

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

CYPRESS LAKE SOFTWARE, INC.,

Plaintiff,

v.

HP INC.,

Defendant.

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CIVIL ACTION NO. 6:17-CV-00462-RWS

ORDER

Before the Court is Defendant HP Inc.’s Motion to Transfer to the Northern District of California (Docket No. 16).¹ The Court held a hearing on the motion on March 28, 2018. *See* Case No. 6:17-cv-300, Docket No. 27. After consideration of the parties’ briefings, oral arguments and applicable law, and for the reasons stated herein, the Court **DENIES** HP’s motion to transfer (Docket No. 16). The Court further **DENIES-AS-MOOT** HP’s Motion for a Hearing on its Pending Motion to Transfer to the Northern District of California (Docket No. 23) and the Joint Motion to Stay Pending HP’s Motion to Transfer (Case 6:17-cv-300, Docket No. 78).

BACKGROUND

Cypress Lake Software, Inc. (“Cypress Lake”) is a Texas company with its principal place of business located at 218 W. Dogwood Street, Woodville, Texas 75979. Case No. 6:17-cv-300, Docket No. 19 ¶ 2. Cypress Lake is the owner and assignee of the seven patents-in-suit. Plaintiff filed this suit against HP on August 11, 2017, originally alleging that HP infringes on five patents

¹ “Docket No.” refers to the docket number in Member Case No. 6:17-cv-462, unless indicated otherwise.

by designing, developing or manufacturing Chromebook laptops and laptop computers that employ the Google Chrome operating system. Docket No. 1 ¶ 11. Cypress Lake later amended its complaint to assert two additional patents against HP.

HP is a Delaware corporation with headquarters in Palo Alto, in the Northern District of California. Docket No. 16-1, Declaration of Leon Tsui (“Tsui Decl.”) ¶ 4. HP maintains an office of approximately 50 employees in Plano, Texas, located within the Eastern District of Texas. Case No. 6:17-cv-300, Docket No. 63, Tr. at 6:23–7:3. HP alleges that Cypress Lake’s infringement allegations hinge on the functionality of the Google Chrome operating system provided to HP by third-party Google, and that a weighing of the convenience factors support a transfer of this case to the Northern District of California. Docket No. 16.

APPLICABLE LAW

A district court may transfer any civil case “[f]or the convenience of the parties and witnesses, in the interest of justice . . . to any other district or division where it might have been brought.” 28 U.S.C. § 1404(a). “Section 1404(a) is intended to place discretion in the district court to adjudicate motions for transfer according to an ‘individualized, case-by-case consideration of convenience and fairness.’ ” *Stewart Org., Inc. v. Ricoh Corp.*, 487 U.S. 22, 29 (1988) (quoting *Van Dusen v. Barrack*, 376 U.S. 612, 616 (1964)).

The threshold inquiry when analyzing whether a case is eligible for a § 1404 (a) transfer is “whether the judicial district to which transfer is ought would have been a district in which the claim could have been filed.” *In re Volkswagen AG*, 371 F.3d 201, 203 (5th Cir. 2004) (“*Volkswagen I*”). Once this initial threshold is met, courts analyze public and private factors relating to the convenience of the parties and witnesses, as well as the interests of particular venues in hearing the case. *See Humble Oil & Ref. Co. v. Bell Marine Serv., Inc.*, 321 F.2d 53 (5th

Cir. 1963); *In re Nintendo Co.*, 589 F.3d 1194, 1198 (Fed. Cir. 2009). The private interest factors the court considers 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 I*, 371 F.3d at 203; *Nintendo*, 589 F.3d at 1198. 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 laws or in the application of foreign law. *Volkswagen I*, 371 F.3d at 203; *Nintendo*, 589 F.3d at 1198. These factors are to be decided based on “the situation which existed when suit was instituted.” *Hoffman v. Blaski*, 363 U.S. 335, 343 (1960). Though the private and public factors apply to most transfer cases, “they are not necessarily exhaustive or exclusive,” and no single factor is dispositive. *In re Volkswagen of America, Inc.*, 545 F.3d 304, 314–15 (5th Cir. 2008) (en banc) (“*Volkswagen II*”).

