IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

AGIS SOFTWARE DEVELOPMENT LLC,	§	
	§	
Plaintiff,	§	CIVIL ACTION NO. 2:17-CV-00516-JRG
	§	
v.	§	
	§	
APPLE, INC.,	§	
	§	
Defendant.	§	

MEMORANDUM OPINION AND ORDER

Before the Court is Apple's Motion to Transfer Venue under § 1404(a) to the Northern District of California. (Dkt. No. 53). Having considered the Motion, the Court is of the opinion the Motion should be **DENIED** for the reasons provided herein.

I. LEGAL STANDARD

If venue in the district in which the case is originally filed is proper, the court may nonetheless transfer a case based on "the convenience of parties and witnesses" to another district where the case could have been brought. 28 U.S.C. § 1404(a). The first inquiry when analyzing a case's eligibility for § 1404(a) transfer is "whether the judicial district to which transfer is sought 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*"). "Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business." 28 U.S.C. § 1400(b) (2012); *TC Heartland LLC v. Kraft Foods Grp. Brands LLC*, 137 S. Ct. 1514, 1519 (2017) ("§ 1400(b) 'is the sole and exclusive provision controlling venue in patent infringement actions.'" (quoting *Fourco*

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Glass Co. v. Transmirra Prods. Corp., 353 U.S. 222, 229 (1957))). For purposes of § 1400(b), a domestic corporation resides only in its state of incorporation. *TC Heartland*, 137 S. Ct. at 1521.

Once the initial threshold of proving the proposed transferee district is one where the suit might have been brought is met, courts analyze both public and private factors relating to the convenience of 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, 56 (5th Cir. 1963); *In re Nintendo Co., Ltd.*, 589 F.3d 1194, 1198 (Fed. Cir. 2009). The private factors 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 (citing *Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 241 n.6 (1981)). The public 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 of laws or in the application of foreign law. *Id.* 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 Am., Inc.*, 545 F.3d 304, 314–15 (5th Cir. 2008) ("*Volkswagen II*").

While a plaintiff's choice of venue is not an express factor in this analysis, the appropriate deference afforded to the plaintiff's choice is reflected by the defendant's elevated burden of proof. *Id.* at 315. In order to support its claim for a transfer under § 1404(a), the moving defendant must demonstrate that the transferee venue is "clearly more convenient" than the venue chosen by the

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plaintiff. *Id.*; *accord In re Apple Inc.*, 456 F. App'x 907, 909 (Fed. Cir. 2012) (a movant must "meet its burden of demonstrating [] that the transferee venue is 'clearly more convenient.'"); *id.* at 908 (transfer under § 1404 is mandated where venue is "far more convenient and fair."). Absent such a showing, however, the plaintiff's choice is to be respected. *Volkswagen II*, 545 F.3d at 314–15. Additionally, when deciding a motion to transfer venue under § 1404(a), the court may consider undisputed facts outside of the pleadings such as affidavits or declarations but it must draw all reasonable inferences and resolve factual conflicts in favor of the non-moving party. *See Sleepy Lagoon, Ltd. v. Tower Group, Inc.*, 809 F. Supp. 2d 1300, 1306 (N.D. Okla. 2011); *see also Cooper v. Farmers New Century Ins. Co.*, 593 F. Supp. 2d 14, 18–19 (D.D.C. 2008).

II. DISCUSSION

Both Parties agree that the threshold issue of proper venue in the transferee district has been met. (Dkt. No. 53 at 8 ("This case could have properly been brought in the Northern District of California because that is where Apple resides."); Dkt. No. 57 at 7 ("[T]his suit could have been brought against Apple in the proposed transferee district")). Accordingly, the Court proceeds to the analysis of the private and public factors considered in analyzing the interests of justice under § 1404.

A. Private Factors

i. Relative Ease of Access to Sources of Proof

In considering the relative ease of access to proof, a court looks to where documentary evidence, such as documents and physical evidence, are stored. *Volkswagen II*, 545 F.3d at 316. For this factor to weigh in favor of transfer, Apple must show that transfer to the Northern District of California will result in more convenient access to sources of proof. *See Diem LLC v. BigCommerce, Inc.*, No. 6:17-cv-186, 2017 WL 6729907, at *2 (E.D. Tex. Dec. 28, 2017).

