, D.I. 25), and the Court held oral argument on the Motions during a Case Management Conference held on September 19, 2016. (D.I. 86 (hereinafter "Tr.")) A Scheduling Order in Civil Action No. 16-380-LPS-CJB was entered on September 29, 2016. (D.I. 41)

II. DISCUSSION

A. Legal Standard

[3] All parties to the action agree that it is proper for the Court to resolve the transfer of venue issue in Civil Action No. 16-379-LPS-CJB, even while this stay is pending, and they have cited to case law in support. (D.I. 38 at 1-2 (citing *Microsoft Corp. v. Tivo Inc.*, No. C11-00134-RSM, 2011 WL 1930640, at *2 (W.D. Wa. May 19, 2011); *Broadcom Corp. v. Qualcomm Inc.*, No. SACV 05-468-JVS(MLGx), 2005 WL 5925585, at *1-2 (C.D. Cal. Sept. 26, 2005))) The Court agrees with the logic set out in the cited cases, and, as a result, will proceed to address the Motions in both cases.

Section 1404(a) of Title 28 provides the statutory basis for a transfer inquiry. It provides that "[f]or the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought 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).[4] That burden is a heavy one: "unless the balance of convenience of the parties is *strongly in favor* of [the] defendant, the plaintiff's choice of forum should prevail." *Shutte*, 431 F.2d at 25 (emphasis added) (internal quotation marks and citation omitted); *see also CNH Am. LLC v. Kinzenbaw*, C.A. No. 08-945(GMS), 2009 WL 3737653, at *2 (D. Del. Nov. 9, 2009).

The United States Court of Appeals for the Third Circuit has observed that courts must analyze "all relevant factors" to determine whether "on balance 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 are appropriate to account for 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

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[4] 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)).

> 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. 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. *Mallinckrodt Inc. v. E-Z-Em Inc.*, 670 F. Supp. 2d 349, 356 (D. Del. 2009). In the parties' briefing, there was no dispute that Plaintiffs could have properly brought this infringement action in the Northern District of California. (D.I. 15 at 9; D.I. 19 at 9)

C. Application of the *Jumara* Factors

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

1. Private Interest Factors

a. 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. *Pragmatus AV, LLC v. Yahoo! Inc.*, Civil Action No.

11-902-LPS-CJB, 2012 WL 4889438, at *4 (D. Del. Oct. 15, 2012) (citation omitted), *adopted by* 2013 WL 174499 (D. Del. Jan. 16, 2013); *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." *Pragmatus*, 2012 WL 4889438, at *4 (internal quotation marks, brackets and citations omitted); *see also Intellectual Ventures I LLC v. Altera Corp.*, 842 F. Supp. 2d 744, 753-54 (D. Del. 2012) ("*Altera*").[5]

Plaintiffs state that they brought the actions in this District because, *inter alia*, they are all incorporated in Delaware. (D.I. 19 at 9) This Court has repeatedly found a plaintiff's incorporation in Delaware to be a legitimate reason for filing suit in this District. In such circumstances, a plaintiff has publicly availed itself of the benefits and consequences of this State's laws, and it makes sense that it would thus wish to later utilize courts located within that State when pursuing a litigation matter. *See, e.g.*, *Wireless Media Innovations, LLC v. LeapFrog Enters., Inc.*, C.A. No. 13-1545-SLR-SRF, 2014 WL 1203035, at *2 (D. Del. Mar. 20, 2014); *McRo, Inc. v. Activision Blizzard, Inc.*, Civil Action No. 12-1508-LPS-CJB, 2013 WL 6571618, at *4 (D. Del. Dec. 13, 2013) (citing cases), *adopted by* 2013 WL 6869866 (D. Del. Dec. 30,

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[5] 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. *Pragmatus*, 2012 WL 4889438, at *4; *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).

