UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

AX WIRELESS LLC, Plaintiff, v. HP INC., Defendant.	Case No. 2:22-cv-00279-JRG-RSP JURY TRIAL DEMANDED

DEFENDANT HP INC.'S RULE 72(a) OBJECTIONS TO ORDER DENYING MOTION TO TRANSFER TO THE NORTHERN DISTRICT OF CALIFORNIA

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Under Rule 72(a), HP files the below objections and respectfully moves the Court to set aside the Magistrate's Order (Dkt. 100, the "Order") denying HP's motion to transfer to NDCA. (Dkt. 75).

A. The Relative Ease of Access to Sources of Proof Strongly Favors Transfer.

The Order erroneously found this factor to weigh against transfer. (Dkt. 100 at 4.) The Order correctly acknowledged "that documents and other sources of proof held by HP's suppliers in California weigh in favor of transfer."[1] (*Id*. at 5.) However, the Order erred by weighing alleged sources of proof within Texas (but outside of EDTX) against the NDCA sources of proof. (*Id*.) Specifically, the Order found that sources of proof from HP's Spring office[2] in SDTX and the Austin-based Wi-Fi Alliance in WDTX outweighed the sources of proof in NDCA, including the Intel source code for the Intel accused functionality. (*Id*. at 4-5.)

Properly applied, however, this factor compares the relative ease of access to sources of proof in the transferor district (i.e., EDTX) and the transferee district (i.e., NDCA). As the Fifth Circuit recently held, it is error to compare forum ***states*** generally instead of limiting the comparison to forum ***districts***. *In re Tik Tok, Inc.*, 85 F.4th 352, 360 (5th Cir. 2023) ("But the court erred by comparing Texas with California when it should have been comparing [WDTX] with [NDCA]."). There is no dispute that no sources of proof exist in EDTX. Neither Plaintiff's briefing nor the Order identifies any EDTX-based sources of proof. (*See* Dkts. 83, 87, 100.) Given the sources of proof in NDCA and that no sources

[1] Despite acknowledging that "HP's suppliers … designed and developed the chips central to the accused functionality of the accused products," the Order discounts the importance of the supplier sources of proof. As Plaintiff's infringement contentions show conclusively (attached to HP's Mot. as Exs. 1-3, Dkts. 75-2, 75-3, and 75-4), the technical aspects of this case center on supplier functionality. *See In re TikTok, Inc.*, 85 F.4th 352, 359 (5th Cir. 2023) ("the … source code is the most important evidence in this case"); *In re Google LLC*, 58 F.4th 1379, 1385 (Fed. Cir. 2023) (finding abuse of discretion where sources of proof factor neutral despite third parties providing the accused functionality).

[2] The Order relies on Plaintiff's identification of two potential witnesses in Spring, TX in finding that Plaintiff "has made a convincing showing that relevant documents are likely located in HP's Spring, Texas offices." (Dkt. 100 at 5.) Although any such documents are irrelevant to this analysis, applying the same standard to HP's identification of witnesses in NDCA shows that HP demonstrated the existence of documents at its headquarters in NDCA based on the identification of multiple marketing and sales witnesses.

of proof exist in EDTX, this factor strongly favors transfer. *In re TikTok, Inc.*, 85 F.4th at 360 ("[T]his factor weighs in favor of transfer because … no evidence relevant to this case is in the transferor district."); *see also Motion Offense, LLC v. Google LLC*, 2022 WL 5027730, at *7 (W.D. Tex. Oct. 4, 2022) ("The Federal Circuit then found that some of Google's documents were stored within the NDCA and some documents were stored outside of both forums, similar to the present situation, before holding 'that the fact that some evidence is stored in places outside both forums does not weigh against transfer.'") (citing *In re Google LLC*, No. 2021-171, 2021 WL 4592280, at *7 (Fed. Cir. Oct. 6, 2021)).

B. Availability of Compulsory Process Strongly Favors Transfer.

The Order erroneously found this factor to weigh against transfer. (Dkt. 100 at 6.) The Order erred in disregarding NDCA-based witnesses in concluding this factor weighs against transfer based on Texas witnesses outside of EDTX. *In re Apple Inc.*, No. 2021-181, 2021 WL 5291804, at *10 (Fed. Cir. Nov. 15, 2021) ("We have repeatedly held that a district court's failure to weigh this factor in favor of transfer constitutes a clear abuse of discretion 'when there are several witnesses located in the transferee forum and none in the transferor forum.'").

HP identified numerous third parties in NDCA subject to compulsory process there:

- Suppliers of the accused functionality (Intel, MediaTek, Qualcomm) (Dkt. 75 at 13; Dkt. 75-1 at ¶¶ 9-12; 20-24; 27; 31, and referenced exhibits thereto)
- Eleven prior art inventors (Dkt. 75 at 5-6; Dkt. 75-1 at ¶¶ 36-46; Dkt. 86 at 4).

