IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
MEMPHIS DIVISION

B.E. TECHNOLOGY, L.L.C., **Plaintiff,** **v.** **BARNES & NOBLE, INC.,** **Defendant.**	Case No. 2:12-cv-02823-JPM-tmp JURY TRIAL REQUESTED

DEFENDANT BARNES & NOBLE, INC.'S REPLY MEMORANDUM IN SUPPORT OF ITS MOTION TO TRANSFER VENUE PURSUANT TO 28 U.S.C. § 1404(a)

The Federal Circuit recently emphasized "the importance of addressing motions to transfer at the outset of litigation," noting that "Congress' intent to prevent the waste of time, energy and money and to protect litigants, witnesses and the public against unnecessary inconvenience and expense" would be thwarted if "defendants must partake in years of litigation prior to a determination on a transfer motion." *In re EMC Corp.*, No. 13-142 (Fed. Cir. Jan. 29, 2013) (attached as Ex. A). This especially apropos here where the factors weigh heavily in favor of transfer.

B.E. does not dispute the fact that the vast majority of activities related to Barnes & Noble's accused NOOK® products take place at Barnes & Noble's offices in Palo Alto, California, where the accused NOOK products were designed and developed. It also does not dispute that the majority of witnesses with knowledge regarding those subjects, including third-party witnesses, are located in the Northern District of California, as are the majority of documents related to the research, design and development of the accused NOOK products. These facts alone warrant transfer of this case to the Northern District.

B.E.'s argument to avoid transfer rests almost entirely on the presence in Memphis of Mr. Hoyle, CEO of B.E. and inventor of the 6,771,290 patent ("the '290 patent"). B.E.'s arguments against transfer do not and cannot overcome the substantial evidence favoring transfer. Contrary to B.E.'s apparent belief, the location of a single witness in this district does not outweigh the numerous party and third-party witnesses and documents located in the transferee forum. Nor does the location of that one witness outweigh the clear evidence that B.E. itself has no real presence in this district. B.E. is a non-practicing entity whose business consists of attempting to license and/or litigate its patents rather than making or selling anything in this district. B.E.'s principal address in Memphis is Mr. Hoyle's home address, whereas it maintains

an office in Michigan and has since at least 2001. B.E. had 74 employees as of the filing of this lawsuit, yet only one of them, Mr. Hoyle, is alleged to live in Tennessee. Finally, B.E.'s lead counsel in this litigation is actually located in the Northern District of California. In short, B.E.'s presence in this district is de minimus and entitled to little weight if any in the transfer analysis.

These facts, as explained in Barnes & Noble's opening brief, demonstrate that the Northern District of California is an overwhelmingly more convenient forum in which to litigate this case than the Western District of Tennessee.

I. ARGUMENT

A. B.E.'s Choice of Forum is Not Entitled to Deference

B.E. argues that, as the plaintiff in this action, its choice of venue is entitled to deference. However, that is not so when, as here, the plaintiff's connections to the chosen forum are minimal. In *Hunter Fan Co. v. Minka Lighting, Inc.*, a case that B.E. itself cites, the Court explained that a plaintiff's "choice of forum is not entitled to the ordinary degree of deference [if] Plaintiff maintains little connection to the [plaintiff's chosen forum]." No. 06-2108 M1/P, 2006 WL 1627746 at *3 (W.D. Tenn. June 12, 2006) (quoting *Tuna Processors, Inc. v. Hawaii Int'l Seafood*, 408 F. Supp. 2d 358, 260 (E.D. Mich. 2005). Furthermore, a plaintiff's selection of forum is entitled to less deference than usual if it chooses a forum that is not its home. *Id.*