2013).[6] This is particularly so where, as here, Plaintiffs have explained that this Court's experience with patent litigation matters is a factor in their choice of forum. (D.I. 19 at 19)

Broadcom suggests that Plaintiffs have engaged in improper "tactical" behavior by filing suit here—because Plaintiffs' principal places of business are in the Northern District of California and because one Plaintiff (Tessera, Inc.) has previously filed four patent suits in that District within the last 10 years. (D.I. 15 at 10-11; *see also id.* at 4-5) But the Court is not persuaded that Plaintiffs have done anything untoward. Plaintiffs collectively have brought at least three other patent suits in this District in the past too. (D.I. 19 at 5) And in general, a plaintiff is not typically seen as acting in bad faith if it chooses different venues for its various litigation matters (any more than are defendants who seek to transfer such matters to their preferred jurisdiction pursuant to Section 1404(a)). *See Cellectis S.A. v. Precision Biosciences, Inc.*, 858 F. Supp. 2d 376, 385 (D. Del. 2012) ("[T]o suggest that a company that chooses different venues for different suits is operating in bad faith is disingenuous, and the suggestion is a not-so-subtle attempt to cloak the venue selection exercise in which every company engages with overtones of intentional misconduct.").

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[6] Broadcom asserts that the legitimacy of Plaintiffs' basis for filing suit here is undercut because this District is not Plaintiffs' "home turf." (D.I. 15 at 10) But as the Court has previously explained, the original discussion of a "home turf rule" in prior cases from this District simply articulated the commonsense proposition that the weaker the connection between the forum and the plaintiff (or the lawsuit), the easier it will be for the defendant to show that the balance of convenience tips in its favor. *Pragmatus*, 2012 WL 4889438, at *5. The "rule," such as it is, was never meant to have any other independent significance in the "balance of convenience" analysis of the *Jumara* factors. That is, it was never meant to apply so as to automatically lessen the weight afforded to the first *Jumara* private interest factor (if this District is not a plaintiff's "home turf"), or to automatically increase the weight given to the factor (if this District is the plaintiff's "home turf"). *Id.*

Therefore, because there are clear, legitimate reasons why Plaintiffs chose this forum for suit, this factor weighs against transfer.

b. Defendant's forum preference

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

Broadcom contends that it has a number of legitimate reasons for seeking to transfer this action to the Northern District of California, including that: (1) it has significant operations in that forum, including one of its two headquarters; (2) a good number of its employees are based there, including some responsible for research and design of certain of the accused devices; and (3) "other knowledgeable witnesses" are to be found there. (D.I. 15 at 11; D.I. 17 at ¶¶ 4-5, 7, 10-12; D.I. 25 at 3) As this Court has often held, the physical proximity of the proposed transferee district to a defendant's principal or key place of business (and relatedly, to witnesses and evidence potentially at issue in the case) is a clear, legitimate basis for seeking transfer. *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); *Genetic Techs. Ltd. v. Natera, Inc.*, C.A. No. 12-1737-LPS, 2014 WL 1466471, at *1 (D. Del. Apr. 15, 2014).[7] That logic applies here, and thus, the second private interest *Jumara*

[7] To the extent that Plaintiffs suggest that in the transfer analysis, the movant's choice of forum is automatically "'not given the same weight as Plaintiff's preference[,]'" (D.I. 19 at 10 (citation omitted)), the Court has previously explained why it cannot find any support for that proposition in governing Third Circuit case law. *See, e.g., Elm 3DS Innovations LLC v. SK Hynix Inc.*, Civil Action No. 14-1432-LPS-CJB, 2015 WL 4967139, at *6 n.13 (D. Del. Aug. 20, 2015) (citing cases).

factor weighs in favor of transfer.

c. Whether the claim arose elsewhere

The third private interest *Jumara* factor asks "whether the claim arose elsewhere." 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.*, 2013 WL 6571618, at *5 (certain internal quotation marks and citations omitted). 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).