Because no relevant third parties reside in EDTX, Plaintiff pointed to Texas-based witnesses outside of EDTX and outside of the Court's 100-mile subpoena range—specifically, Intel (Austin/WDTX); MediaTek (Austin/WDTX); Qualcomm (Richardson/NDTX); and the Wi-Fi Alliance (Austin/WDTX). (*See* Dkt. 83, Pl.'s Opp'n, at Exs. 17-19.) However, Plaintiff's position has already been dismissed by the Federal Circuit because the availability of compulsory process outside the 100-mile limit is not absolute; it requires establishing that the third party would not incur substantial expense. *In re HP Inc.*, 826 F. App'x 899, 902 (Fed. Cir. 2020) (disregarding non-movant's identification of third-party witnesses because "[Plaintiff] only identified Texas residents who reside

more than 100 miles outside the Eastern District of Texas, which means that court can only compel testimony if it would not incur a substantial expense."). Accordingly, the Order erred in relying on Plaintiff's position. In addition to the prior art witnesses HP identified, an absolute right to compulsory process exists in NDCA against the suppliers (Intel, MediaTek, Qualcomm) each side identified, and the Wi-Fi Alliance Plaintiff identified, because each has offices in NDCA.[3]

Finally, the Order erred in giving "little weight" to HP's identification of prior art witnesses and requiring a showing of unwillingness to testify. The Federal Circuit has repeatedly found error when courts categorically discount prior art witnesses and require a showing of unwillingness. *In re Google LLC*, No. 2021-170, 2021 WL 4427899, at *7 (Fed. Cir. Sept. 27, 2021) ("In *Hulu*, as in this case, the district court substituted its own assumption that prior-art witnesses were unlikely to testify at trial in place of any specific reason to believe that those identified potential witnesses would not testify…. *Hulu* also rejected the proposition … that the compulsory process factor is irrelevant unless the witnesses in question have expressly indicated an unwillingness to testify voluntarily. The court therefore erred in not giving weight to Google's prior-art witnesses.")

C. The Cost of Attendance for Willing Witnesses Strongly Favors Transfer.

The Order erroneously found this factor to be neutral. (Dkt. 100 at 8.) "[T]he convenience of the witnesses is probably the single most important factor in transfer analysis." *In re Google*, 2021 WL 4427899, at *3-*4. A recent Fifth Circuit decision granting mandamus on similar facts demonstrates the Order's error in disregarding HP's identification of 15 party witnesses for whom NDCA is clearly more convenient. In *TikTok*, there was one Texas-based witness with a majority of witnesses located in Asia, and the Fifth Circuit stated the following in finding NDCA clearly more convenient:

> The presence of one Texas witness cannot overcome the immense inconvenience that the majority of relevant witnesses would face if this case were to be tried in Texas. These witnesses would have to travel thousands of extra miles, incurring substantial "additional travel time . . .

[3] Intel (https://www.intel.com/content/www/us/en/jobs/locations.html); MediaTek (https://corp.mediatek.com/about/office-locations/mediatek-usa-offices); Qualcomm (https://www.qualcomm.com/company/facilities/offices?country=USA); Wi-Fi Alliance (https://www.wi-fi.org/contact-us) (3408 Garrett Dr., Santa Clara, CA 95054).

> meal and lodging expenses[,]" time "away from their regular employment[,]" and "personal costs associated with being away from work, family, and community."

85 F.4th at 361-362 (5th Cir. 2023) (internal citations omitted). Importantly, the Fifth Circuit held that the convenience of witnesses outside the transferee and transferor forums must be considered in weighing whether NDCA is clearly more convenient. *Id*. Here, there are two Texas-based witnesses[4] (both outside of EDTX) versus 15 witnesses for whom NDCA is clearly more convenient: five NDCA witnesses, one SDCA witness, and nine Taiwanese witnesses.[5] (Dkt. 76-1, Hoopes Decl. at ¶ 7; Dkt 86-5, Ex. 4 to Reply ISO Txfr. Mot., HP First Suppl. Venue ROG Answers, at 12-13, 16.) Accordingly, consistent with the reasoning in *TikTok*, this factor strongly favors transfer. *See also In re Samsung Elecs. Co., Ltd.*, No. 2023-146, 2023 WL 8642711, at *2 (Fed. Cir. Dec. 14, 2023) (finding abuse of discretion under witness-convenience factor where there were 10 NDCA witnesses and 20 Korea-based witnesses and no potential witnesses in the forum district, WDTX).