B.E.'s connections to this district are so minimal that its selection of this forum should not be accorded deference. B.E.'s entire argument to avoid transfer centers on the fact that Mr. Hoyle resides in this district and has since 2006. Notably, however, the plaintiff in this litigation is *not* Mr. Hoyle, but B.E. The Western District of Tennessee is not B.E.'s home forum; B.E. is incorporated in Delaware and has maintained an office in Michigan since 2001. In fact, according to the Tennessee Department of State, B.E.'s only Tennessee address is

actually Mr. Hoyle's home address. B.E. was not even registered to do business in Tennessee until September 6, 2012, the day before it began filing this and 18 similar lawsuits in the Western District of Tennessee. Though B.E. employs 74 people, B.E. has not identified any of them, except for Mr. Hoyle, as being located in Tennessee. *See* Google's Mem. in Supp. of Its Mot. to Transfer, Case No. 2:12-cv-2830, Dkt. No. 22 ("Google Transfer Mem."), at Ex. C. Finally, as a non-practicing entity existing only to license patents, B.E. does not actually manufacture or sell any products here in the Western District of Tennessee.

B. Private Interests Weigh Strongly in Favor of Transfer

Even if this Court determines that B.E.'s selection of forum is entitled to some deference, transfer should still be granted because "the balance of convenience strongly favors transfer." *Plough, Inc. v. Allergan, Inc.*, 741 F. Supp. 144, 148 (W.D. Tenn. 1990).

1. Witness Convenience Favors Transfer

The convenience of the witnesses in this case favors transfer. Barnes & Noble has established that most of its witness, including the "employees most knowledgeable of the design, development, and operation" of the accused products, are located within the Northern District of California while no such witnesses are located in Tennessee. Declaration of Daniel Gilbert ("Gilbert Decl.") at ¶¶ 3, 5.

Additionally, since the filing of this motion, Barnes & Noble has learned that the connection of this action to the Northern District is even stronger than previously realized. In its infringement contentions, B.E. implicated, for the first time, Barnes & Noble products and/or services with "programs, features, firmware, or applications" from two third-party companies, Netflix and Hulu, both of which are headquartered in California. *See* Exs. B & C (printouts from the California Secretary of State website on February 13, 2013, showing entity addresses for

Netflix and Hulu). In particular, Netflix is headquartered in the Northern District of California. Hulu is headquartered in the Central District of California, within the subpoena power of the Northern District of California.[1] Witnesses with knowledge of those companies' "programs, features, firmware, or applications" are more likely to be located in California than anywhere else.

By contrast, B.E.'s entire witness convenience argument rests on a single interested witness, Mr. Hoyle, in spite of the fact that B.E. apparently has no other employees in Tennessee and multiple employees in Michigan. As the CEO of a company that retained lead counsel in the Northern District of California to initiate suit against Barnes & Noble and a number of other companies located there, and a named inventor on the asserted patent, Mr. Hoyle has every incentive to travel to California for trial and any inconvenience that would be occasioned by requiring him to do so would be minimal compared to requiring Barnes & Noble to litigate in this district.

B.E. criticizes Barnes & Noble for failing to identify specific party witnesses; however, such specificity is not required at this early stage of the litigation. *See Rinks v. Hocking*, No. 1:10-cv-1102, 2011 WL 691242, at *3 (W.D. Mich. Feb. 16, 2011) (stating that a party asserting witness inconvenience "has the burden to proffer, by affidavit or otherwise, sufficient details respecting the witnesses and their potential testimony to enable the court to assess the materiality of evidence and the degree of inconvenience.") (citing *Koh v. Microtek Int'l, Inc.*, 250 F. Supp. 2d 627, 636 (E.D. Va. 2003)). Barnes & Noble has provided sufficient details to allow this Court to make that assessment. In its complaint, B.E. accuses the "Nook Simple

[1] *See* Fed. R. Civ. P. 45; *Brackett v. Hilton Hotels Corp.*, 619 F. Supp. 2d 810, 821 (N.D. Cal. 2008) (explaining that "California district courts have the power to subpoena witnesses throughout the state pursuant to" Federal Rule 45(b)(2)(C) and state civil procedure); Cal. Civ. P. § 1989.

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