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IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

Broadcom Corp., et al.,  
\_\_\_\_\_ /

NO. C 08-05543 JW  
NO. C 08-05544 JW  
NO. C 08-05624 JW

Marvell Semiconductor, Inc., et al.,  
\_\_\_\_\_ /

**ORDER GRANTING DEFENDANT’S  
MOTIONS TO TRANSFER**

Apple, Inc.,

Plaintiffs,

v.

Wi-LAN, Inc.,

Defendant.  
\_\_\_\_\_ /

**I. INTRODUCTION**

Broadcom Corporation, Atheros Communications, Inc., Marvell Semiconductor, Inc., Marvell Asia Pte., Ltd., and Apple, Inc. (“Plaintiffs”) bring three related declaratory judgment actions<sup>1</sup> against Wi-LAN, Inc. (“Defendant”), seeking a declaration of non-infringement, invalidity, and unenforceability of United States Patent No. 6,549,759 (the “759 Patent”) pursuant to the Declaratory Judgment Act, 28 U.S.C. §§ 2201-02. Plaintiffs allege that Defendant purports to own

<sup>1</sup> Broadcom Corp. v. Wi-LAN, Inc., 08-cv-05543-JW (the “Broadcom Action”) (includes Atheros); Marvell Semiconductor, Inc. v. Wi-LAN, Inc., 08-cv-05544-JW (the “Marvell Action”); Acer Am. Corp. v. Wi-LAN, Inc., 08-cv-05642-JW (the “Apple Action”) (Apple, Inc. is the only Plaintiff remaining in the case).

1 the '759 Patent and has made statements and representations threatening to assert the '759 Patent  
2 against Plaintiffs' products.<sup>2</sup>

3 Presently before the Court are Wi-LAN's Motions to Transfer Remaining Declaratory  
4 Judgment Claims.<sup>3</sup> The Court conducted a hearing on September 28, 2009. Based on the papers  
5 submitted to date and oral argument, the Court GRANTS Defendant's Motions to Transfer these  
6 actions to the Eastern District of Texas.

## 7 II. BACKGROUND

### 8 A. Factual Allegations

9 In a Complaint filed on December 10, 2008, Broadcom alleges<sup>4</sup> as follows:

10 Defendant purports to own the rights to the '759 Patent. (Broadcom Complaint ¶ 8.)  
11 Defendant has made statements and representations threatening to assert the '759 Patent  
12 against Plaintiffs' products used or designed for use in products with wireless capability.  
13 (Id.) Plaintiffs have not infringed and do not infringe, either directly or indirectly, any valid  
14 and enforceable claim of the '759 Patent. (Id.) Furthermore, the '759 Patent is invalid and  
15 unenforceable. (Id. ¶¶ 16, 20.) A substantial controversy exists between the parties which is  
16 of sufficient immediacy and reality to warrant declaratory relief. (Id. ¶ 8.)

17 On the basis of the allegations outlined above, Plaintiffs allege three counts relating to the  
18 non-infringement, invalidity, and unenforceability of the '759 Patent. Plaintiffs' claims pertain only  
19 to the '759 Patent and no other patents.

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21 <sup>2</sup> (See Broadcom Action, Complaint for Declaratory Judgment ¶ 8, hereafter, "Broadcom  
22 Complaint," Docket Item No. 1; Marvell Action, Complaint ¶ 11, hereafter, "Marvell Complaint,"  
23 Docket Item No. 1; Apple Action, Complaint for Declaratory Judgment ¶ 10, hereafter, "Apple  
24 Complaint," Docket Item No. 1.)

25 <sup>3</sup> (hereafter, "Motion," Docket Item No. 40.) Unless otherwise specified, all docket item  
26 numbers refer to the Broadcom Action docket. Wi-LAN filed its Motion in the Marvell and Apple  
27 Actions as well. (See Marvell Action, Docket Item No. 30; Apple Action, Docket Item No. 44.)