Here, the record evidence as to where the alleged infringement has occurred was thin, and very unclear. Moreover, neither side did much to assist the Court on this front, even though both sides had some responsibility to do so. Plaintiffs—the patentees and the parties who brought these infringement actions in the first place—could have more clearly explained what of Broadcom's conduct they were targeting with their allegations of U.S.-based patent infringement (and where they believed that conduct was taking place, based on the information available to them). And Broadcom—the party who is most familiar with its own conduct and the party who bears the burden as to the instant Motions—could have better articulated where its personnel (who are relevant to the as-pleaded allegations) are located. Instead, both sides accused the other of hiding the ball—suggesting that because the other had not been clearer (either about what was the nature of the infringement allegations, or about where information regarding those allegations may be located), then they had little more to add. (D.I. 20, ex. 4; Tr. at 39-40, 64-65) This all, unfortunately, made it difficult to assess this *Jumara* factor.

With regard to the "making" of the accused products (or to the use of methods of

manufacturing such products), it at least appears undisputed that such manufacturing does not occur in the United States (and thus occurs in neither relevant district). (D.I. 17 at ¶ 3; D.I. 19 at 11; D.I. 20, ex. 2 at 7 & F-39; D.I. 25 at 5; Tr. at 12-13, 15) With that said, Broadcom does have significant research and design operations in San Jose. It explains that: (1) of the 38 Broadcom lead engineers who were involved in the research and design of the accused products, 15 are located in the Northern District of California; (2) of the 17 Broadcom employees responsible for research and design associated with the fabrication process for the accused products, seven are employed in the Northern District of California; and (3) of the 29 Broadcom employees responsible for research and design associated with the packaging process for the accused products, six work in the Northern District of California. (D.I. 26 at ¶¶ 4-6) Thus, to the extent that the research and design of the accused products is relevant here, at least some portion of those efforts appear to have occurred in the Northern District of California (though much of this conduct occurred elsewhere).

Broadcom is also accused of infringement by way of its U.S.-based sales or offers to sell accused products. (D.I. 30) Here it appears undisputed that any Broadcom U.S.-based sales activity occurs throughout the country, including in California and in Delaware. (D.I. 19 at 3; D.I. 20, ex. 2 at 8; D.I. 25 at 5-6; Tr. at 7) For example, Broadcom has a direct sales force who help to sell its products, and those persons work in sales offices scattered throughout the United States and the world. (D.I. 20, ex. 2 at 8; *id.*, ex. 5)

With regard to the importation of accused products, Broadcom asserted that it "is not involved in much importation[,]" since the products at issue would often be transferred to one or more customers before coming into this country in some form. (Tr. at 12) At oral argument,

Broadcom's counsel seemed to allow for the possibility that Broadcom may itself import some number of the accused products, (*id.* at 16), though counsel did not share where such importation would occur. As for the Plaintiffs, their counsel did not seem to be sure how Broadcom imported infringing accused products. (*Id.* at 35-36, 40, 43). So there was no real evidence of record as to where in the United States any offending importation occurs.

Lastly, to the extent that indirect infringement (such as induced infringement) is to play a role in this case, Broadcom asserted that any such acts of inducement are "likely to be occurring . . . in California, [in] Irvine . . . or San Jose[.]" (Tr. at 13-14) Even accepting this as true, what remains unclear is whether that conduct took place in the proposed transferee district (i.e., in San Jose) or not (i.e., in Irvine).

In the end, it is just very uncertain as to what amount of U.S.-based infringing activity occurred where. The most that can be said is that: (1) some amount of this conduct probably occured in the proposed transferee district; (2) that conduct probably does not amount to the lion's share of infringing activity at issue; and (3) little if any of this conduct probably occurred in Delaware. It is certainly *not* a case where the record shows that most of the infringing conduct took place in the proposed transferee district. In light of this, and in light of the lack of clarity in the record as to this factor, the Court finds that this factor should only slightly favor transfer. *Cf. Intellectual Ventures I LLC v. Checkpoint Software Techs. Ltd.*, 797 F. Supp. 2d 472, 481 (D. Del. 2011) ("*Checkpoint Software*") (finding that this factor weighed "only slightly" in favor of transfer when the allegedly infringing products were sold nationwide, and "some amount of research and development of some of the accused products and services was conducted" in the transferee district, but "a bulk of the research and development activity occurred outside" of both

the transferor and transferee districts).

d. 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 a number of issues. These include: "(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); *see also McKee v. PetSmart, Inc.*, C.A. No. 12-1117-SLR-MPT, 2013 WL 1163770, at *4 (D. Del. Mar. 20, 2013) (footnote omitted).

