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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

WIDEVINE TECHNOLOGIES, INC.,

Plaintiff,

v.

VERIMATRIX, INC.,

Defendant.

CASE NO. C08-1039JLR

ORDER DENYING MOTION TO
TRANSFER VENUE

This matter comes before the court on Defendant Verimatrix Inc.’s (“Verimatrix”) motion to transfer venue to the Eastern District of Texas (Dkt. # 16). The court has considered the parties’ briefing and accompanying declarations. For the reasons stated below, the court DENIES the motion to transfer venue.

I. BACKGROUND

Widevine is a Delaware corporation with its principal place of business in Seattle, Washington. (Declaration of Brian Baker (“Baker Decl.”) (Dkt. # 21) ¶¶ 4-7.) Widevine develops encryption technology that allows companies to offer digital video across a network, such as for premium broadcast television stations or video-on demand movie services, while also providing security against unauthorized copying. (*Id.*) It employs 51 employees in Seattle where it develops, markets, and sells its technology. (*Id.* ¶ 3.) The

1 U.S. Patent Office issued Widevine U.S. Patent No. 7,265,175 (“the ‘175 patent”) on
2 January 17, 2007. (Declaration of Robert L. Jacobson (“Jacobson Decl.”) (Dkt. # 22) ¶¶
3 5-6, Ex. E.) On May 20, 2008, the U.S. Patent Office issued Widevine U.S. Patent No.
4 7,376,831 (“the ‘831 patent”), which is a continuation of the ‘175 patent. (*Id.*) Both
5 patents arise out of the same application that Widevine filed in September 2000 involving
6 encryption of “real-time” data. (*Id.*, Ex. D, E.) Widevine calls its related product the
7 “Widevine Cypher Bridge” and describes it as technology that can avoid delays and
8 “encrypt televisions channels as they are being broadcast, such as for a live sports game
9 on ESPN or a premium show on HBO.” (Resp. (Dkt. # 20) at 7.)

11 On November 20, 2007, the U.S. Patent Office issued Widevine U.S. Patent No.
12 7,299,292 (“the ‘292 patent”). (Jacobson Decl., Ex. F.) The ‘292 patent is a continuation
13 of a patent Widevine originally applied for in March 2002. Although it shares a common
14 inventor and prior art references with the ‘175 and ‘831 patents, the ‘292 patent arises out
15 of a different application and involves the transmission of pre-recorded data for
16 individual viewing, commonly referred to as video on demand (“VOD”). (Resp. at 1, 7.)
17 When a consumer requests playback of a particular video, Widevine’s corresponding
18 product “Cypher VOD” begins “streaming pre-encrypted video packets to that particular
19 individual, rather than broadcasting them across a network for everyone.” (*Id.* at 7.)

21 Verimatrix also develops encryption products that focus on technology for
22 securing video content. (Mot. (Dkt. # 16) at 1.) Verimatrix makes the majority of its
23 design, manufacturing, and marketing decisions at its principal place of business in San
24 Diego, California. (Declaration of Timothy Driscoll (“Driscoll Decl.”) (Dkt. # 18) ¶ 2.)
25 Widevine claims that Verimatrix’s encryption technology products are similar to those
26 offered by Widevine. (Baker Decl. ¶¶ 16, 17.) On August 1, 2007, Widevine filed an
27 action against Verimatrix in the Eastern District of Texas (“the Texas action”) alleging
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1 that Verimatrix’s “Real Time Encryption Server” infringes upon Widevine’s ownership
2 rights in the ‘175 patent and corresponding Widevine Cypher Bridge product.
3 (Declaration of Kent M. Walker (“Walker Decl.”) (Dkt. # 17) ¶ 2.) On May 20, 2008,
4 Widevine amended its complaint to include an allegation that Verimatrix’s products also
5 infringe upon its rights in the related ‘831 patent. (*Id.*, ¶ 9.) The Eastern District of
6 Texas scheduled a claim construction hearing on October 7, 2009, discovery cut-off on
7 December 7, 2009, and a trial on February 1, 2010. (Walker Decl., Ex. B.) Verimatrix
8 concedes that the Texas action is a distraction, in part, because its contacts with Texas are
9 otherwise limited to its website and a single Texas customer. (Driscoll Decl. ¶¶ 8-10.)
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11 On July 5, 2008, Widevine filed this action against Verimatrix alleging that
12 Verimatrix’s products, the “Video Pre-Processor” and “VOD Server,” infringe on
13 Widevine’s rights in the ‘292 patent. (Compl. (Dkt. # 1) ¶ 12.) Widevine claims that it
14 chose to litigate in the Western District of Washington because it is Widevine’s home
15 forum and its docket is substantially less congested. (Resp. at 1, 3.) Verimatrix argues
16 that it is appropriate to transfer venue to the Eastern District of Texas because litigating
17 both actions in the Eastern District of Texas is more efficient and less costly. (Mot. at 8.)
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19 II. ANALYSIS

20 Under 28 U.S.C. § 1404(a), a district court may transfer a civil action to another
21 district where it might have been brought if it is for the parties’ and witness’ convenience
22 and in the interest of justice.¹ The purpose of this section is to “prevent the waste of time,
23 energy, and money and to protect litigants, witnesses, and the public against unnecessary
24 inconvenience and expense.” *Van Dusen v. Barrack*, 376 U.S. 612, 616 (1964). The
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27 ¹Given that Widevine concedes that it was permitted to bring this action in the Eastern
28 District of Texas (Resp., at 3 n.1), Verimatrix must only establish that transferring venue is “for
the parties’ and witness’ convenience and in the interest of justice.”