28 <sup>4</sup> The Marvell Complaint was filed on December 10, 2008. The Apple Complaint was filed  
on December 17, 2008. Since the Marvell Complaint and Apple Complaint are substantively the  
same as the Broadcom Complaint, the Court will refer to the Broadcom Complaint to describe  
Plaintiffs' allegations.

1 **B. Procedural History**

2 **1. The California Actions**

3 Broadcom and Marvell filed their declaratory judgment actions on December 10, 2008.  
4 Apple filed its declaratory judgment action on December 17, 2008 (jointly, the “Bluetooth  
5 Actions”). Prior to these actions, Intel Corporation had filed a declaratory judgment action on  
6 September 30, 2008 against Wi-LAN that included claims of non-infringement, invalidity, and  
7 unenforceability of, *inter alia*, the ‘759 Patent. See Intel Corp. v. Wi-LAN, Inc., 08-cv-04555-JW  
8 (the “Intel Action”). The Court related all of the declaratory judgment actions. (See Intel Action,  
9 Docket Item Nos. 38, 39, 52.) On June 4, 2009, in the Intel Action, the Court granted Wi-LAN’s  
10 motion to transfer claims regarding the ‘759 Patent to a pending action in Texas: Wi-LAN, Inc. v.  
11 Acer, Inc., 07-CV-473 (E.D. Tex.) (the “Texas Action”).<sup>5</sup>

12 **2. The Texas Action**

13 Wi-LAN filed the Texas Action on October 31, 2007, asserting infringement of U.S. Patent  
14 Nos. 5,282,222 (the “‘222 Patent”) and RE37,802 (the “‘802 Patent”) against Plaintiffs as well as  
15 other parties. The Texas Action Complaint initially pertained only to products capable of practicing  
16 Wi-Fi standards.<sup>6</sup> On October 30, 2008, Wi-LAN filed its First Amended Complaint in the Texas  
17 Action to add claims that certain Wi-Fi products enabled for Wi-MAX wireless communications  
18 infringe the ‘222 and ‘802 Patents. (See id., Ex. 4 at 2-3.) On December 12, 2008, Wi-LAN filed a  
19 motion for leave to file a Supplemental First Amended Complaint in the Texas Action to add claims  
20 that Plaintiffs’ Wi-Fi products also infringed the ‘759 Patent. (See id., Ex. 4.) On February 3, 2009,  
21 the court in the Texas Action granted Wi-LAN’s motion for leave. (See id., Ex. 5.)

22 Presently before the Court are Wi-LAN’s Motions to Transfer the above entitled actions to  
23 the Eastern District of Texas.

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24 <sup>5</sup> (See Intel Action, Order Denying Defendant’s Motion to Dismiss; Granting in Part and  
25 Denying in Part Defendant’s Motion to Transfer, hereafter, “Intel Order,” Docket Item No. 195.)

26 <sup>6</sup> (See Declaration of Michael W. De Vries in Support of Plaintiffs’ Joint Opposition to  
27 Defendant Wi-LAN, Inc.’s Motion to Transfer Remaining Declaratory Judgment Claims, Ex. 4 at 1,  
hereafter, “De Vries Decl.,” Docket Item No. 48.)

### III. STANDARDS

1 “For the convenience of parties and witnesses, in the interest of justice, a district court may  
2 transfer any civil action to any other district or division where it might have been brought.” 28  
3 U.S.C. § 1404(a); Micron Tech., Inc. v. Mosaid Techs., Inc., 518 F.3d 897, 904 (Fed. Cir. 2008).  
4 “The general rule favors the forum of the first-filed action, whether or not it is a declaratory  
5 judgment action.” Id. The “first-to-file” rule allows a district court to give preference to the  
6 first-filed plaintiff’s choice of forum when a complaint involving similar parties and issues has been  
7 filed in another district. Alltrade, Inc. v. Uniweld Prods., Inc., 946 F.2d 622, 625 (9th Cir. 1991);  
8 Guthy-Renker Fitness, L.L.C. v. Icon Health & Fitness, Inc., 179 F.R.D. 264, 269 (C.D. Cal 1998).  
9

