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IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

CARBYNE BIOMETRICS, LLC, **Plaintiff,** **v.** **APPLE INC.,** **Defendant.**	**No. 1:23-CV-00324-ADA** **JURY TRIAL**

PLAINTIFF CARBYNE BIOMETRICS, LLC'S SURREPLY OPPOSING DEFENDANT APPLE, INC.'S MOTION TO TRANSFER VENUE UNDER 28 U.S.C. § 1404(a)

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N.D. Cal. is not more convenient, much less clearly so. Apple's many Austin-based witnesses heavily disfavor transfer; the Court should reject Apple's attempt to avoid them by artificially narrowing the accused technology. Carbyne's analysis finds broad support in new precedential guidance. *See In re TikTok, Inc.*, --- F.4th ----, 2023 WL 7147263 (5th Cir. Oct. 31, 2023).

I. Apple's Austin-based witnesses are relevant and heavily disfavor transfer.

Apple cannot avoid this case's Texas ties by claiming that its Austin-based employees are irrelevant. *See* Reply 1, 3–4. Apple ignores that accepting its arguments would require the Court to prematurely decide the scope of the infringing features—a fact question related to the infringement merits. *See* Opp. 5–6. At the venue stage, this Court has "considerable discretion" to resolve factual disputes on which witnesses are relevant. *Solas OLED Ltd. v. Apple Inc.*, No. 6:19-CV-537-ADA, 2020 WL 3440956, at *5 (W.D. Tex. June 23, 2020). Exercising that discretion, this Court generally "draw[s] all reasonable inferences and resolve[s] all factual conflicts in favor of the non-moving party." *Id.*; *accord Hammers v. Mayea-Chang*, No. 2:19-CV-181-JRG, 2019 WL 6728446, at *4 (E.D. Tex. Dec. 11, 2019).

A. Under that standard or any other, Apple cannot show that its Austin-based Secure Enclave witnesses from *Identity Security* are irrelevant. Austin-based engineers Le Roy, Peeters, and Herbeck help "defin[e] the security architecture specifications for Secure Enclave and … the design specifications for Secure Enclave." *Identity Sec.* Order at 2. Those specifications are relevant to infringement here.

Carbyne's Authentication Patents claim hardware solutions, not novel software running on conventional hardware.[1] As Carbyne explained in opposing Apple's § 101 motion,

[1] Even if infringement *also* involves software, that would not make the *Identity Security* witnesses irrelevant. *Cf.* Mem. Order & Op. at 7–8, *Speir Techs. Ltd. v. Apple Inc.*, No. 6:22-CV-77-ADA (W.D. Tex. Dec. 15, 2022) (holding that Apple's *Identity Security* witnesses were relevant in a later case despite Apple's argument that the plaintiff accused not just Secure Enclave but "a

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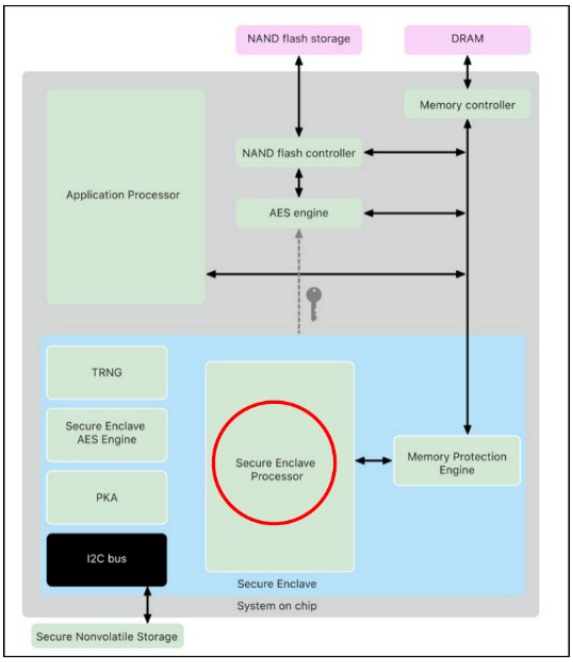
"[s]eparating cryptographic functionality into a specialized secure processor and storage that is difficult to penetrate is a technological solution to a technological problem and not merely the application of an abstract idea using conventional computer technology." ECF No. 30 at 2.