1 court has broad discretion to decide when considerations of convenience and fairness
2 warrant a transfer of venue. *Jones v. GNC Franchising, Inc.*, 211 F.3d 495, 498 (9th Cir.
3 2000).

4 In *Jones*, the Ninth Circuit articulated several factors to consider in its
5 determination of whether transfer is appropriate. *Id.* The *Jones* factors relevant to this
6 case include (1) the ease of access to sources of proof, (2) the plaintiff's choice of forum,
7 (3) the forum's contacts with the parties and the action, and (4) the differences in the
8 costs of litigation in the two forums. *See id.* Courts in the Ninth Circuit must also
9 consider the "administrative difficulties flowing from court congestion" and "other
10 practical problems that make trial of a case easy, expeditious and inexpensive." *Decker*
11 *Coal Co. v. Commonwealth Edison Co.*, 805 F.2d 834, 843 (9th Cir. 1986) (internal
12 quotations omitted). Here, in addition to the four relevant *Jones* factors, the court also
13 considered the related litigation between the parties, docket congestion, and other
14 available methods of achieving judicial economy.
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16 Above all, a venue transfer must be "to a more convenient forum, not to a forum
17 likely to prove equally convenient or inconvenient." *Van Dusen*, 376 U.S. at 645-46.
18 The burden is on Verimatrix to demonstrate that the Eastern District of Texas provides a
19 *more* convenient forum for this suit than the Western District of Washington. In
20 balancing the relevant factors, the court concludes that a transfer of venue is not
21 appropriate.
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23 **1. The Ease of Access to Proof**

24 The ease of access to proof weighs in favor of maintaining venue in Washington
25 because Widvine's documents and many of its witnesses are located in Seattle. Although
26 many of Verimatrix's documents and witnesses are in California, it is no more difficult to
27 travel to Washington from California than it is to travel to Texas.
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1 **2. Widevine’s Choice of Forum**

2 Courts usually will not disturb a plaintiff’s choice of forum unless the
3 “convenience” and “justice” factors strongly favor venue elsewhere. *Sec. Investor Prot.*
4 *Corp. v. Vigman*, 764 F.2d 1309, 1317 (9th Cir. 1985). “Deference to the plaintiff’s
5 choice of forum is particularly strong where the plaintiff has chosen his home forum.”
6 *Reiffin v. Microsoft Corp.*, 104 F. Supp. 2d 48, 52 (D.D.C. 2000). Verimatrix claims that
7 Widevine’s forum choice is not appropriate because the circumstances raise suspicions of
8 forum-shopping. A major aspect of forum-shopping is the filing of anticipatory actions.
9 *See Alltrade, Inc. v. Uniweld Prod., Inc.*, 946 F.2d 622, 628 (9th Cir. 1991). Here,
10 Widevine’s action is not anticipatory and was not filed in response to any litigation
11 threats made by Verimatrix. A court will give the plaintiff’s choice of forum preference
12 “to the extent that it was motivated by legitimate reasons, including the plaintiff’s
13 convenience.” *Iragorri v. United Tech. Corp.*, 274 F.3d 65, 73 (2d Cir. 2001). Widevine
14 explained that it chose the Western District of Washington because it is headquartered in
15 the district and the docket calender is less congested here than in the Eastern District of
16 Texas. (Resp. at 1, 3.) Given that it had legitimate reasons to file in Washington,
17 Widevine’s choice of forum weighs in favor of maintaining the case in this district.
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20 **3. Forum Contacts with the Parties and the Action**

21 Washington’s contacts with the parties and the action also weigh in favor of
22 maintaining the case in this district because Widewine has significant contacts in
23 Washington. Its principal place of business is in Seattle and it employs 51 individuals in
24 the state. Although Verimatrix has minimal contacts with Washington, it does not claim
25 to have any more significant contacts with Texas. The cause of action is also more
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1 related to Washington than Texas because it involves technology invented by employees
2 in Washington and involves products made in, and distributed from, Washington.

