

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

EMERSON ELECTRIC CO., FISHER-ROSEMOUNT SYSTEMS, INC., and ROSEMOUNT INC.,

Plaintiffs,

v.

SIPCO, LLC, and IP CO, LLC (d/b/a INTUS IQ),

Defendants.

Civil Action
File No. 1:15-cv-00319-AT

SIPCO, LLC, and IP CO, LLC (d/b/a INTUS IQ),

Plaintiffs,

v.

EMERSON ELECTRIC CO., EMERSON PROCESS MANAGEMENT LLLP, FISHER-ROSEMOUNT SYSTEMS, INC., ROSEMOUNT INC., BP p.l.c., BP AMERICA, INC., and BP AMERICA PRODUCTION COMPANY,

Defendants.

Civil Action
File No. 1:16-cv-02690-AT

**SIPCO, LLC AND IP CO, LLC’S MEMORANDUM IN SUPPORT OF
THEIR MOTION TO TRANSFER VENUE TO THE
EASTERN DISTRICT OF TEXAS**

Pursuant to 28 U.S.C. § 1404(a), SIPCO, LLC and IP CO, LLC (collectively, “SIPCO”) respectfully request this Court to transfer Civil Action Nos. 1:15-cv-00319-AT and 1:16-cv-02690-AT to the Eastern District of Texas because these actions have nothing to do with Georgia and everything to do with Texas. The Texas forum is closer to the nonparty witnesses, important sources of proof, headquarters for two Emerson entities, BP’s American operations, and the locus of operative facts relating to infringement. The Texas forum also has familiarity with the patents and technology at issue, a pre-established process for streamlining large patent cases, a lighter civil caseload, and clear jurisdiction over all parties. The only reason the parties are before this Court is because Emerson, concerned about the prospect of litigating the parties’ dispute in the Eastern District of Texas, where it belongs, filed an anticipatory suit here, in a clearly less convenient forum.

I. THE PARTIES

SIPCO and IP CO are small research and development companies that share a common founder: T. David Petite. (GA Dkt. 10 ¶ 10; GA Dkt. 66-12 ¶ 2.)¹ Petite

¹ All references to the docket in Civil Action No. 1:15-cv-00319-AT will be referred to as “GA Dkt. ___”. All references to the docket in Civil Action No. 1:16-cv-02690-AT will be referred to as “TX Dkt. ___”.

developed extensive wireless control and distribution technology applications through exhaustive research and development in the 1990's. (GA Dkt. 10 ¶ 11.) Petite's research resulted in various software, firmware, hardware, and a patent portfolio, all of which are owned by SIPCO today. (*Id.* ¶ 12.) Investors put tens of millions of dollars behind the development of Petite's inventions, and this led to, among other applications, smart-grid technology that was purchased by Landis + Gyr. (*Id.* ¶ 11.) Today, Landis + Gyr implements the technology developed by Petite in millions of devices worldwide. (*Id.* ¶ 11.) As a result, SIPCO's patents have been widely licensed, and their licensing remains a major focus of SIPCO's ongoing business activities. (*Id.* ¶ 14.)²

Emerson Electric and BP, a defendant in the now transferred Texas action,

² Petite has dedicated his time to furthering inventorship and the development of new technologies. (GA Dkt. 66-12 ¶¶ 5-12.) Petite, a registered member of the Fond Du Lac Chippewa tribe, is a founder of the Native American Intellectual Property Enterprise Council. (*Id.* ¶¶ 3, 5.) Petite has volunteered his time with the USPTO working on projects directed toward developing Native American intellectual property and as a speaker at patent-examiner training; he has also volunteered for organizations that develop and protect entrepreneurship and innovation. (*Id.* ¶¶ 6, 10, 11.) A native of Atlanta, Petite was recognized by the Georgia State Senate for his innovations in wireless technology, job creation, and an "incredible career" in engineering and invention. (*Id.* ¶¶ 4, 8.) He was invited to and attended President Barack Obama's signing of the America Invents Act and has been recognized as an influential inventor by the USPTO—even having been added to the USPTO's 2014 Inventor Collectible Card Series. (*Id.* ¶¶ 7, 12.)

are both Fortune Global 500 companies. Emerson made \$22.3 billion and BP made \$226 billion in revenues last fiscal year.³ Both are large companies with many subsidiaries and with bases of operations outside of Georgia, as discussed in greater detail below. In the Texas action, these companies, and their considerable resources, are both aligned against SIPCO.

II. PROCEDURAL BACKGROUND

In 2011, Emerson's White Rodgers Division took a license to the patents-in-suit.⁴ In February 2013, SIPCO and Emerson⁵ began negotiating a license agreement related to Emerson's Smart Wireless products, which are accused of infringement in this case. (GA Dkt. 51 at 2.) Prior to their first scheduled in-person meeting to discuss a license for Emerson's Smart Wireless Products, Emerson filed Civil Action No. 1:13-cv-02528-AT, a declaratory judgment action, in this district in July 2013 ("First Georgia Action") seeking a declaration of non-infringement and invalidity of eight SIPCO patents. Upon filing, Emerson informed SIPCO that it had filed to prevent suit in the Eastern District of Texas because Emerson knew

³ See Fortune Global 500, <http://fortune.com/global500/>, (last visited August 1, 2016).

⁴ The White-Rodger's license is restricted to the home automation field of use.

⁵ Emerson Electric Co., Emerson Process Management LLLP, Fisher-Rosemount Systems, Inc., and Rosemount Inc. are collectively referred to as "Emerson."

SIPCO had “filed multiple lawsuits” there and believed that district “may unduly favor patent owners.” (Declaration of Timothy J. Reppucci, hereinafter Exh. A, at ¶ 3.) Emerson later dismissed the First Georgia Action and later brought the instant declaratory judgment action, Civil Action No. 1:15-cv-00319-AT, (“Declaratory Judgment Action”) on U.S. Patent Nos. 7,103,511 (“the ‘511 patent”) and 6,044,062 (“the ‘062 patent”) in January 2015.

SIPCO attempted to settle the Declaratory Judgment Action by licensing Emerson and its unlicensed business units. When those efforts failed, in October 2015, SIPCO brought suit against Emerson on ten other patents⁶ in an infringement action, formerly Civil Action No. 6:15-cv-00907-RWS-KNM, in the Eastern District of Texas (“Infringement Action”) and later amended its complaint to add infringement claims against joint infringer BP,⁷ an additional Emerson entity,

⁶ U.S. Patent Nos. 7,697,492 (“the ‘492 patent”), 6,437,692 (“the ‘692 patent”), 6,914,893 (“the ‘893 patent”), 6,249,516 (“the ‘516 patent”), 7,468,661 (“the ‘661 patent”), 8,000,314 (“the ‘314 patent”), 8,233,471 (“the ‘471 patent”), 8,625,496 (“the ‘496 patent”), 8,754,780 (“the ‘780 patent”), and 8,908,842 (“the ‘842 patent”).

⁷ BP p.l.c., BP America, Inc., and BP America Production Company are collectively referred to as “BP.” Discovery in this case has revealed that BP collaborated closely with Emerson in the development of Smart Wireless products. (See TX Dkt. 76 at Exh. A.) BP had a publicly disclosed, self-described partnership with Emerson, the purpose of which was to further develop Emerson’s Smart Wireless product line. (See *id.* ¶¶ 4, 6, 10, 11-12, 14-15.) As part of this partnership, BP conducted field tests and studied a number of the accused products

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