The party seeking transfer must show good cause for the transfer. *Id.* at 315. In the context of a § 1404(a) motion, good cause means that a movant demonstrate that the transferee venue is “clearly more convenient.” *Id.* Though the plaintiff’s choice of venue is not a factor in this analysis, the good cause burden reflects the appropriate deference to which the plaintiff’s choice of venue is entitled. *Id.* Thus, when the transferee venue is not clearly more convenient than the venue chosen by the plaintiff, the plaintiff’s choice should be respected. *Id.*

DISCUSSION

The parties do not dispute that HP’s headquarters are located within the Northern District of California, and that this action could have been brought there. Docket No. 16 at 12; Docket No. 20 at 12. The Court proceeds to analyze the private and public factors to determine whether HP

has met its burden to show that the transferee venue is clearly more convenient than the current forum.

A. Private Interest Factors

i. Relative Ease of Access to Sources of Proof

The relative ease of access to sources of proof such as documents and physical evidence is a relevant part of the transfer analysis despite technological advances that make transporting large volumes of documents across the country more convenient. *Volkswagen II*, 545 F.3d at 316. The Federal Circuit requires courts to presume that the bulk of all relevant evidence will come from the accused infringer. *In re Genentech, Inc.*, 566 F.3d 1338, 1345 (Fed. Cir. 2009). Consequently, “the place where the defendant’s documents are kept weighs in favor to transfer to that location.” *Id.* The parties must identify sources of proof with some specificity such that the court may determine whether transfer will increase the convenience of the parties. *J2 Global Commc'ns, Inc. v. Proctus IP Solutions, Inc.*, No. 6:08-cv-211, 2009 WL 440525, at *2 (E.D. Tex. Feb. 20, 2009).

HP argues that because its employees² with knowledge regarding project development, product management, marketing, sales and financial accounting regarding the accused Chromebooks work in the Northern District, the “potentially relevant documents” in this case are located and can be accessed in that district. Docket No. 16 at 16–17; Tsui Decl. ¶ 7 (“Documents relating to HP Chromebook products are located and can be accessed at HP’s facilities in Palo Alto, California.”). HP further attests that no documents for the HP Chromebooks are located in the Eastern District of Texas. Tsui Decl. ¶ 10. Moreover, HP contends that because third-party Google designs and develops the Chrome operating system, the bulk of the relevant technical

² The Court analyzes the convenience to witnesses under the second and third factors regarding the availability of compulsory process and the cost of attendance for willing witnesses, respectively. Under the first factor, the Court only considers sources of documentary or physical proof. *See Volkswagen II*, 545 F.3d at 316.

documents will come from Google, which Google attests are hosted on Google's servers managed by its Mountain View headquarters. Docket No. 16; Docket No. 16-2, Declaration of Abeer Dubey ("Dubey Decl.") ¶ 11.

HP fails to identify with any specificity the documents it believes are relevant to this litigation. *See In re Apple*, 743 F.3d 1377, 1379 (Fed. Cir. 2014); *Invitrogen Corp. v. General Elec. Co.*, No. 6:08-cv-113, 2009 WL 331889 at *3 (E.D. Tex. Feb. 9, 2009) (finding that general statements that relevant documents were located at defendant's headquarters and not identifying any specific evidence, physical or otherwise, "fail[ed] to show that transfer would make access to sources of proof either more or less convenient for the parties."). HP attests that "[d]ocuments relating to HP Chromebook products are located and can be accessed at HP's facilities in Palo Alto, California," without any further details of what these documents might be or their relevance to the issues in this case. Tsui Decl. ¶ 7.

Google has also not specified what relevant documents it possesses or why they are important. *See* Docket No. 16 at 17. Moreover, Google is not a party to this action and the Court need not evaluate the convenience of access to sources of proof for a non-party. Even so, Google attests that its documents relating to the Chrome operating system are accessible from anywhere. Dubey Decl. ¶ 11. Cypress Lake further contends that the bulk of the technical evidence HP claims Google would provide is publicly available open source code. Tr. at 13: 7–19. Though HP counters that it would need to seek additional documents from Google in order to be able to understand the source code, Tr. at 25:24–26:3, the Court is unable to ascertain the true relevance and necessity of these types of documents, without further evidentiary support from HP.

