PUBLIC VERSION

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

| | |
|---|---|
| **CARBYNE BIOMETRICS, LLC,** | **Civil Action No. 1:23-cv-00324** |
| **Plaintiff,** | **JURY TRIAL** |
| **vs.** | |
| **APPLE INC.,** | [redacted] |
| **Defendant.** | |

**DEFENDANT APPLE INC.'S [redacted] REPLY IN SUPPORT OF ITS MOTION TO TRANSFER VENUE UNDER 28 U.S.C. § 1404(a)**

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## TABLE OF ABBREVIATIONS

| Abbreviation | Definition |
|---|---|
| Apple | Defendant Apple Inc. |
| Carbyne | Plaintiff Carbyne Biometrics, LLC |
| Compl. | Plaintiff's Complaint for Patent Infringement (ECF No. 1) |
| Mot. | Apple's Motion to Transfer (ECF No. 34) |
| Opp. | Carbyne's Opposition to Apple's Motion to Transfer (ECF No. 44) |
| W.D. Tex. | United States District Court for the Western District of Texas |
| N.D. Cal. | United States District Court for the Northern District of California |
| '512 | U.S. Patent No. 10,929,512 |
| '105 | U.S. Patent No. 11,475,105 |
| '138 | U.S. Patent No. 11,514,138 |
| '010 | U.S. Patent No. 9,972,010 |
| '656 | U.S. Patent No. 10,713,656 |
| '886 | U.S. Patent No. 11,526,886 |
| Asserted Patents | The '512, '105, '138, '010, '656, and '886 patents |
| Authentication Patents | The '512, '105, and '138 patents |
| Fraud Reduction Patents | The '010, '656, and '886 patents |
| Accused Technologies | Face ID; Touch ID; iCloud Keychain; device-side Apple Cash; and the Secure Enclave, including communication therefrom |
| Keychain | iCloud Keychain |
| PICs | Carbyne's Preliminary Infringement Contentions |
| Roth Decl. | Declaration of Cassandra Roth and exhibits thereto |
| Benson Decl. | Declaration of Wade Benson |
| Harlow Decl. | Declaration of Jaqueline Harlow |
| Heard Decl. | Declaration of Richard Heard |
| Paaske Decl. | Declaration of Tim Paaske |
| Spevak Decl. | Declaration of Catherine Spevak |
| Šubert Decl. | Declaration of Martin Šubert |
| Veron Decl. | Declaration of Maxime Veron |
| Wells Decl. | Declaration of Nicole Wells |

Extensive venue discovery confirmed that N.D. Cal. is clearly more convenient, with 5 of 8 party witnesses and 4 of 4 third parties in N.D. Cal. and no witnesses in Texas.

## I. Relative Ease of Access to Sources of Proof Heavily Favors Transfer

Carbyne ignores Apple's particularized proof that (1) the relevant physical records are in N.D. Cal. (Harlow Decl. ¶8), (2) relevant electronic records are stored on individuals' computers (*id.*; Veron Decl. ¶7; Benson Decl. ¶5; Wells Decl. ¶4; Spevak Decl. ¶4), and (3) the relevant documents were overwhelmingly created in N.D. Cal. (Mot. 2-4). Carbyne's cited cases (Opp. 11) are thus inapposite. Secured electronic records are not accessible in a forum unless a person with credentials is located there, *In re TikTok, Inc.*, No. 23-50575, 2023 WL 7147263, at *3-4 (5th Cir. Oct. 31, 2023). Carbyne cites nothing showing that Austin-based employees have access rights to relevant electronic records. Opp. 11; ECF No. 44-17 at 31:4-10 (not specifying which code he has access to); ECF No. 44-19 at 35:8-20 (same). The *Identity Security* records are irrelevant because they concern hardware not at issue here. *See* § II *infra*. Carbyne identifies no other physical evidence in W.D. Tex. *See* Opp. 11.

Apple plans to seek records from N.D. Cal.-based PayPal, TabletKiosk, Think Computer Corp., and RightQuestion (Extricatus is dissolved, Opp. 9). This Court should disregard the 1Password employees Carbyne names (Opp. 12), as Carbyne indefensibly failed to identify them in its discovery responses. *See* Fed. R. Civ. P. 37(c)(1); Ex. 24. And, while Carbyne asserts that 1Password's relationship with Apple is relevant, no witness about that relationship lives in Texas. Ex. 25 at 14. Finisar's VCSEL records are irrelevant as Carbyne's contentions make no reference to VCSEL, *e.g.*, ECF No. 35-6; Opp. 12; moreover, Apple may already have any records sought.

## II. Cost of Attendance for Willing Witnesses Heavily Favors Transfer

Most of the parties' trial witnesses are in N.D. Cal. (Spevak, Veron, Benson, Wells, Heard), and the remainder are outside either forum (Harlow, Šubert, Jakobsson), heavily favoring transfer.