Broadcom states that because it has its headquarters co-located in the Northern District of California, and a significant employee presence there, the district would be a more convenient place for it to litigate. (D.I. 15 at 14) The Court agrees that it would.

Of course, while Broadcom's employees would face some additional inconvenience were they 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, e.g., Graphics Props. Holdings Inc. v. Asus Comput. Int'l, Inc.*, 964 F. Supp. 2d 320, 328-29 (D. Del. 2013) ("[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. No. 11-082-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). Moreover, to the extent that Broadcom trial witnesses turn out to be located in Irvine (and not San Jose), those persons will have to face some amount of inconvenience regardless of the transfer decision, since the Northern District of California's courthouses are hundreds of miles away from Irvine (albeit far closer to Irvine than is Delaware).

As for Plaintiffs, they are all located in the Northern District of California. The Court does not quarrel with their assertion that the District of Delaware is nevertheless a "plainly" convenient forum for them to pursue litigation. (D.I. 19 at 13-14) But in light of their physical presence in the proposed transferee district (and the fact that at least Tessera, Inc. has previously pursued patent litigation there too), that forum is certainly not *in*convenient for Plaintiffs.

Lastly, it appears undisputed that all parties are large corporate entities. Broadcom, for example, appears to be the largest: it is a multi-billion dollar company that does business on an international scale. (D.I. 20, ex. 2 at 2, 20 & F-39; Tr. at 59) There is absolutely no indication that any of these parties would suffer an undue financial burden were they to proceed to trial in either forum.

In the end, with some uncertain number of possible employee witnesses located in the Northern District of California (and none in Delaware), the Court recognizes that this factor should weigh in Defendants' favor to some degree. But in light of the other counter-balancing factors discussed above, the Court concludes that this factor only slightly favors transfer. *Cf. Audatex*, 2013 WL 3293611, at *4-5 (concluding the same when both parties operated out of the

proposed transferee district, both had sufficient resources to litigate in either forum and both were incorporated in Delaware); *Altera*, 842 F. Supp. 2d at 755 (concluding the same, where all parties were located in or near the proposed transferee district, but the record did not indicate that litigating in Delaware would impose an "undue financial burden" on defendants, who had extensive operations and significant annual sales); *Intel Corp. v. Broadcom Corp.*, 167 F. Supp. 2d 692, 706 (D. Del. 2001) (denying Broadcom's transfer motion in a case where the plaintiff was a California-based company that was incorporated in Delaware, and noting that this factor did not redound in Broadcom's favor).

e. 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." 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.

In *Jumara*, the Third Circuit made clear that in order for this factor to meaningfully favor the movant, the movant must come forward with some amount of specificity. This is evident from the wording of the factor itself, which notes that the witnesses' convenience should be considered "only to the extent that the witnesses may *actually be* unavailable for trial in one of the fora[.]" *Jumara*, 55 F.3d at 879 (emphasis added). It is also evident from the legal authority that *Jumara* cited to in setting out this factor, which explains:

> The rule is that these applications [for transfer] are not determined solely upon the outcome of a contest between the parties as to which of them can present a longer list of possible witnesses located in the respective districts in which each party would like to try the case. The party seeking the transfer must clearly specify the key witnesses to be called and must make a general statement of what their testimony will cover. The emphasis must be on this showing rather than numbers. One key witness may outweigh a great number of less important witnesses. If a party has merely made a general allegation that witnesses will be necessary, without identifying them and indicating what their testimony will be the application for transfer will be denied.

15 Charles A. Wright, Arthur R. Miller & Edward H. Cooper, *Federal Practice and Procedure: Jurisdiction and Related Matters* § 3851, at 425-28 (2d ed. 1986) (footnotes omitted) (cited in *Jumara*, 55 F.3d at 879). In light of this, in order for the movant to convincingly argue that this factor squarely favors transfer, the Court believes that it must provide specificity as to: (1) the particular witness to whom it is referring; (2) what that person's testimony might have to do with a trial in this case; and (3) what reason there is to think that the person will "actually" be unavailable for trial (as opposed to the proffer of a guess or speculation on that front). *See Elm 3DS Innovations LLC v. SK Hynix Inc.*, Civil Action No. 14-1432-LPS-CJB, 2015 WL 4967139, at *8 (D. Del. Aug. 20, 2015).

