IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

UNILOC USA, INC. and UNILOC LUXEMBOURG, S.A.,	)	
Plaintiffs,	)	Civil Action No. 2:16-cv-992
v.	)	
MOTOROLA MOBILITY LLC,	)	
Defendant.	)	

DEFENDANT MOTOROLA MOBILITY LLC'S MOTION TO DISMISS OR, IN THE ALTERNATIVE, TRANSFER FOR IMPROPER VENUE

Pursuant to Federal Rule of Civil Procedure 12(b)(3) and 28 U.S.C. § 1406(a), defendant Motorola Mobility LLC ("Motorola") moves to dismiss this case for improper venue.

Under the Supreme Court's *TC Heartland* decision, which reversed longstanding Federal Circuit law, venue in a patent infringement case is only proper: (1) where the defendant resides, or (2) in a district where the defendant has a regular and established place of business and has committed acts of infringement.[1] Uniloc's complaint does not allege that Motorola meets either requirement for establishing venue in the Eastern District of Texas. Accordingly, Motorola respectfully requests that the Court dismiss this case for

[1] *See TC Heartland LLC v. Kraft Foods-Group Brand LLC*, Case No. 16-341, 581 U.S. ___, 2017 WL 2216934, at *3, 7-8 (May 22, 2017).

improper venue. In the alternative, Motorola requests that the Court transfer the case to the Northern District of California pursuant to 28 U.S.C. § 1406(a).

I. VENUE IS IMPROPER IN THE EASTERN DISTRICT OF TEXAS

In a patent case, venue lies only "in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business." 28 U.S.C. § 1400(b); *see TC Heartland*, 2017 WL 2216934, at *3. A corporate defendant "resides" only in its state of incorporation. *See id.* at *8. Thus, for such a defendant, venue is proper only within "the judicial district" where it is incorporated or where it "has committed acts of infringement and has a regular and established place of business." 28 U.S.C. § 1400(b).

Under *TC Heartland* and § 1400(b), venue is improper in this case. Motorola is organized under the laws of Delaware as a limited liability company. (*See* Ex. 1; *see also* Dkt. 1, Complaint ¶ 4 (alleging that Motorola is a "Delaware corporation").) Motorola's headquarters and principal place of business are in Illinois. (Ex. 2, Merritt Decl. ¶ 3.) Thus, Motorola does not "reside" in the Eastern District of Texas. See 28 U.S.C. § 1400(b); *TC Heartland*, 2017 WL 2216934, at *2 (company "organized under Indiana law and headquartered in Indiana" not resident in Delaware); *Sperry Prods. v. Ass'n of Am. R.R.s*, 132 F.2d 408, 411-412 (2d Cir. 1942) (holding, under predecessor of § 1400, that unincorporated association did not reside outside of "its principal place of business"). Nor does Motorola have a "regular and established place of business" in this district. Uniloc's complaint contains no allegations to the contrary—nor can it. Motorola has no facilities in the Eastern District of Texas. (Merritt Decl. ¶ 4.)

Although *TC Heartland* issued after Uniloc filed its complaint in this action, the holding of *TC Heartland* nevertheless applies because "the Supreme Court's interpretation of federal civil law 'must be given full retroactive effect in all cases still open on direct review and as to all events, regardless of whether such events predate or postdate the Supreme Court's announcement of the rule.'" *NeuroRepair, Inc. v. The Nath Law Group*, 781 F.3d 1340, 1345 (Fed. Cir. 2015) (quoting *Harper v. Va. Dep't of Taxation*, 509 U.S. 86, 97 (1993)). Accordingly, venue in this case is improper.

II. THE COURT MUST DISMISS OR, IN THE ALTERNATIVE, TRANSFER

When venue is improper, as it is here, the district court "shall dismiss, or if it be in the interest of justice, transfer such case to any district or division in which it could have been brought." 28 U.S.C. § 1406(a). The Court has "broad discretion" in deciding whether to dismiss or transfer, but it must do one or the other. *See Caldwell v. Palmetto State Sav. Bank of S.C.*, 811 F.2d 916, 919 (5th Cir. 1987); *see, e.g., Payne v. Grayco Cable Servs., Inc.*, No. 1:11-CV-487, 2011 WL 13076902, at *4 (E.D. Tex. Dec. 8, 2011) (noting that when venue is improper, "the court *must* either dismiss this lawsuit or transfer it to a judicial district in which venue is proper under 28 U.S.C. § 1406(a)") (emphasis added).