10 Although the first-filed rule should not be disregarded lightly, it is left to the discretion of the  
11 court whether to dispense of the rule on equitable grounds or convenience. Alltrade, Inc., 946 F.2d  
12 at 628. If the rule applies to a suit, “the court in which the second suit was filed may transfer[,] stay  
13 or dismiss the proceeding in order to allow the court in which the first suit was filed to decide  
14 whether to try the case.” Stemcells, Inc. v. Neuralstem, Inc., No. C 08-2364 CW, 2008 WL  
15 2622831, at \*2 (N.D. Cal. July 1, 2008).

### IV. DISCUSSION

#### A. First-Filed Action

18 Defendant moves to transfer the Bluetooth Actions to the Eastern District of Texas on the  
19 ground that the Texas Action is first-filed as to the ‘759 Patent. (Motion at 3-4.) Plaintiffs contend  
20 that the Texas Action is not first-filed as to the ‘759 Patent with regard to Bluetooth technology.<sup>7</sup>

21 Three threshold issues should be considered when deciding whether to apply the first-to-file  
22 rule: (1) the chronology of the two actions; (2) the similarity of the parties; and (3) the similarity of  
23 the issues. Guthy-Renker, 179 F.R.D. at 270 (citing Alltrade, Inc., 946 F.2d at 625). “In making  
24 this determination, the court should employ the date on which the original, rather than the amended,  
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26 <sup>7</sup> (Broadcom Corporation, Atheros Communications, Inc., Marvell Semiconductor, Inc.,  
27 Marvell Asia Pte., Ltd., and Apple, Inc.’s Joint Opposition to Defendant Wi-LAN, Inc.’s Motion to  
28 Transfer Remaining Declaratory Judgment Claims at 2, hereafter, “Opposition,” Docket Item No.  
47.)

1 complaint was filed.” Guthy-Renker, 179 F.R.D. at 270. Factors weighing against application of  
 2 the first-to-file rule typically include bad faith, anticipatory suit, and forum shopping. See Alltrade,  
 3 Inc., 946 F.2d at 628. “A suit is anticipatory when the plaintiff filed upon receipt of specific,  
 4 concrete indications that a suit by defendant was imminent.”<sup>8</sup> “[A]nticipatory suits are disfavored  
 5 because they are examples of forum shopping.” Z-Line, 218 F.R.D. at 665. However, a court  
 6 considering transfer should consider the anticipatory nature of the suit alongside other factors, such  
 7 as convenience to parties and witnesses. See Elecs. for Imaging, Inc. v. Coyle, 394 F.3d 1341,  
 8 1347-48 (Fed. Cir. 2005).

9 In this case, Judge Ward in the Eastern District of Texas has already found that the Texas  
 10 Action is first-filed with respect to the ‘759 Patent.<sup>9</sup> The Court has previously concurred with Judge  
 11 Ward’s ruling. (See Intel Order at 9.) Although Judge Ward did not address Bluetooth in his  
 12 analysis of whether the Texas Action was first-filed as to the ‘759 Patent, the Court finds his  
 13 analysis fully applicable in the context of Bluetooth.<sup>10</sup> Judge Ward noted that the technologies at  
 14 issue in his analysis—Wi-Fi and Wi-MAX—“while different, [were] related in such a way that  
 15 compels trying the patents together. Indeed the accused products include both [technologies], [t]he  
 16 parties are the same, and discovery will substantially overlap.” (De Vries Decl., Ex. 5 at 2.) Here,  
 17  
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19 <sup>8</sup> Z-Line Designs, Inc. v. Bell’O Int’l, LLC, 218 F.R.D. 663, 665 (N.D. Cal. 2003); see  
 20 Inherent.com v. Martindale-Hubbell, 420 F. Supp. 2d 1093 (N.D. Cal. 2006) (finding anticipatory  
 21 suit where declaratory judgment plaintiff, with notice of an impending suit by the defendant, chose  
 22 to preemptively file a declaratory suit in its home district); c.f. Guthy-Renker, 179 F.R.D. at 271  
 (letter informing plaintiff about possible patent infringements did not threaten litigation and thus  
 declaratory action filed was not anticipatory).