In the briefing and at oral argument, most of the focus on third-party witnesses was on the inventors of the patents-in-suit.[8] There are a total of 21 inventors across the 10 patents. (D.I. 15 at 6; D.I. 19 at 6; Tr. at 22) Of those 21 inventors, one is a party witnesses, leaving 20 non-party

[8] At one point in its briefing, Broadcom did note that "at least one of Plaintiffs' licensees, Intel Corporation, has its principal place of business in the Northern District of California." (D.I. 15 at 15) But there was no discussion as to why it is likely that a witness from Intel (or any of Plaintiffs' many licensees) would need to be called to testify at trial. (D.I. 19 at 3, 7, 15)

possible inventor trial witnesses. (D.I. 15 at 6; D.I. 19 at 6-7, 14; Tr. at 22) Of those 20 non-party inventors, five appear to reside in the Northern District of California, one in the State of Washington, one in Arizona, eight in Japan, and five in New York. (D.I. 15 at 6-7 (citations omitted); D.I. 19 at 3, 6-7 (citations omitted); Tr. at 22)

For the seven inventor non-party witnesses who live in the Northern District of California, Washington or Arizona, the Court can infer that participating in a trial located in the proposed transferee court would be more convenient for them. For the five inventor non-party witnesses who live in New York, the Court can similarly infer that participating in a Delaware-based trial would be more convenient for them. As for the eight Japanese inventor non-party witnesses, any travel from Japan to the United States is going to amount to a "significant undertaking" such that "a move from Delaware to California [does not] represent[] a significant [difference in] convenience[.]" *Wacoh Co. v. Kionix Inc.*, 845 F. Supp. 2d 597, 603 (D. Del. 2012); *see also Tessera, Inc. v. Sony Elecs. Inc.*, Civil No. 10-838 (RMB)(KW), 2012 WL 1107706, at *4 (D. Del. Mar. 30, 2012); *Mekiki Co., Ltd. v. Facebook, Inc.*, Civil Action No. 09-745 (JAP), 2010 WL 2348740, at *3 (D. Del. June 7, 2010). And it is decidedly unclear at this stage as to which of these 20 inventor non-party witnesses might actually be needed to testify at trial, as no party offered any information on this front. Presumably, all 20 non-party inventors (or, indeed, most of them) will not be needed to testify live.

Perhaps most importantly, Broadcom has provided no evidence suggesting that any of the inventor non-party witnesses who might need to testify—including the seven who live on or near

the West Coast—will "actually be" unavailable for trial in Delaware.[9] Nor have Plaintiffs put forward any such evidence to indicate that any of these potential witnesses (such as the New York-based inventors) would be unavailable for a trial in the Northern District of California.

Absent some concrete evidentiary showing that these third party witnesses will be unlikely to testify in Delaware, the Court cannot give Defendants' argument as to their potential unavailability great weight. *See Pragmatus*, 2012 WL 4889438, at *10 & n.9 (citing cases).[10] In light of the fact that a few non-party inventors are located within the subpoena power of the Northern District of California (and none are located within the subpoena power of this District), the Court determines this factor should weigh slightly in favor of Defendants. *See Papst Licensing GmbH & Co. KG v. Lattice Semiconductor Corp.*, 126 F. Supp. 3d 430, 443 (D. Del.