*Apple Likely Trial Witnesses*. Despite deposing eight Apple witnesses and securing extensive written discovery, Carbyne was unable to identify a single Austin-based Apple employee with knowledge commensurate to that of Apple's N.D. Cal.-based trial witnesses. Opp. 6-7. Far from "cherry pick[ing]," *id.* at 1, Apple identifies the witnesses best positioned to speak to each relevant topic. Carbyne's contrary argument omits critical facts, e.g.:

Catherine Spevak leads the team responsible for sales and profitability reporting for ***all*** Apple products. Ex. 26 at 18:18-22:23. Ms. Spevak spoke to TX-based employees, Opp. 7, only to confirm her belief that each is irrelevant to this suit, *id.* at 41:23-42:11, 53:24-54:4.

Maxime Veron is the most knowledgeable person on Apple's iPhone marketing, and Apple marketing of all other accused products is led by N.D. Cal.-based employees. Ex. 27 at 26:12-27:18, 55:20-56:7. Mr. Veron does not market the accused functionalities, Opp. 7, only because ***Apple*** does not market them apart from its products. Ex. 27 at 19:7-12, 54:1-55:15, 56:19-57:9.

Jacqueline Harlow leads the team that licenses non-SEP assets. Ex. 28 at 20:13-18. Carbyne complains that Ms. Harlow knew of no Secure Enclave licenses, Opp. 7, but Apple had no duty to search for them before non-venue discovery opened. ECF No. 33. In any event, all IP Transaction team members are in N.D. Cal. or Colorado, ***not*** Texas. Ex. 28 at 17:13-18:10.

Wade Benson is the most knowledgeable Apple person on Secure Enclave software. Ex. 29 at 23:4-12. He develops the software between the Application and Secure Enclave processors—the core of what is accused. Opp. 2; Ex. 30 at 22:16-23:18, 38:16-39:4.

Nicole Wells leads the attention awareness team responsible for algorithms at the core of Carbyne's contentions about Face ID. Opp. 2 ("alive and aware"); Ex. 31 at 17:13-15, 19:8-11.

Richard Heard leads the team responsible for device-side Apple Cash, core to Carbyne's assertions. Opp. 2 (Apple Cash on iPhones/iPads); Ex. 32 at 14:20-24, 13:11-22.

Martin Šubert leads the team responsible for Touch ID algorithms, and his team and the core biometric team are entirely in Europe. Šubert Decl. ¶ 3; Ex. 33 at 18:20-19:1, 21:5-8.

Apple's witnesses' knowledge of the asserted patents, complaint, or contentions, Opp. 6-7, is irrelevant; Apple need show only the relevance and materiality of its identified witnesses' information, which Apple did. *See In re Genentech, Inc.*, 566 F.3d 1338, 1343-44 (Fed. Cir. 2009).

*Apple's Austin Employees*. Carbyne distorts the record to suggest that six Austin-based employees are relevant. First, Ms. Hanson, a privacy engineer, works only indirectly with the accused features and lives in Santa Clara Valley, ***California***. Ex. 34 at 4; Ex. 32 at 35:9-12.

Second, the Secure Enclave ***hardware*** engineers (Messrs. Le Roy, Peeters, and Herbeck) are irrelevant to this case. Contrary to Carbyne's position, Opp. 5-6, Apple's reliance on ***Carbyne's own allegations*** to determine the accused features' scope is appropriate, as Carbyne's own cited caselaw confirms. *See Rafqa Star, LLC v. Google LLC*, No. 6-22-CV-01207, 2023 WL 6050593, at *4 (W.D. Tex. Sept. 15, 2023).[1] Carbyne's contentions show it accuses only software. Mot. 2, 4-5. The mere existence of the Application and Secure Enclave processors, *see* Opp. 2, is well-known to Apple's trial witnesses. Carbyne's quotes from *Identity Security*, Opp. 4-5, are a red herring—unlike Carbyne, the plaintiff there accused details of Secure Enclave ***hardware***, *see* Ex. 35 ¶ 16 (alleging cl. 1 requires a "value that is etched, or programmed, into a programmable read-only memory"); Ex. 29 at 6:19-24 (*Identity Security* deposition concerned a "unique ID that's burned to a fuse in the chip"). Carbyne's assertion that Mr. Peeters and Mr. Le Roy work on software architecture (Opp. 5) misstates the record. *E.g.*, ECF No. 44-19 at 24:7-22 (in hardware role, he ***interfaces*** with software team); Paaske Decl. ¶¶ 8, 11 (Le Roy does not work on software or write source code). Tellingly, Carbyne has demanded production only of software source code,

[1] *DoDots* (Opp. 5-6) did not concern a dispute over the accused features' scope and is irrelevant.

not hardware code or specifications. *E.g.*, Ex. 36. Even if Secure Enclave hardware were relevant, Apple would offer N.D. Cal.-based Tim Paaske—the leader and original developer of Secure Enclave hardware and person most knowledgeable about it. Ex. 29 at 22:20-23:12, 34:17-35:19; *see also id.* at 16:12-19:6 (more than 2/3 of team in Cupertino, CA).[2]

Third, server-side Apple Cash employees—Ms. Hitt and Mr. Ordonez—bring no relevant knowledge. *See* Ex. 32 at 20:16-20 ([redacted] servers). The fact that 2 of Apple's 4,800 produced records referenced [redacted] and [redacted] is not meaningful. Those 2 documents were produced to show [redacted]. *Cf.* Heard Decl. ¶ 7 (citing N.D. Cal.-based Gianpaolo Fasoli).