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Apple submits that "Apple maintains all of its business records that are potentially relevant to this case—such as research, development and marketing materials, financial and sales data concerning the implicated products, and its patent licenses—in or near its corporate headquarters in the Northern District of California, and none in Texas." (Dkt. No. 53 at 9 (citing Dkt. No. 53–1 at ¶¶ 14–15, 17–18, 22)). While Apple asserts that "no relevant sources of proof appear to be meaningfully based in this District," *id.*, AGIS submits, through the declaration of its CEO, Mr. Malcolm Beyer, Jr., the following facts:

1. AGIS Inc. began a corporate restructuring plan for "business growth purposes" in 2013 which culminated in 2017 with the formation of a parent Florida corporation, AGIS Holdings, Inc., and two subsidiaries, AGIS, Inc., and the Plaintiff, AGIS, an LLC organized under Texas law. (Dkt. No. 51-1 (Decl. of Mr. Malcolm Beyer ("Beyer Decl.") at 2)).
2. "AGIS holds assignment to each of the Patents-in-suit and licenses its patent portfolio, including the Patents-in-suit to AGIS Inc." (*Id*. at 3).
3. AGIS, Inc., has developed and sold its "LifeRing" and "ASSIST" products over the prior 13 years and has conducted the "research, development, design, testing, manufacture, marketing, contract procurement, and sales activities" for these products in "Florida, Kansas, and Texas" and AGIS Inc's "documents and other business related records" are at those locations. (*Id*. at 4).
4. In addition, AGIS has identified "[a]n important non-party witness . . . Eric Armstrong, a former AGIS Inc. employee who is now a consultant for AGIS," who "is responsible for designing and developing client-side and server-side software for the LifeRing and Assist solutions" and who "lives and works in Allen, Texas, in this District." (Dkt. No.

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57 at 5). Mr. Armstrong "maintains, in this District, documents related to the design, development, and marketing of AGIS Inc. software licensed under the Patents-in-Suit." (Dkt. No. 61 at 2).

Apple contests the relevance of Mr. Armstrong's documentary evidence since "AGIS does not allege that any of its own products practice the asserted claims—and Armstrong's testimony, according to AGIS, is therefore also irrelevant." (Dkt. No. 59 at 4). However, as this Court noted in its order in the co-pending consolidated case *AGIS v. Huawei Device USA Inc., et al.*, "the infringement contentions do not tell the whole story." No. 2:17-cv-00513-JRG, 2018 WL 2329752, at *5 (E.D. Tex. May 23, 2018) ("*Huawei*"). As in the *Huawei* case, the relevance of Mr. Armstrong's documentary evidence lies in Apple's Answer, wherein it asserts a marking defense, arguing that damages are barred as a result of a failure to mark by AGIS. (Dkt. No. 20 at 11 ("AGIS's claims for damages is barred, in whole or in part, by 35 U.S.C. § 286 or 287.")). Pursuant to § 287, a plaintiff may defeat a marking defense by showing either: (1) the patented articles were substantially consistently and continuously marked with the patent number during the entire period the patented articles were sold, or (2) the alleged patented articles are not patented articles within the meaning of § 287(a) because they do not meet all the elements of any of the claims of the asserted patent. *See Am. Med. Sys. v. Med. Eng'g Corp.*, 6 F.3d 1523, 1537 (Fed. Cir. 1993) ("[O]nce marking has begun, it must be substantially consistent and continuous in order for the party to avail itself of the constructive notice provisions of the statute."); *see also, e.g., Toro Co. v. McCulloch Corp.*, 898 F. Supp. 679, 684 (D. Minn. 1995) ("A device is a 'patented article' under a patent when it contains all of the elements disclosed in any single claim of the patent."). As in *Huawei,* "by raising § 287 as an issue to be decided in this case, [Apple] has made the issue of whether AGIS's products—or the products of its affiliated companies—are covered by the

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