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[9] At oral argument, Broadcom noted that it had not attempted to "do a thorough investigation [as to] whether there's one [or more] inventor that[is or is not] willing to come to Delaware or not come to Delaware" for trial, as this "would have taken a lot of effort and resources to not only identify [them] and then try to track them down and talk to them." (Tr. at 23) However, many defendants do make just this effort. A number have provided affidavits, declarations, or some other type of reliable record evidence indicating that the third party witness(es) at issue would "actually be" unwilling or unlikely to testify at trial in Delaware. *See, e.g.*, *Elm 3DS*, 2015 WL 4967139, at *9; *Good Tech. Corp. v. MobileIron, Inc.*, Civil Action No. 14-1308-LPS-CJB, 2015 WL 1458091, at *6 (D. Del. Mar. 27, 2015); *Wireless Media Innovations*, 2014 WL 1203035, at *4; *Linex Techs., Inc. v. Hewlett-Packard Co.*, Civil Action No. 11-400-GMS, 2013 WL 105323, at *5 (D. Del. Jan. 7, 2013); *Alcoa Inc. v. Alcan Inc.*, Civ. No. 06-451-SLR, 2007 WL 1948821, at *4 (D. Del. July 2, 2007); *Mentor Graphics Corp. v. Quickturn Design Sys., Inc.*, 77 F. Supp. 2d 505, 510-11 (D. Del. 1999); *Affymetrix*, 28 F. Supp. 2d at 203-04; *cf. Textron Innovations, Inc. v. The Toro Co.*, No. Civ.A. 05-486 GMS, 2005 WL 2620196, at *2 (D. Del. Oct. 14, 2005) (finding that this factor did not favor transfer after two third-party inventor witnesses from outside of the District of Delaware "stated, in sworn declarations, that they are willing to appear in Delaware for depositions and trial").

[10] The Court also notes that even were certain of these witnesses unlikely to testify in Delaware, the practical impact of this factor would still 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). *Cellectis*, 858 F. Supp. 2d at 382 & n.6; *Altera*, 842 F. Supp. 2d at 757-58.

2015); *Pragmatus*, 2012 WL 4889438, at *10-11; *see also Graphics Props.*, 964 F. Supp. 2d at 329 (holding that this factor "favors transfer, but only slightly" where all named inventors were located in the transferee district, but the movant produced no evidence that they would refuse to appear in Delaware); *cf. Round Rock Research LLC v. ASUSTeK Comput. Inc.*, 967 F. Supp. 2d 969, 980 (D. Del. 2013) (finding that this factor "at most marginally favors transfer" where most or all of the 12 inventors were located nearer to the transferee district, though only one was actually located in that district).

f. 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)." "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 Cellectis*, 858 F. Supp. 2d at 382.

As of the time of briefing, it was difficult to know with great precision exactly where the relevant case documents will be found. As Plaintiffs note, it could be that some number of important records will be located overseas at the sites of Broadcom's vendors, which have

fabrication facilities all over the world. (D.I. 19 at 17) Some records of import will likely be found at Broadcom's Irvine headquarters, which is hundreds of miles away from the Northern District of California. (D.I. 19 at 2) And some may be "spread around other states[.]" (Tr. at 25; *see also id.* at 37).

Broadcom's best argument is to point to their San Jose-based employees who had responsibility for research and design of some of the accused products. (D.I. 26 at ¶¶ 4-6) In light of that, and the fact that Plaintiffs are headquartered in San Jose, (D.I. 16, ex. AA at ¶ 132), there will probably be some relevant case-related records located in the Northern District of California. Few to none are likely to be in Delaware.

But with that said, there was no credible evidence that any of these records will be difficult to produce in Delaware for trial. (D.I. 19 at 3) As such, this factor should only slightly favor transfer, and should not have a significant impact in the overall calculus. *McRo, Inc.*, 2013 WL 6571618, at *9-10.

2. Public Interest Factors

The Court below addresses the three public interest factors that were asserted by the parties to be anything other than neutral.

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

The Court next considers the "practical considerations that could make the trial easy, expeditious, or inexpensive." In its briefing, Broadcom asserted that trial will be easier and less expensive in the Northern District of California, and made a number of arguments in support. Many of those were simply a re-hash of arguments Broadcom made, in exactly the same way, as

to other *Jumara* factors (e.g., that trial in the proposed transferee district will be more convenient for party witnesses, or that key witnesses and documents are located in the proposed transferee district, and so will be easier to access for trial there). (D.I. 15 at 17) Thus, the court will not "double-count" them here, *see Elm 3DS*, 2015 WL 4967139, at *11.