*Carbyne's Witness*. Carbyne's sole witness is in New York. Opp. 4. Carbyne concedes that Jakobsson (and implicitly Harlow and Šubert) would be only "slightly more inconvenienced" by transfer. Opp. 4 (quoting *In re Apple Inc.*, 979 F.3d 1332, 1342 (Fed. Cir. 2020) (applied to East Coast and European witnesses)); *see also STC.UNM v. Apple Inc.*, No. 19-cv-00428, 2020 WL 4559706, at *6 (W.D. Tex. Apr. 1, 2020) ("one-hour increase in" flight duration ignored).

*Experts*. Carbyne concedes experts' locations are given little weight. Opp. 7; *see Scantland v. Yokohama Rubber Co.*, No. SA-07-CA-0952, 2008 WL 1730321, *2 (W.D. Tex. Apr. 10, 2008).

## III. Availability of Compulsory Process Heavily Favors Transfer

Apple's third-party system art primary references are ***all*** in N.D. Cal., and so Apple did not "cherry-pick[]" PayPal, TabletKiosk, and Think Computer.[3] Carbyne's cases are therefore inapposite. Opp. 13. The location of Digital Persona's corporate parent is irrelevant—because the

[2] Carbyne (Opp. 4) misquotes Apple's *Identity Security* brief by omitting the bolded text: "The team responsible for designing and developing the Secure Enclave technology **at issue in this litigation is based in California, … near Apple's Cupertino headquarters. That team, however, also** includes [three Austin-based engineers]…." Ex. 37 at 2 (citation omitted).

[3] Apple also charted UPEK, about which an Apple trial witness is knowledgeable, as well as two systems developed in N.D. Cal.: Apricorn's AEGIS and Digital Persona Pro. Exs. 38-40.

system was developed in CA, likely witnesses are there. Ex. 41. Apple is likely to call PayPal for its system art if nothing else.[4] Ex. 44. Nothing Carbyne cites suggests RightQuestion should be excluded from consideration; *Smart Mobile* (Opp. 9) addressed in dicta only suspended corporations, not "donated" ones). Third parties are presumed unwilling, and this Court has "repeatedly rejected" arguments to the contrary like Carbyne's (Opp. 8 & n.4). *Rafqa*, 2023 WL 6050593, at *7. The four third parties in California weigh heavily in favor of transfer.

## IV. Other Factors Favor Transfer Or Are Neutral

**Practical problems are neutral.** Litigation progress is assessed as of ***the date the transfer motion was filed***, not the date of plaintiff's response, Opp. 13. *Planned Parenthood*, 52 F.4th at 631. Progress after the motion's filing should not count against Apple, rendering irrelevant invalidity contentions, early discovery,[5] document production, and *Markman* briefing. *See In re Apple Inc.*, 979 F.3d 1332, 1343 (Fed. Cir. 2020); *see also TikTok*, 2023 WL 7147263, at *7; Mot. 13-14. Nor does relative hotel cost move the needle. *SVV Tech. Innovations, Inc. v. Asustek Comput. Inc.*, No. 22-CV-311, 2023 WL 2764761, at *5 (W.D. Tex. Apr. 3, 2023).

**Court congestion is neutral.** Carbyne concedes this factor has "no weight when the parties do not compete," as is the case here. Opp. 14 n.7; *e.g.*, *Rafqa*, 2023 WL 6050593, at *9.

**Local Interests Favor Transfer.** All relevant technologies and the asserted patents were developed in N.D. Cal., not Texas; N.D. Cal. has the greater local interest. Mot. 2-6 & n.2; *see TikTok*, 2023 WL 7147263, at *9 n.14 (irrelevant Austin employees have no bearing on factor). The manufacture of Mac Pros in Austin should be accorded little weight. *See In re Apple*, 979 F. 3d at 1339, 1345-46 (finding no error to assign little weight to manufacturing location in district).

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[4] The two TX-based PayPal witness are offset by two CA-based PayPal witnesses that worked with Jakobsson. Jakobsson Dep. 40:6-41:20, 44:21-45:23; Ex. 42 (Palmer); Ex. 43 (Steingruebl).
[5] The documents Apple produced in the referenced "early exchange" were required. OGP at 2-3 (requiring production of "documents … sufficient to show the [accused products'] operation").

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**CERTIFICATE OF SERVICE**

I hereby certify that all counsel of record are being served with a copy of the foregoing document via electronic mail on November 3, 2023.

*/s/ Melissa R. Smith*

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