23 <sup>9</sup> (See Declaration of Michael G. McManus in Support of Wi-LAN, Inc.’s Motion to  
 24 Transfer Remaining Declaratory Judgment Claims, Ex. G, hereafter, “McManus Decl.,” Docket Item  
No. 41.)

25 <sup>10</sup> Although Judge Ward’s analysis focused on Wi-MAX and Wi-Fi, he stated without  
 26 qualification: “Wi-LAN may supplement its complaint to add the ‘759 patent.” (McManus Decl.,  
 27 Ex. G. at 3.) Furthermore, Wi-LAN’s Motion for Leave in the Texas Action stated that Wi-LAN  
 28 intended to add infringement claims for the ‘759 Patent as to Bluetooth, and attached infringement  
 contentions for the ‘759 Patent as to Bluetooth. (See DeVries Decl., Ex. 4 at 3 n.2; McManus Decl.,  
 Ex. A.)

1 Plaintiffs and Defendant are parties to both actions.<sup>11</sup> Furthermore, both actions concern the same  
2 issues of non-infringement, invalidity, and unenforceability of the '759 Patent. (See, e.g., McManus  
3 Decl., Ex. C, Broadcom's Answer and Counterclaims in the Texas Action.) Finally, the '759 Patent  
4 is asserted against Bluetooth functionality in the same products originally at issue in the Texas  
5 Action (i.e., the Wi-Fi products).<sup>12</sup>

6 Even if the Court were to accept Plaintiffs' contention that the Texas Action was not first in  
7 time as to the '759 Patent with regard to Bluetooth, the Court finds that the declaratory judgment  
8 actions are anticipatory suits.<sup>13</sup> Although the Broadcom, Marvell, and Apple Actions were filed  
9 before Wi-LAN was granted leave to add the '759 Patent in the Texas Action, they were filed within  
10 days of Wi-LAN informing counsel for other parties in the related declaratory judgment actions that  
11 Wi-LAN planned to seek leave to add the '759 Patent in the Texas Action.<sup>14</sup> The Court is

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12  
13 <sup>11</sup> Plaintiff Marvell Asia Pte., Ltd. is not a party to the Texas Action, but is, according to  
14 Defendant, a subsidiary of Texas Defendant Marvell Semiconductor, Inc. (Motion at 3 n.1.)

15 <sup>12</sup> (De Vries Decl., Ex. 4 at 3 n.2; see McManus Decl., Ex. A, Wi-LAN's December 12,  
16 2008 Infringement Contentions Regarding the '759 Patent in the Texas Action.)

17 <sup>13</sup> The facts of Z-Line are instructive. There, the defendant sent the plaintiff a cease and  
18 desist letter alleging that two of the plaintiff's products infringed the defendant's copyrights and  
19 trade dress rights. Z-Line, 218 F.R.D. at 664. Over the course of discussions between the parties,  
20 the defendant twice permitted the plaintiff extra time to respond to the letter. Id. As the deadline to  
21 respond approached, the defendant advised the plaintiff that the defendant was prepared to file suit if  
22 the parties could not reach a settlement. Id. The plaintiff then filed a declaratory judgment suit one  
23 day before the agreed upon extended deadline to respond to the letter (the plaintiff claimed it filed  
24 on the day of the deadline). Id. The court held that the declaratory judgment action was anticipatory  
25 because the plaintiff filed suit during the extension of time to respond that plaintiff had agreed to  
26 under the guise of promoting settlement. Id. at 666.

