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

EMERSON ELECTRIC CO., *et al.*,	:	
Plaintiffs,	:	
v.	:	
SIPCO LLC, *et al.*,	:	CIVIL ACTION NO. 1:15-CV-0319-AT
Defendants.	:	

SIPCO LLC, *et al.*,	:	
Plaintiffs,	:	
v.	:	
EMERSON ELECTRIC CO., *et al.*,	:	CIVIL ACTION NO. 1:16-CV-2690-AT
Defendants.	:	

ORDER

This matter is before the Court on SIPCO, LLC and IP CO, LLC's (collectively, "SIPCO") Motion to Transfer Venue [1:15-CV-0319-AT, Doc. 118; 1:16-CV-2690-AT, Doc. 137] as well as BP's Motion to Sever and Stay [1:16-CV-2690-AT, Doc. 71]. For the following reasons, the Motions to Transfer are

DENIED. As explained below, the Court defers entering its ruling on the Motion to Sever or Stay until after the conference on Friday, August 19, 2016.

I. INTRODUCTION

On January 30, 2015, Emerson Electric Co., Fisher-Rosemount Systems, Inc., and Rosemount Inc. (collectively "Emerson") filed a declaratory judgment action in this Court asserting invalidity and non-infringement of United States Patent Nos. 7,103,511 ("the '511 Patent") ("the SIPCO Patent") and 6,044,062 ("the '062 Patent") ("the IP CO Patent"). On October 16, 2015, SIPCO filed a Complaint against Emerson in the Eastern District of Texas alleging infringement of ten other patents, each of which is a member of either the SIPCO Patent family or the IP CO Patent family. (*See* 1:16-CV-2690-AT, Doc. 98 at 6.) On December 10, 2015, Emerson moved the Texas court to transfer its case to this District, and soon after moved this Court to enjoin SIPCO from prosecuting the Texas action.

On December 30, 2015, SIPCO amended its Complaint in the Texas action to add defendants BP America, Inc., BP America Production Company, and BP p.l.c. (collectively, "BP"). That First Amended Complaint also alleged infringement of one additional patent. (1:16-CV-2690-AT, Doc. 19 at 8.) The allegations against BP in the First Amended Complaint were essentially that BP uses Emerson's allegedly infringing technology in its oil wellhead monitoring, (*id.* ¶ 69), that Emerson "directs and controls" BP's use of the relevant technology in certain ways, (*id.* ¶ 70), and that BP uses the technology in such a way that it performs "at least one, but less than all" of a number of steps of certain of the

method patent claims. (*See, e.g.*, *id.* ¶ 106.) The allegations against BP in the Second Amended Complaint are similar.

In April 2016, BP moved to sever and stay the claims against it in the Texas action pursuant to the Federal Circuit's "customer-suit" doctrine. (Doc. 71). On July 1, 2016, the Texas court ruled on Emerson's earlier-filed motion to transfer the case to Georgia; found the claims in the Texas and Georgia actions "substantially overlap;" and, pursuant to Fifth Circuit law, transferred the Texas action to this Court — the district of the first-filed suit — for this Court to determine how best to proceed with both cases. (1:16-CV-2690-AT, Doc. 98 at 6-8.)

On August 2, 2016, SIPCO moved to transfer both cases back to the Eastern District of Texas pursuant to 28 U.S.C. § 1404(a). (1:15-CV-0319-AT, Doc. 118; 1:16-CV-2690-AT, Doc. 137.) Emerson and BP responded that venue should remain in this district, and BP reasserted its contention that claims against it should be stayed. The Court held a hearing on the matter on August 10, 2016. In deciding the motions before the Court, it has carefully reviewed the evidence of record and the extensive briefing by the parties.

II. SIPCO'S MOTIONS TO TRANSFER

28 U.S.C. § 1404(a) provides that a district court may transfer a civil action to another district where it might have been brought "[f]or the convenience of parties and witnesses [and] in the interest of justice." The first step under § 1404(a) is to determine whether the present action could have been brought in

the United States District Court for the Eastern District of Texas. *See Tommy Bahama Group, Inc., v. The Walking Co.*, No. 1:07-CV-1402-ODE, 2007 WL 3156254, at * 2 (N.D. Ga. Oct. 18, 2007).

Once a court confirms that the plaintiff could have brought the action in the transferee venue, it next looks to nine factors to determine the propriety of transfer:

> (1) the convenience of the witnesses; (2) the location of relevant documents and the relative ease of access to sources of proof; (3) the convenience of the parties; (4) the locus of operative facts; (5) the availability of process to compel the attendance of unwilling witnesses; (6) the relative means of the parties; (7) a forum's familiarity with the governing law; (8) the weight accorded a plaintiff's choice of forum; and (9) trial efficiency and the interests of justice, based on the totality of the circumstances.

Manuel v. Convergys Corp., 430 F.3d 1132, 1135 n.1 (11th Cir. 2005).[1] "[T]rial judges are afforded considerable discretion" in weighing the criteria under 28 U.S.C. § 1404(a), *Tommy Bahama,* 2007 WL 3156254, at * 2, and "the burden is on the movant to establish that the suggested forum is more convenient." *In re Ricoh Corp.*, 870 F.2d 570, 573 (11th Cir. 1989). Finally, "[t]he plaintiff's choice of forum should not be disturbed unless it is clearly outweighed by other considerations." *Robinson v. Giarmarco & Bill, P.C.*, 74 F.3d 253, 260 (11th Cir. 1996) (quoting *Howell v. Tanner*, 650 F.2d 610, 616 (5th Cir. 1981)).

The Court starts with the question of whether Emerson could have brought this lawsuit in the Texas transferee forum. Emerson properly filed this suit here

[1] The "law of the relevant regional circuit" applies to patent transfer motions. *Micron Tech., Inc. v. Rambus Inc.*, 645 F.3d 1311, 1331 (Fed. Cir. 2011).

in Atlanta where Defendant SIPCO is located. However, as Emerson was well aware that SIPCO maintained that Emerson was infringing in the Eastern District of Texas, it could have brought the action in that district, too.

Moving to the transfer factors, SIPCO has not carried its burden of showing that the nine factors weigh in favor of transferring these cases to Texas, particularly given Emerson's choice to litigate the first-filed case here. In addition, as described in some detail below, Emerson presented colorable, non-rebutted evidence in connection with these motions showing that Atlanta, GA is a more appropriate venue than Tyler, TX pursuant to the Eleventh Circuit's test.

The first five factors of the test do not weigh in favor of a transfer because the record before the Court demonstrates an attenuated connection of the case to the Eastern District of Texas. Emerson develops and manufactures the allegedly infringing products in Minneapolis and St. Louis, and that is where most of Emerson's witnesses live and work. Emerson's supplier of certain wireless communication devices, Linear Technologies, is headquartered in California, and Linear's Dallas office apparently does not develop the devices at issue in this case. To the extent BP and Emerson worked together to test the allegedly infringing products, the alleged testing and other activity that could be construed as co-development occurred primarily in Washington State. Finally, Emerson points out that non-party witnesses that prosecuted the relevant patents have offices and keep their patent prosecution documents in this district and appear to be

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.