D. All Other Practical Problems Do Not Prevent Transfer.

The Order erroneously found this factor to weigh against transfer. (Dkt. 100 at 10.) Co-pendency of suits on the same patents against different parties is an insufficient basis to deny transfer. *In re NetScout Sys., Inc.*, No. 2021-173, 2021 WL 4771756, at *5 (Fed. Cir. Oct. 13, 2021) ("[W]hile we recognize that judicial economy can serve important ends in a transfer analysis, we have rejected as a general proposition that the mere co-pendency of infringement suits in a particular district automatically tips the balance in the non-movant's favor."). HP filed its Motion after months of venue discovery related to its motion to dismiss that was delayed by a change in Plaintiff's counsel and was

[4] Isaac Lagnado (Director of Wireless Comm.) & Danny Meng (Software Architect), both in Spring/SDTX.
[5] Frank Chen (Manager of SW Architecture) (Taiwan); Ginger Fan (WiFi Strategy) (Taiwan); KC Hung (Manager of SW Qualification) (Taiwan); Jason Wu (Software Architect) (Taiwan); Jeff Yang (Wireless HW Architecture) (Taiwan); Charalampos Papapanagiotou (VP N.A. Personal Systems) (NDCA); Lynn Huang (Product Marketing Director, US Retail Consumer Notebooks) (NDCA); Mari Young (Product Marketing Director, US Retail Consumer Notebooks) (NDCA); Aki Martin (Head of Marketing N.A. CPS & Gaming) (SDCA); Srikala Ramasubban (Director, N.A. PS Commercial Marketing) (NDCA); Flora Cheng (Director, PSS Lifecycle Marketing) (Taiwan); Emily Wang (Chief of Staff Comms. Tech.) (Taiwan); Gordon Lee (Senior Strategic Procurement Mgr.) (Taiwan); Laura Crawford (Finance Director) (NDCA).

necessary to show that no documents and no witnesses exist in EDTX. Given that discovery is ongoing and that there has only been one non-venue deposition taken, which occurred after HP's motion to transfer was fully briefed, there is no precedent for timing to trump all other factors favoring transfer.

E. Administrative Difficulties Flowing From Court Congestion Are Irrelevant.

The Order erred in weighing time-to-trial considerations against transfer. Under Federal Circuit precedent, it is error to accord time to trial any weight when the plaintiff—as is the case here—is a non-practicing entity and thus "not engaged in product competition." *In re Google*, 58 F.4th at 1383 (holding that the court-congestion factor should not weigh against transfer when the plaintiff "is not engaged in product competition in the marketplace"). Accordingly, this factor is at worst neutral and should not weigh against transfer. *Id*.

F. NDCA's Local Interest Strongly Favors Transfer.

The Order erred in determining that the local interest factor only "weighs ***somewhat*** in favor of transfer." (Dkt. 100 at 11, emphasis added). The Order acknowledges that HP's headquarters is in NDCA and that "much of its suppliers' activities are in [NDCA]," but the Order improperly weighs activities outside of NDCA and EDTX against transfer. Instead, the local interest factor must compare the transferor and transferee districts. *In re Apple Inc.*, No. 2022-137, 2022 WL 1676400, *2-*3 (Fed. Cir. May 26, 2022).

Here, there is no connection whatsoever to EDTX. Plaintiff has never contended otherwise, and the Order does not find any local interest in EDTX. (*See* Dkt. 83 at 14-15; Dkt. 100 at 10-11.) Declarations from both HP and Intel establish that the accused products were designed and developed in part in NDCA. (Dkt. 76-1, HP Hoopes Decl. at ¶¶ 4, 6, 9 & Dkt. 76, Intel Azizi Decl. at ¶ 9.) Given the existence of a local interest in NDCA and no local interest in EDTX, it is error to discount the local interest factor as only "somewhat" favoring transfer to NDCA based on activities outside of both NDCA and EDTX. *In re Apple Inc.*, 2022 WL 1676400, *2-*3. Instead, this factor strongly favors transfer.

DATED: December 21, 2023

/s/ Barry K. Shelton

Barry K. Shelton (SBN 24055029)
Bradley Dalton Coburn (SBN 24036377)
Ahtoosa Dale (SBN 24101443)
WINSTON & STRAWN LLP
2121 North Pearl Street, Suite 900
Dallas, Texas 75201
Telephone: (214) 453-6500
Facsimile: (214) 453-6400
Email: bshelton@winston.com
Email: adale@winston.com
Email: bcoburn@winston.com

Christopher T. Gresalfi (admitted *pro hac vice*)
WINSTON & STRAWN LLP
200 Park Avenue
New York, New York 10166-4193
Telephone: (212) 294-6852
Facsimile: (212) 294-4700
Email: cgresalfi@winston.com

Melissa R. Smith (SBN 24001351)
GILLAM & SMITH LLP
303 S. Washington Avenue
Marshall, Texas 75670
Telephone: (903) 934-840
Facsimile: (903) 934-9257
Email: melissa@gillamsmithlaw.com

ATTORNEYS FOR DEFENDANT HP INC.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that counsel of record who are deemed to have consented to electronic services are being served with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3) on December 21, 2023.

/s/ Barry K. Shelton
Barry K. Shelton