Motorola previously filed a motion to dismiss Plaintiffs' complaint for failure to state a claim upon which relief can be granted, pursuant to Federal Rule of Civil Procedure 12(b)(6). (*See* Dkt. 19 at 1.) Not until after the denial of that motion did Motorola's objection to venue become "available" because *TC Heartland* had not been decided. (*See* Fed. R. Civ. P. 12(g)(2).) Under the prior longstanding Federal Circuit law, venue in a patent infringement action was deemed proper in any judicial district in which the defendant

was subject to personal jurisdiction. *See VE Holdings Corp. v. Johnson Gas Appliance Co.*, 917 F.2d 1574, 1583 (Fed. Cir. 1990). The Federal Circuit specifically found that an earlier Supreme Court decision on point, *Fourco Glass Co. v. Transmirra Products Corp.*, 353 U.S. 222 (1957), was not controlling due to Congress's amendment of 28 U.S.C. § 1391(c). *VE Holdings*, 917 F.2d at 1579. The Federal Circuit reaffirmed its holding just last year. *See In re TC Heartland LLC v. Kraft Foods Group Brands LLC*, 821 F.3d 1338, 1341 (Fed. Cir. 2016). It was only the Supreme Court's recent *TC Heartland* decision, reversing the governing Federal Circuit law, that held § 1391 inapplicable to patent cases, changing the law of venue.

Where, as here, there has been a change in governing circuit law, a defense premised on the new law has not been waived. *See, e.g., Curtis Pub. Co. v. Butts*, 388 U.S. 130, 143 (1967) ("the mere failure to interpose such a defense prior to the announcement of a decision which might support it cannot prevent a litigant from later invoking such a ground. . . . [A]n effective waive must . . . be one of a 'known right or privilege.'") (citations omitted); *Holzsager v. Valley Hospital*, 646 F.2d 792 (2d Cir. 1981) ("[A] party cannot be deemed to have waived objections or defenses which were not known to be available at the time they could first have been made[.]"). This case is more than five months away from a *Markman* hearing, six months from the close of fact discovery, and nearly a year from trial. (*See* Dkt. 95 at 1-2; Dkt. 154 at 3.) Accordingly, given the relatively early stage of this case, dismissal is proper and Motorola's motion should be granted.

Alternatively, should the Court exercise its discretion to transfer the case instead of dismissing it, Motorola requests that the Court transfer this case to the Northern District of California. The Fifth Circuit has affirmed transfer "in the interest of justice" under § 1406(a) "because 'witnesses, evidence, the underlying events, and both defendants are based there.'" *See Moran v. Smith*, 2016 U.S. Dist. LEXIS 97869, at *3-5 (W.D. Tex. July 27, 2016) (quoting *Herman v. Cataphora, Inc.*, 730 F.3d 460, 466 (5th Cir. 2013)). The Northern District of California is the appropriate district for transfer because Motorola has an office in Sunnyvale, California, within the Northern District, and potential witnesses and evidence are located there.

A. This Case Could Have Been Brought in Northern California

There is no dispute that this case could have been brought in the Northern District of California, as Motorola has a "regular and established place of business" in Sunnyvale, California, where its employees are involved in the technologies at issue in this case. (Ex. 3, Tsuyemura Decl. ¶ 3.)[3]

B. Sources of Proof Are Centered In Northern California

Motorola's offices in Sunnyvale, California, within the Northern District, employ approximately 80 people. (Tsuyemura Decl. ¶ 3.) Among these are employees who work on the design, development, and implementation of Motorola phones accused in plaintiffs' infringement contentions. (*Id.*) Motorola documents concerning the design, manufacture,

[3] As the accused Motorola devices are sold nationwide, Motorola does not dispute for purposes of this motion only, that the alleged "acts of infringement" occurred there. (*See* 28 U.S.C. § 1400(b).)

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