It is the case, as Broadcom notes, that if trial proceeded in Delaware, this would require the additional cost of retaining Delaware counsel. (D.I. 15 at 17) In light of that, and the fact that there would likely be some other additional cost associated with trial preparation here (as compared to trial in the Northern District of California), (*id.*), this factor should inure to Broadcom's benefit to some degree. But with all parties, including Broadcom, being financially capable of easily bearing this expense, this factor too should weigh only slightly in favor of transfer. *Cf. Papst Licensing*, 126 F. Supp. 3d at 444; *see also Checkpoint Software*, 797 F. Supp. 2d at 485-86.

b. Administrative difficulties in getting the case to trial

The next factor is the "relative administrative difficulty in the two fora resulting from court congestion." Both parties cite to statistics regarding the judicial caseloads in this District and in the Northern District of California. In the end, their competing arguments cancel each other out. (D.I. 15 at 18; D.I. 19 at 19)

For example, Broadcom notes that: (1) for the 12-month period ending on March 31, 2016, the median time from filing a civil case to disposition was 5.1 months longer in this District than in the Northern District of California; and (2) there are a greater number of patent cases pending in this District (on a per-judge basis or otherwise) than in the proposed transferee district. (D.I. 15 at 18 (citing D.I. 16, exs. V-X)) Plaintiffs respond by noting that: (1) for the

one year period ending on March 31, 2016, the median time from filing a civil case to trial in the respective districts was nearly the same; (2) as of March 2016, district judges in the Northern District of California had more pending cases per judgeship than did judges in this District (508 as compared to 451); and (3) the total civil caseload had increased over the last year in the Northern District of California, but had decreased in this District. (D.I. 19 at 19 (citing D.I. 16, ex. X))

The net effect of all this is that, based on the currently available evidence, it would be difficult to say that the case will proceed to trial on a much faster pace were it in one district or the other. Therefore, this factor is neutral. *Cf. Varian Med. Sys., Inc. v. Elekta AB*, Civil Action No. 15-871-LPS-CJB, 2016 WL 3341865, at *9-10 (D. Del. June 8, 2016); *Good Tech. Corp. v. MobileIron, Inc.*, Civil Action No. 14-1308-LPS-CJB, 2015 WL 1458091, at *9 (D. Del. Mar. 27, 2015).

c. 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.*, 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 Hoffman-La Roche, Inc.*, 587 F.3d 1333, 1338 (Fed. Cir. 2009) (internal citation omitted); *see also Graphics Props.*, 964 F. Supp. 2d at 330-31.

Defendants suggest that there is a stronger local interest in this case in the Northern District of California because "this is a dispute among companies that are based in California and

transact a significant amount of their business in California." (D.I. 25 at 9) As was previously noted, some significant amount of those "California"-based contacts do not touch the Northern District of California, and instead are related to Broadcom's Irvine facilities. Of course, because Plaintiffs are located in the Northern District of California and Broadcom has a significant presence there, there are surely connections between the parties and the proposed transferee district.

Yet Broadcom has not demonstrated that the case has any type of outsized resonance to the citizens of the Northern District of California, nor that its outcome would significantly impact that district. It is *that* kind of showing that, pursuant to Third Circuit precedent and the precedent of this Court, would cause this factor to meaningfully favor one party or the other. *Cf. Andrews Int'l, Inc. v. Indian Harbor Ins. Co.*, C.A. No. 12-775-LPS, 2013 WL 5461876, at *4 (D. Del. Sept. 30, 2013) (holding that this factor "strongly" favored transfer where the case involved consideration of the enforceability under California law of certain insurance coverage provisions, which was "an issue of first impression" in that state, where the transferee district was located); *Downing v. Globe Direct LLC*, Civil Action No. 09-693 (JAP), 2010 WL 2560054, at *4 (D. Del. June 18, 2010) (finding that this factor favored transfer where the case "concern[ed] . . . the conduct of [a] Massachusetts government agency, and therefore the case [had] the potential to impact the public policy of as well as, to some extent, the taxpayers of Massachusetts [the transferee forum]"); *see also Papst Licensing*, 126 F. Supp. 3d at 445-46 & n.12.[11]

