

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

ORINDA INTELLECTUAL PROPERTIES	§	
USA HOLDING GROUP, INC.	§	
	§	
vs.	§	
	§	CASE NO. 2:08-CV-323
SONY CORPORATION; SONY	§	
ELECTRONICS INC.; SONY COMPUTER	§	
ENTERTAINMENT, INC.; and SONY	§	
COMPUTER ENTERTAINMENT	§	
AMERICA, INC.	§	

ORDER GRANTING TRANSFER

I. Introduction

Before the Court are the defendants Sony Corporation’s (“SC”), Sony Electronics Inc.’s (“SEL”), Sony Computer Entertainment Inc.’s (“SCEI”), and Sony Computer Entertainment America Inc.’s (“SCEA”) (collectively “Sony”) motion to transfer venue (Dkt. No. 19). The Court, having considered the venue motions and the arguments of counsel, hereby GRANTS the motions to transfer venue to the United States District Court for the Northern District of California pursuant to 28 U.S.C. § 1404(a). The balance of the private and public factors demonstrates that the transferee venue is clearly more convenient than the venue chosen by the plaintiff. *See In re Volkswagen of Am., Inc. (Volkswagen III)*, 566 F.3d 1349 (Fed. Cir. 2009); *In re Genentech, Inc.*, 566 F.3d 1338 (Fed. Cir. 2009); *In re TS Tech USA Corp.*, 551 F.3d 1315 (Fed. Cir. 2008); *In re Volkswagen of Am., Inc. (Volkswagen II)*, 545 F.3d 304 (5th Cir. 2008) (en banc).

II. Factual and Procedural Background

The plaintiff Orinda Intellectual Properties USA Holding Group, Inc. (“Orinda”) is a Delaware corporation and has its principal place of business in Mountain View, California. SEL is a Delaware corporation and has its principal place of business in San Diego, California. SCEA is a Delaware corporation and has its principal place of business in Foster City, California. SC and SCEI are Japanese companies and have their principal places of business in Tokyo, Japan.

On August 20, 2008, Orinda filed its complaint in the Eastern District of Texas against the defendants, accusing Sony of infringing U.S. Patent No. 5,438,560 (“the ‘560 patent”). Sony filed its motion to transfer venue to the Northern District of California on December 19, 2008.

III. Analysis

A. Applicable Law Regarding Motions to Transfer

“For the convenience of parties, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought.” 28 U.S.C. § 1404(a). The Fifth and Federal Circuits have recently enunciated the standard to be used in deciding motions to transfer venue. *See Volkswagen III*, 566 F.3d 1349; *In re Genentech, Inc.*, 566 F.3d 1338; *In re TS Tech USA Corp.*, 551 F.3d 1315 (applying the Fifth Circuit’s en banc *Volkswagen II* decision to rulings on transfer motions out of this circuit); *Volkswagen II*, 545 F.3d 304. The moving party must show “good cause,” and this burden is satisfied “when the movant demonstrates that the transferee venue is clearly more convenient.” *Volkswagen II*, 545 F.3d at 314.

The initial threshold question is whether the suit could have been brought in the proposed transferee district. *In re Volkswagen AG (Volkswagen I)*, 371 F.3d 201, 203 (5th Cir. 2004). If

the transferee district is a proper venue, then the court must weigh the relative conveniences of the current district against the transferee district. In making the convenience determination, the Fifth Circuit considers several private and public interest factors, none of which are given dispositive weight. *Id.* “The private interest factors are: ‘(1) the relative ease of access to sources of proof; (2) the availability of compulsory process to secure the attendance of witnesses; (3) the cost of attendance for willing witnesses; and (4) all other practical problems that make trial of a case easy, expeditious and inexpensive.’” *Volkswagen II*, 545 F.3d at 315 (quoting *Volkswagen I*, 371 F.3d at 203). “The public interest factors are: ‘(1) the administrative difficulties flowing from court congestion; (2) the local interest in having localized interests decided at home; (3) the familiarity of the forum with the law that will govern the case; and (4) the avoidance of unnecessary problems of conflict of laws [in] the application of foreign law.’” *Id.* (quoting *Volkswagen I*, 371 F.3d at 203).

B. Proper Venue

As a threshold matter, the court must determine if venue is proper in the Northern District of California. Venue requirements are satisfied in patent infringement cases “where the defendant has committed acts of infringement and has a regular and established place of business.” 28 U.S.C. § 1400(b). Orinda does not argue that this case could not have been brought in the Northern District of California. Sony sells allegedly infringing products throughout the country, including the Northern District of California. Therefore, venue is proper in the Northern District of California.

C. Private Interest Factors

1. Relative Ease of Access to Sources of Proof

The relative ease of access to sources of proof is the first factor to consider. Sony contends that all of the relevant documents and accused products are located in Japan, San Diego, and the Northern District of California. The parties have not identified any physical evidence that resides in the Eastern District of Texas.

Although some sources of proof are located overseas, the proximity of evidence in San Diego and northern California to the Northern District of California resembles the situation in *In re TS Tech*. In *TS Tech*, all of the sources of proof were located within 300 miles of the proposed transferee district and the original venue was about 900 additional miles away. *In re TS Tech Corp.*, 551 F.3d 1315, 1320-21 (Fed. Cir. 2008). Likewise in this case, Sony's sources of proof in California are substantially closer to the Northern District of California than to the Eastern District of Texas. Accordingly, this factor weighs in favor of transfer.