The Court recognizes that HP is the party carrying the heavier evidentiary burden in patent infringement cases and recognizes that some "potentially relevant documents" are likely located

in the Northern District of California. However, HP's failure to identify these documents with any specificity beyond their general categories (product development, marketing, sales, etc...), coupled with HP's contention that the bulk of relevant technical evidence will come from a non-party, only slightly weigh in favor of transfer.

ii. Availability of Compulsory Process

The second private interest factor instructs the Court to consider the availability of compulsory process to secure the attendance of witnesses, particularly non-party witnesses whose attendance may need to be secured by a court order. *See Volkswagen II*, 545 F.3d at 316. Availability of compulsory process weighs in favor of transfer when more third-party witnesses reside within the transferee venue and when the transferee venue is said to have "absolute subpoena power" over these third-party witnesses. *Id.* "Absolute subpoena power" is subpoena power for both depositions and trial. *In re Hoffmann-La Roche Inc.*, 587 F.3d 1333, 1338 (Fed. Cir. 2009). Additionally, courts give more weight to specifically identified witnesses and afford less weight to vague assertions that witnesses are likely located in a particular forum. *See Novelpoint Learning v. Leapfrog Enter.*, No. 6:10-CV-229, 2010 WL 5068146, at *6 (E.D. Tex. Dec. 6, 2010) (stating that the Court will not base its conclusion on unidentified witnesses); *see also West Coast Trends, Inc. v. Ogio Int'l, Inc.*, No. 6:10-CV-688, 2011 WL 5117850, at *3 (E.D. Tex. Oct. 27, 2011).

HP has identified two Google employees, Zelidrag Hornung and Puneet Kumar, as third party witnesses who lead the teams with primary responsibility for developing and maintaining the Chrome operating system. Docket No. 16 at 10. HP has also identified Xiaoqian Dai, a Google software engineer with knowledge of the design and operation of resizing windows in the Chrome operating system. *Id.* All three employees work in the Northern District of California. Notably, HP has not stated whether it anticipates calling any of these Google employees to testify at trial.

Nor has HP identified any Google witnesses who would be unwilling to travel. Tr. at 11:22–12:23. HP stated at the hearing that it “has not had communications with the Google witnesses” identified in the declaration, but that these witnesses are “reasonably senior” who may experience difficulty taking time away from their jobs to attend trial. Tr. at 11:25–12:10. Additionally, at the hearing, HP identified one employee, Amit Patel, who has since left his employment at HP and may need to be subject to compulsory process. Tr. at 27:8–14. According to HP, Mr. Patel was the director of business development and has knowledge and responsibility for business development for the HP Chromebook. Tsui Decl. ¶ 6(ii).

Cypress Lake has not identified any non-party witnesses of its own who would be subject to compulsory process. *See* Tr. at 23:19–22. HP has named three Google employees and one former HP employee over whom it may need to exercise compulsory process. HP, however, has not indicated whether it reasonably expects to call any of these witnesses at trial or depose them, whether they would be unwilling witnesses, or the nature of the testimony these witnesses would give. *See Adaptix, Inc. v. Cellco Partnership*, No. 6:15-cv-45 (E.D. Tex. Aug. 12, 2015) (Docket No. 32 at 7) (“when parties simply name third-party witnesses subject to the subpoena power of a particular court without identifying the nature of the testimony or asserting, on a good faith basis, whether a party intends to depose or call a witness to trial, analysis of this factor is a futile and pointless exercise.”). Moreover, Google itself attests that it has engineering teams related to the accused products in 11 other locations besides the Northern District of California. Dubey Decl. ¶ 12.

The Court has no means of determining which forum would be closer or more convenient for Google witnesses who are ultimately called upon to testify. This uncertainty is increased by the fact that HP did not identify in its initial disclosures any Google employee as likely to have

knowledge of relevant facts, even though these disclosures were exchanged nearly two months after HP obtained the Tsui and Dubey Declarations. Docket No. 52-2 at 5. The Court also finds it difficult to give much weight to the convenience of the three Google employees identified by HP when HP has not even communicated with them and can provide no further information regarding them. That HP has identified one former employee as having relevant knowledge who may be subject to compulsory process, without knowing the nature of his testimony or that he would be called to testify, is also not a basis for weighing this factor in favor of transfer. Accordingly, the Court finds this factor is neutral.

iii. Cost of Attendance for Willing Witnesses

In analyzing this factor, all parties and witnesses must be considered. *Volkswagen I*, 371 F.3d at 204. “Because it generally becomes more inconvenient and costly for witnesses to attend trial the further they are away from home, the Fifth Circuit established in *Volkswagen I* a ‘100-mile’ rule, which requires that ‘[w]hen the distance between an existing venue for trial of a matter and a proposed venue under § 1404(a) is more than 100 miles, the factor of inconvenience to witnesses increases in direct relationship to the additional distance to be traveled.’ ” *In re TS Tech USA Corp.*, 551 F.3d 1315, 1320 (Fed. Cir. 2008) (citations omitted).