To illustrate, Carbyne's preliminary infringement contentions for the '512 Patent repeatedly cite hardware design diagrams showing that the iPhone 13 meets specific claim language because it "includes a second processor, such as the Secure Enclave Processor, with which a first processor (Application Processor) communicates using a restricted interface." Ex. 10 at 16, 21 (ECF pagination). Since both processors are on the same "system on chip," the security architecture and design specifications are relevant to how those processors communicate and which processors (if any) perform the claimed functions. Apple offers no analysis supporting its claim that Carbyne "accuses only software." Reply 3.[2]



B. Nor can Apple show that its Austin-based employees are irrelevant to the accused Apple Cash technology. First, the *Identity Security* witnesses are relevant as well to Apple Cash

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half-dozen other technologies").

[2] Apple now claims that even if Carbyne accuses hardware, Paaske would be the most knowledgeable witness. Reply 4. Apple did not take that view when seeking transfer from Waco to Austin in *Identity Security*. *See* Mot. to Transfer, *Identity Sec. LLC v. Apple, Inc.*, No. 6:21-CV-460-ADA (W.D. Tex. Sept. 10, 2021), ECF No. 27. This Court thus found that Austin-based Herbeck "is the 'lead designer and the lead spec author' of Secure Enclave, meaning he would have superior knowledge of the accused technology compared to other members of the team." *Identity Sec.* Order at 8 (quoting Herbeck Dep. 14:6–16).

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since Secure Enclave takes part in authorizing secure payments. *E.g.*, Ex. 31.

Second, Apple has acknowledged its "Austin Apple Cash employees [] whose roles focus on server-side or post-transaction events." Mot. 5; *see* Ex. 30 (listing Antonio Ordonez, Grant Brammer, Romil Shroff, Babacar Diouf, Kwesi Enninful, and Laura Hit). Apple's document production proves that these employees are relevant. Apple did not just produce two server-related documents to show "indirect interfacing." *See* Reply 4. Rather, under the parties' agreement to exchange "key technical documentation showing the operation of the accused functionalities," Apple produced eight highly confidential documents showing how Apple Cash functions. Burks Supp. Dec. ¶ 6. *All eight* Apple-selected "key" documents relate to "[redacted]" or [redacted]—references to [redacted] functions. *Id.* ¶¶ 7–9. Apple's key technical documents show that [redacted] and [redacted] directly relate to the accused features. *Id.*; *see, e.g.*, Ex. 32 (showing the [redacted] role in fraud-detection analysis).

Austin-based Apple Cash witnesses are not just relevant but indispensable to showing relevant [redacted] and [redacted] functions. The two technical witnesses Apple picked to give venue testimony (Heard and Wells) could not testify about these functions. Apple's counsel claimed that Heard lacked access to the [redacted] documents that Apple produced to show Apple Cash's functions and would not let Heard see them during his deposition. Burks Supp. Dec. ¶¶ 11–12; Heard Dep. 28:8–28:14. Wells was not even aware of [redacted]. Burks Supp. Dec. ¶ 13; Wells Dep. 25:3–4. So it appears that *all* the relevant witnesses for these functions are in Austin.

II. The Fifth Circuit's *TikTok* decision reinforces Carbyne's venue analysis.

The Fifth Circuit recently reinforced Carbyne's venue analysis. *See TikTok, Inc.*, 2023 WL 7147263. Exercising its supervisory power, the Fifth Circuit granted mandamus partly to "improve consistency of outcomes by further instructing when transfer is—or, for that matter, is not—warranted in response to a § 1404(a) motion." *Id.* at *11 (quotation marks omitted). The

court thus gave the Federal Circuit "guidance" for reviewing transfer decisions in patent cases, noting that the Federal Circuit had recently reached "conflicting outcomes in reviewing mandamus petitions from" this Court. *Id. TikTok* controls here, displacing contrary Federal Circuit case law. *See In re Google LLC*, 58 F.4th 1379, 1382 (Fed. Cir. 2023) (regional circuit law governs).