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[11] In listing this public interest factor as relevant in *Jumara*, the Third Circuit cited to 2 James Wm. Moore et al., *Moore's Federal Practice* ¶ 0.345[5], at 4374 (2d. ed. 1995). *See Jumara*, 55 F.3d at 880. That portion of *Moore's Federal Practice* cites only to a single case, *McCrystal v. Barnwell Cnty., S.C.*, 422 F. Supp. 219, 224 (S.D.N.Y. 1976). *McCrystal* was a case where it was very clear that local interests in the transferee forum were implicated—not only

As for Delaware, our Court's case law indicates that Plaintiffs' incorporation in this state can be said to foster a local interest in Delaware regarding 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[.]"); *see also Micro Design LLC v. Asus Comput. Int'l*, Civil Action No. 14-837-LPS-CJB, 2015 WL 2089770, at *11 (D. Del. May 1, 2015). The magnitude of that interest should be tempered, however, by the fact that Broadcom is not incorporated here. And Plaintiffs have also made no real showing that this case has any further, more articulable meaning to Delaware residents.

In summary, here (1) the parties are each incorporated in their respective districts of preference; (2) both parties have physical locations in the proposed transferee district, but it remains unclear how much of Broadcom's relevant case-related personnel are located in the transferee district; and (3) and there is little evidence suggesting that there will be a significant impact on either district when this case is resolved. In that circumstance, the Court concludes that the "local interest" factor is neutral. *Cf. Graphics Props.*, 964 F. Supp. 2d at 330-31.

3. Conclusion Regarding Impact of *Jumara* Factors

In sum, Defendants' forum preference squarely favors transfer, while the "whether the claim arose elsewhere," "convenience of the parties," "convenience of the witnesses," "location of books and records," and "practical considerations" factors all slightly favored transfer.

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because the "great majority of acts complained of took place in South Carolina[,]" but, importantly, also because the case involved "public bonds issued pursuant to a state statute in which the governmental body which issued the bonds, Barnwell County, is named as a defendant," such that the case "directly involved units of South Carolina's government." *Id.* at 224. The *McCrystal* Court held that "[i]ssues of South Carolina law and inquiries into the workings of South Carolina government are better left to South Carolina District Judges." *Id.* at 225.

Plaintiffs' choice of forum weighs squarely against transfer. The remainder of the *Jumara* factors are neutral.

This is, as Broadcom notes, a "dispute between California entities." (D.I. 25 at 1) And in balancing the *Jumara* factors, the Court acknowledges that Broadcom has pointed to a number of connections between the Northern District of California and the facts or people involved in this case. This has, in turn, resulted in a greater number of *Jumara* factors tipping Broadcom's way, as opposed to Plaintiffs' way.

And yet a close examination of most of the factors favoring Broadcom shows that they do not have much of a practical impact. Had Broadcom been able to make a stronger showing even as to any one of the factors that only slightly tipped in its favor, the outcome may have been different. That is, transfer may have been warranted if, for example, it seemed like most of the allegedly infringing activity took place in the proposed transferee district, *or* that Broadcom had a number of trial witness in San Jose who would really be burdened in traveling to Delaware for trial, *or* that any key non-party trial witness was not actually likely to participate in trial here, *or* that Broadcom could not easily afford any increased cost of trial in Delaware. But Broadcom did not make any such showing. As a result, any inconvenience it faces in trying the case in this District does not seem pronounced.

After careful review, the Court is prepared to say that the balance of convenience is *in favor* of Broadcom. But it cannot conclude that this balance "is *strongly in favor* of" Broadcom. *Shutte*, 431 F.2d at 25 (emphasis added). In light of the entire record, then, the Court finds that denial of Broadcom's Motions is warranted.

III. CONCLUSION

The Court therefore DENIES Broadcom's Motions to Transfer.

Dated: March 21, 2017

Christopher J. Burke
UNITED STATES MAGISTRATE JUDGE