HP has identified nine current employees who have relevant knowledge regarding the accused Chromebook products. Tsui Decl. ¶ 6. Counsel for HP stated at the hearing that she did not believe that all of them would testify at trial, but suspected that some of those employees would. Tr. at 5:23–6:5. (“And so I think it’s likely that – I don’t think all of them would testify at trial. But I do think, as the case develops and we get through discovery, that we would identify which particular ones we would need as trial witnesses. And I suspect that some of those ten folks would be on that list.”). HP asserts that no potential HP or Google witnesses reside in this district.

Tsui Decl. ¶ 9; Dubey Decl. ¶ 12. HP does not identify any willing witnesses who are not HP employees. HP has employees located in Houston, Texas and Taipei, Taiwan who work on Chromebook, though it has not identified any employees from these locations as witnesses who are likely to testify at trial. Tsui Decl. ¶ 8. HP further acknowledges that it has one employee, Justin Biddle, who is located in this district and whose past work relates to HP Chromebook, but who has not been identified as likely to testify at trial. *Id.* ¶ 9.

Cypress Lake has identified Paul Morris, inventor of the patents-in-suit, and Tom Fortenberry, the manager of Cypress Lake Software, as witnesses who would testify at trial. Tr. at 15:15–24; 23:22–25. Mr. Morris resides in North Carolina.

HP is likely to have at least some witnesses located in the transferee venue who would be called to testify at trial. But, as with the third-party witnesses identified by HP, the Court struggles in understanding how many of these party witnesses would actually be called to testify and the importance and relevance of their testimony. Regardless, the convenience of party witnesses is given less weight than the convenience of non-party willing witnesses, and it is clear that HP contends that the transfer would be more convenient for its own employee witnesses. *AGIS Software Dev. LLC v. Huawei Device USA Inc.*, Civil Action No. 2:17-cv-00513-JRG, 2018 WL 2329752, at*8 (E.D. Tex. May 23, 2018); *see also Rpost Holdings, Inc. v. StrongMail Systems, Inc.*, Case No. 2:12-cv-515-JRG, 2013 WL 4495119, at *4 (E.D. Tex. Aug. 19, 2013) (citing *Mohamed v. Mazda Motor Corp.*, 90 F.Supp.2d 757, 775 (E.D. Tex. 2000)); *ADS Sec. L.P. v. Advanced Detection Sec. Servs., Inc.*, No. A-09-CA-773-LY, 2010 WL 1170976, at *4 (W.D. Tex. Mar. 23, 2010); *Summit 6 LLC v. HTC Corp.*, No. 7:14-cv-0014-O, 2014 WL 4449821, at *7 (N.D. Tex. Sept. 10, 2014).

Given that Cypress Lake intends to call one witness who resides in North Carolina to testify at trial, on balance with the reasonable expectation that the majority of expert witnesses are likely to originate from outside this district and the transferee district, and that HP has not identified any non-party willing witnesses, the Court finds that neither forum is particularly more convenient than the other for willing witnesses. This factor weighs neutral.

iv. Other Practical Problems

Practical problems include those related to judicial economy. In particular, multiple suits involving the same or similar issues may create practical problems that could weigh in favor of or against transfer. *In re Volkswagen of Am., Inc.*, 566 F.3d 1349, 1351 (Fed. Cir. 2009); *see also In re Vistaprint Ltd.*, 628 F.3d 1342, 1347 (Fed. Cir. 2010).

HP contends that no practical problems exist with transferring this action to the Northern District of California. Docket No. 16 at 17. Cypress Lake argues that judicial economy weighs against transfer because: (1) the current action was filed as a continuation of litigation on other counts of infringement in Cypress Lake's prior 2016 action against HP; (2) this district has significantly more experience with the Plaintiff, the patents and the technology at issue than does the Northern District of California; (3) three other cases are currently pending in this district involving the same patents-in-suit; and (4) HP is at home in this district. Docket No. 20 at 6–9.

At the time HP filed the instant motion, there were two other related suits with overlapping asserted patents pending in this Court. *See Cypress Lake v. ZTE (USA) Inc.*, 6:17-cv-00300-RWS (filed May 12, 2017); *Cypress Lake v. BlackBerry Corp.*, 6:17-cv-00692-RWS (filed Dec. 15, 2017). Plaintiff has since voluntarily dismissed its case against BlackBerry Corp. Moreover, as Plaintiff's case against ZTE (USA) is currently stayed pending resolution of ZTE (USA)'s

motion to dismiss for lack of venue, the Court affords no weight to the co-pendency of that litigation.