A. *TikTok* confirmed that ease of access to non-witness proof focuses on physical proof. 2023 WL 7147263, at *3. The *only* evidence Apple cites of "physical records" in N.D. Cal. is the declaration of its licensing witness, who lives in Colorado and lays no foundation for testifying about records in N.D. Cal. Reply 1 (citing Harlow Dec. ¶ 8). *See Rafqa Star, LLC v. Google LLC*, No. 6-22-CV-1207-ADA, 2023 WL 6050593, at *4 (W.D. Tex. Sept. 15, 2023) (discounting venue declaration giving no "persuasive support for [the declarant's] personal knowledge"). Anyway, Harlow merely generalizes about "physical records and things … , *including electronic records*." Harlow Dec. ¶ 8 (emphasis added). *See Rafqa Star*, 2023 WL 6050593, at *8 (requiring the movant to "identify actual documents").[3]

B. *TikTok* confirmed that N.D. Cal. would be much less convenient for Jakobsson, Carbyne's party witnesses. The court reiterated that, under its 100-mile rule, "inconvenience to the witnesses increases in direct relationship to the additional distance to be traveled." 2023 WL 7147263, at *5. The court held that inconvenience to party witnesses in China favored transfer because N.D. Cal. is closer than W.D. Tex. to China. *Id.* at *6. That holding displaces the Federal Circuit's rule discounting distance when the witnesses "will be required to travel a significant distance no matter where they testify." *See In re Apple Inc.*, 979 F.3d 1332, 1341 (Fed. Cir.

[3] *TikTok* held that the electronic evidence at issue favored transfer because it was "undisputed" that only *TikTok* employees in China and California had "security clearance" to access it. 2023 WL 7147263, at *3. Here, in contrast, the parties dispute whether Texas employees can access relevant code; Apple's argument depends (at the least) on its arguments (refuted above) that its *Identity Security* witnesses and Austin-based Apple Cash employees are irrelevant.

2020). Under *TikTok*'s "direct relationship" rule, San Francisco is 70 percent less convenient for Jakobsson. *See* Opp. 4. Of Apple's own purported trial witnesses, San Francisco is 25 percent less convenient for Harlow (Colorado) and six percent less convenient for Šubert (Prague).

C. *TikTok* confirmed that "the availability of compulsory process receives less weight when it has not been alleged or shown that any witness would be unwilling to testify." 2023 WL 7147263, at *5. That holding displaces the contrary presumption that Apple relies on. Reply 4–5.

D. *TikTok* confirmed that the venue analysis considers that a case "is timely proceeding to trial" and so generally counts all progress the case has made when the motion is decided. 2023 WL 7147263, at *8. The Fifth Circuit refused to adopt (or read Federal Circuit cases as adopting) the rule Apple urges here (Reply 5) that a court cannot count progress after the transfer motion was filed. *Id.* at *7 & n.10.

The Fifth Circuit discounted the post-filing progress at issue in *TikTok* but emphasized "the narrowness of [that] holding." *Id.* at *7–8 & n.13. The court faced the "unusual circumstances" in which 14 months passed from filing to a decision on the transfer motion. *Id.* at *8 n.13, at *7–8 & n.13. The court explained that a district court cannot take "an excessively long time to rule" on a motion and "then turn around and use the progress the case has made while the § 1404(a) motion was pending as a reason to deny the transfer." *Id.* at *7. That concern is absent here: when Apple moved to transfer, the parties promptly completed venue discovery, *see* ECF Nos. 36, 40, and the motion is only just now ripe for decision.

E. *TikTok* reinforced the relevance of relative court congestion and the district court's discretion to assess it. 2023 WL 7147263, at *8 n.12. The Fifth Circuit did not suggest (and has *never* suggested) anything like the Federal Circuit's rule—cited by Apple (Reply 5)—that time-to-trial differences count only for product competitors.

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CERTIFICATE OF SERVICE

I certify that I served a copy of this document on all counsel of record through electronic mail on November 14, 2023.

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