3 **4. Differences in the Costs of Litigation in the Two Forums**

4 The difference between the cost of litigating in the two forums weighs in favor of
5 maintaining venue in Washington. As discussed above, many of the witnesses are located
6 in Washington and no witnesses are located in Texas. Verimatrix will be litigating out of
7 state whether the litigation occurs in Washington or Texas. The lower costs associated
8 with Widevine litigating in Washington, therefore, support upholding Widevine's choice
9 of forum.
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11 **5. Related Litigation**

12 Verimatrix urges the court to transfer venue to the Eastern District of Texas
13 because there is patent litigation already pending between the parties in that district.
14 “[The defendant] bear[s] the burden of establishing that the patent claims pending in this
15 court and in the Eastern District are sufficiently related.” *Research in Motion Ltd. v.*
16 *Visto Corp.*, 457 F. Supp. 2d 708, 714 (N.D. Tex. 2006). Merely showing that the
17 patents relate to the same technology does not establish that the patents are so related that
18 the litigation should be conducted in a single forum. *Id.* It is a fundamental principle of
19 patent law that two applications cannot claim the same invention and different claims
20 must be examined to determine their validity. *Sofamor Danek Holdings Inc. v. United*
21 *States Surgical Corp.*, 49 U.S.P.Q.2d (BNA) 2016 (W.D.Tenn. Nov. 16, 1998). This
22 action and the Texas action involve different patents and different applications. Although
23 the two applications share similar art and a similar inventor, a court must reach separate
24 conclusions before establishing each patent's validity. Verimatrix argues that transferring
25 venue in this case will create judicial economy because the Eastern District of Texas is
26 already familiar with the underlying issues. The key dates scheduled in the Texas action,
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1 however, fail to establish that the Eastern District of Texas is familiar with any
2 substantive issues. There is nothing before the court to suggest that the Eastern District
3 of Texas reviewed encryption technology when it scheduled procedural matters.

4 **6. Relative Docket Congestion**

5 “[I]t is also appropriate for the court to consider the relative docket congestion and
6 potential speed of resolution by the transferor and the transferee courts.” *Reiffin*, 104 F.
7 Supp. 2d at 57. Even when it presents other inconveniences, a court is justified in
8 denying a transfer if it determines that such transfer will result in delay. *Allen v.*
9 *Scribner*, 812 F.2d 426, 436 (9th Cir. 1987). “Because of the earnest desire of this
10 [c]ourt to bring the cases on its docket promptly to trial, the possibility of delay or
11 prejudice if the case is transferred has always played a large role in this [c]ourt’s
12 analysis.” *Hupp v. Siroflex of Am., Inc.*, 848 F. Supp. 744, 750-51 (S.D. Tex. 1994).

13 This action will be delayed if the court transfers venue to the Eastern District of Texas
14 because its docket is heavily congested. (Jacobson Decl., Ex. G.) The pending action in
15 Texas will also be delayed if the Eastern District of Texas consolidates it with this case.

16 **7. Methods of Achieving Judicial Efficiency**

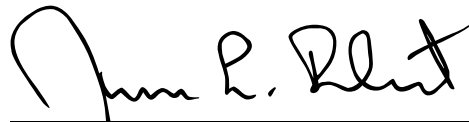
17 Transferring venue is not an exclusive remedy to effect expeditious dispositions of
18 multi district litigation. *See In re Yarn Processing Patent Validity*, 341 F.Supp. 376, 382
19 (J.P.M.L. 1972). For example, “[w]hen civil actions involving one or more common
20 questions of fact are pending in different districts, such actions may be transferred to any
21 district for coordinated or consolidated *pretrial* proceedings.” 28 U.S.C. § 1407
22 (emphasis added). “[Courts] have often stated that Sections 1404(a) and 1407 may be
23 used together to achieve the just and efficient processing of litigation.” *In re Yarn*, 341
24 F.Supp. at 381. As such, reducing litigation costs in this case does not require the parties
25 to litigate in the Eastern District of Texas where neither party has significant contacts.
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1 The parties also have the option of transferring venue to a district where at least one party
2 resides or consolidating pretrial proceedings under Section 1407. Nonetheless,
3 Verimatrix argues that transferring venue to the Eastern District of Texas will avoid the
4 burden of conducting two rounds of depositions, two rounds of written discovery, two
5 rounds of third party subpoenas, and two *Markman* hearings. Under this argument, a
6 patentee that brings enough suits in “an unnatural and inconvenient forum from the
7 standpoint of a trial, . . . bootstrap[s] itself into staying there.” *Codex Corp. v. Milgo*
8 *Elec. Corp.*, 553 F.2d 735, 739 (1st Cir. 1977). The interests of justice, therefore, do not
9 support the court disregarding the other numerous factors weighing in favor of
10 maintaining Widevine’s forum choice in order to achieve judicial economy.
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12 **III. CONCLUSION**

13 For the reasons stated above, the court DENIES Defendant Verimatrix Inc.’s
14 motion to transfer venue (Dkt. # 16).
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16 Dated this 2nd day of October, 2008.

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19 JAMES L. ROBART
20 United States District Judge
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