Additionally, though Cypress Lake is correct that it has previously filed multiple other suits on the asserted patents in this Court, the Court has yet to address any substantive issues regarding these patents. *See* Docket No. 21 at 8 n.2. The Court likewise finds unconvincing Cypress Lake's argument that this case is a "continuation" of a previous suit filed against HP. *See Cypress Lake v. HP*, Case No. 6:16-cv-1249-RWS. Cypress Lake voluntarily dismissed that suit against HP while the case was still in its early stages and before the Court had issued any substantive rulings regarding the patents. Lastly, though venue is proper against HP in this district and HP has filed lawsuits in this district before, the Court does not weigh these facts against transfer in this case. Accordingly, this factor is neutral.

B. Public Interest Factors

i. Administrative Difficulties Flowing from Court Congestion

HP contends that this factor is neutral. Cypress Lake argues that "[r]ecent trends indicate that the Eastern District of Texas is favored when viewed in terms of relative court congestion" because the Northern District of California presides over almost double the amount of pending cases than this district does. Docket No. 20 at 21. Cypress Lake's argument is based solely on the volume of cases filed in each district and does not provide a comparison of volume distributed over the respective judicial pools. The statistical evidence provided by Cypress Lake does not suggest that transfer will facilitate more expedient resolution of this dispute, and, accordingly this factor is neutral.

ii. Local Interest in Having Localized Interests Decided at Home

HP argues that this action “has a far greater factual connection to the Northern District than to this District.” Docket No. 16 at 18. Relying on *Wireless Recognition Techs. LLC v. A9.com Inc.*, No. 2:10-cv-364, 2012 WL 4005459 at *6 (E.D. Tex. Feb. 14, 2012), HP argues that the residents of the Northern District of California have a particularized interest in this lawsuit because HP is headquartered in the transferee district, develops the allegedly infringing product there, and collectively employs thousands of people residing there. *Id.*

Cypress Lake asserts that this district has a significant interest in protecting a local company and preventing infringement from occurring in this district, but that this factor is likely neutral because the dispute in this case is not centered on particular events occurring solely or mainly in one of the two districts. Docket No. 20 at 21–22.

This district, like any other, has an interest in alleged patent infringement cases where the accused defendant resides within that district and employs residents of that district. Nevertheless, the Court recognizes that the public interest in this case is greater in the Northern District of California, where HP is headquartered and where over 3,000 employees are located, including employees responsible for the sales, project development, project management, and financial accounting relating to the HP Chromebooks. Tsui Decl. ¶ 5. Accordingly, the Court finds this factor to weigh in favor of transfer.

iii. Familiarity of the Forum with Governing Law

HP contends this factor is neutral. Docket No. 16 at 19. Cypress Lake argues that this factor weighs against transfer because this district “has a uniquely strong familiarity with patent cases,” and “sees more patent cases than any other district.” Docket No. 20 at 22. The Court finds

this argument unmeritorious. Both this district and the Northern District of California are familiar with patent law and maintain heavy patent dockets. This factor weighs neutral.

iv. Avoidance of Unnecessary Conflicts of Law

HP contends this factor is neutral. Docket No. 16 at 19. Cypress Lake contends that this factor weighs against transfer because its Seventh Amendment right to adjudication before a jury would be frustrated in the Northern District of California where dispositive motions are more often granted. Docket No. 20 at 22. This argument is not supported by any evidence or the law, and the Court finds this factor to be neutral.

CONCLUSION

In sum, six factors are neutral, and only the relative access to sources of proof weighs slightly in favor of transfer and the local interest factor weighs in favor of transfer. On balance, the Court does not find that HP has met its burden to show that the Northern District of California is a clearly more convenient forum than this district. Accordingly, the Court **DENIES** HP's Motion to Transfer to the Northern District of California (Docket No. 16).

The Court further **DENIES AS MOOT** HP's Motion for a Hearing on its Pending Motion to Transfer to the Northern District of California (Docket No. 23) and the Joint Motion to Stay Pending HP's Motion to Transfer (Case 6:17-cv-300, Docket No. 78).

SIGNED this 27th day of June, 2018.


ROBERT W. SCHROEDER III
UNITED STATES DISTRICT JUDGE