27 <sup>14</sup> On December 5, 2008, counsel for Defendant emailed counsel for Intel in the Texas  
28 Action to notify Intel's counsel that Defendant planned to seek leave to add the '759 Patent to the  
Texas Action. (McManus Decl. ¶ 12.) On December 9, 2008, counsel for Acer America Corp. and  
Gateway, Inc., former co-plaintiffs in the Apple Action, asked counsel for Defendant to delay filing  
its motion for leave in the Texas Action so that counsel for Acer and Gateway could confer with its  
clients and evaluate whether to consent to Wi-LAN's proposed motion to add the '759 Patent. (Id. ¶  
13.) Defendant's counsel obliged, promising to wait until December 12, 2008 before seeking leave.  
(Id. ¶ 14.) The next day, Broadcom (with Atheros) and Marvell filed their declaratory judgment  
actions. (Id. ¶ 15.) By letter that same day, counsel for Broadcom, Atheros, and Marvell informed  
Wi-LAN of the filing and stated that they were aware by at least December 9, 2009 that Wi-LAN  
intended to move for leave to add the '759 Patent. (Id., Ex. I.) Defendant then filed for leave to add  
the '759 Patent to the Texas Action on December 12, 2008. (Id. ¶ 17.) Apple filed its Declaratory

1 unpersuaded by Plaintiffs' contention that the declaratory judgment actions were "a proper response  
 2 . . . to Wi-LAN's stated intent to assert [the '759 Patent] against Bluetooth" in the Texas Action.  
 3 (See Opposition at 15.) Instead, it is clear that Plaintiffs filed upon receipt of specific, concrete  
 4 indications that a suit by Defendant was imminent. See Z-Line Designs, 218 F.R.D. at 665.

5 Accordingly, the Court finds that the Texas Action was first-filed with respect to the '759  
 6 Patent, including in the context of Bluetooth technology.

7 **B. Convenience and Judicial Economy**

8 Plaintiffs contend that convenience to the parties and witnesses weighs in favor of not  
 9 transferring the Bluetooth Actions. (Opposition at 17-23.) Defendant contends that only the court in  
 10 the first-filed action should perform a convenience analysis, and that judicial economy weighs in  
 11 favor of transferring the Bluetooth Actions.<sup>15</sup>

12 In considering a motion to transfer, a court should analyze the "convenience of parties and  
 13 witnesses." 28 U.S.C. § 1404(a); see Micron, 518 F.3d at 904-05. This analysis, however, "should  
 14 be performed by the first-filed court." Girafa.com, Inc. v. Alexa Internet, Inc., No. C-08-02745  
 15 RMW, 2008 WL 4500858, at \*8 (N.D. Cal. Oct. 6, 2008).

16 Here, since the Court has found that the Texas Action was first-filed with respect to the '759  
 17 Patent, the Eastern District of Texas is the appropriate court to consider the convenience factors.<sup>16</sup>  
 18 However, the Court does find that judicial economy would be best served by transferring the case to  
 19 the first-filed forum because discovery in the Texas Action as to the '759 Patent and the accused  
 20 products is underway. (See McManus Decl. ¶¶ 6-9, Exs. D, E, F.) Allowing parallel discovery to  
 21 proceed in the Bluetooth Actions here would result in substantial duplicative discovery.

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 23 \_\_\_\_\_  
 24 Judgment Action a few days later, on December 17, 2008. (See Apple Complaint.)

25 <sup>15</sup> (Wi-LAN's Reply in Support of its Motion to Transfer Remaining Declaratory Judgment  
 26 Claims at 4-5, hereafter, "Reply," Docket Item No. 59.)

27 <sup>16</sup> The Court notes that even if it accepts Plaintiffs' contention that many of the parties and  
 28 witnesses are located in California, keeping the Bluetooth Actions in this district will not prevent the  
 parties from being subjected to the same discovery already underway in the Texas Action.



1 **THIS IS TO CERTIFY THAT COPIES OF THIS ORDER HAVE BEEN DELIVERED TO:**

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**Richard W. Wieking, Clerk**

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**Elizabeth Garcia**  
**Courtroom Deputy**