2. *Availability of Compulsory Process*

The next private interest factor is the availability of compulsory process to secure the attendance of non-party witnesses. Rule 45(c)(3)(A)(ii) limits a court's subpoena power by protecting non-party witnesses who work or reside more than 100 miles from the courthouse. *Volkswagen II*, 545 F.3d at 316. Neither party has identified any non-party witnesses residing within 100 miles of Marshall, Texas. Sony contends that the prosecuting attorney and some of the prior assignees of the '560 patent are located within 100 miles of the proposed transferee venue. Orinda argues that several non-party witnesses are located outside of the Northern District of California, thus the lack of compulsory process weighs against transfer.

The presence of several witnesses subject to compulsory process in the proposed transferee district and the absence of witnesses in the Eastern District of Texas is similar to the situation in *In re Genentech*. In *Genentech*, a substantial number of witnesses were located

within the transferee district, but none was in the transferor district. *In re Genentech*, 566 F.3d at 1345. The subpoena power of the transferee district “weigh[ed] in favor of transfer, and not only slightly.” *Id.* Thus, based on the subpoena power of the Northern District of California in this case, this factor favors transfer.

3. *Cost of Attendance for Willing Witnesses*

Next, the court must weigh the cost for witnesses to travel and attend trial in the Eastern District of Texas versus the Northern District of California. The Fifth Circuit has explained:

[T]he factor of inconvenience to witnesses increases in direct relationship to the additional distance to be traveled. Additional distance means additional travel time; additional travel time increases the probability for meal and lodging expenses; and additional travel time with overnight stays increases the time which these fact witnesses must be away from their regular employment.

Volkswagen I, 371 F.3d 201, 205 (5th Cir. 2004).

The issues here are similar to those discussed above in ease of access to sources of proof. Sony’s prospective witnesses are located in the Northern District of California, San Diego, and Japan. Neither Sony nor Orinda have identified any party witnesses who would find the Eastern District of Texas more convenient than the Northern District of Texas.

This situation is somewhat comparable to *TS Tech*. In *TS Tech*, all of the identified witnesses were located within 300 miles of the transferee court in Ohio, while the transferor court, the Eastern District of Texas, was an additional 900 miles away. *In re TS Tech*, 551 F.3d 1315, 1320 (Fed. Cir. 2008). In this case, Sony claims that all of its U.S.-based witnesses reside in California, and these witnesses would find the Northern District of California more convenient than the Eastern District of Texas. Because the witnesses’ cost of attendance is higher in the Eastern District of Texas than in the Northern District of California, this factor weighs in favor of transfer.

4. *Other Practical Problems*

Practical problems include issues of judicial economy. *Volkswagen III*, 566 F.3d 1349, 1351 (Fed. Cir. 2009). The parties have not identified any judicial economy issues, and the court does not foresee any, so this factor is neutral.

D. Public Interest Factors

1. *Court Congestion*

The court must consider how quickly a case will come to trial and be resolved. *In re Genentech, Inc.*, 566 F.3d 1338, 1347 (Fed. Cir. 2009). This factor is the “most speculative,” however, and in situations where “several relevant factors weigh in favor of transfer and others are neutral, the speed of the transferee district court should not alone outweigh all of the other factors.” *Id.* The parties have not argued that either this district or the transferee district has a more congested docket or offers an earlier trial date. Therefore, the court finds this factor is neutral.

2. *Local Interest*

The court must consider local interest in the litigation, because “[j]ury duty is a burden that ought not to be imposed upon the people of a community which has no relation to the litigation.” *Volkswagen I*, 371 F.3d 201, 206 (5th Cir. 2004). Interests that “could apply virtually to any judicially district or division in the United States,” such as the nationwide sale of infringing products, are disregarded in favor of particularized local interests. *Volkswagen II*, 545 F.3d 304, 318 (5th Cir. 2008); *In re TS Tech*, 551 F.3d 1315, 1321 (Fed. Cir. 2008).

Both SCEA and Orinda have their principal places of business in the Northern District of California. Neither party appears to have any connection to the Eastern District of Texas apart from the sale of allegedly infringing products. The substantial connection of the plaintiff and

defendants to the transferee district and the lack of connection to the transferor district favors transfer. *Aten Int'l Co. v. Emine Tech. Co.*, 2009 WL 1809978, at *11 (E.D. Tex. June 25, 2009) (holding that local interest favored transfer because the plaintiff and one of the defendants had principal places of business in California, but the only connection to the Eastern District of Texas was the sale of allegedly infringing products.); *see In re TS Tech*, 551 F.3d at 1321 (noting that none of the parties had an office in the Eastern District of Texas, so this district lacked a local interest).

3. *Familiarity with the Governing Law*

Both the Eastern District of Texas and the Northern District of California are familiar with federal patent law, so this factor is neutral.

4. *Avoidance of Conflict of Laws*

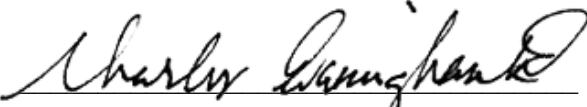
No conflict of laws issues are expected in this case, so this factor does not apply.

IV. Conclusion

Considering all of the private and public interest factors, the defendants have met their burden of showing that the Northern District of California is clearly more convenient than the Eastern District of Texas. Therefore, the motion to transfer venue is GRANTED.

In light of the transfer of venue, the Court suspends any and all pending deadlines as indicated in the Docket Control Order. Likewise, the Court suspends any deadline under the Local Rules for responding to pending motions. The clerk is to transfer the above titled case to the Northern District of California.

SIGNED this 29th day of September, 2009.



CHARLES EVERINGHAM IV
UNITED STATES MAGISTRATE JUDGE