

proceed. At the very minimum, this Court should transfer the case to provide the Georgia court the opportunity to decide the first-filed issue.

A. The First-Filed Rule Promotes Judicial Efficiency, and Federal Comity and Protects the Judicial Process Itself

Emerson's alleged "abandonment" of its claims is not only factually inaccurate, it fails to justify putting federal comity at risk by forcing two district courts to proceed with wasteful, duplicative actions at the same time. Beyond protecting the first filer against forum shopping and the multiplicity of proceedings, the first-filed rule was created to promote judicial efficiency and "to avoid the waste of duplication, to avoid rulings which may trench upon the authority of sister courts, and to avoid piecemeal resolution of issues that call for a uniform result." *West Gulf Maritime Ass'n v. ILA Deep Sea Local 24*, 751 F.2d 721,729 (5th Cir. 1985); *see also Merial LTD. v. Cipla Ltd.*, 681 F.3d, 1299 (Fed. Cir. 2012) (first-filed rule "intended to avoid conflicting decisions and promote judicial efficiency). Even if plaintiffs' "abandonment" allegations were true, and they are not, they do not justify maintaining two wasteful, largely duplicative, parallel actions that might yield inconsistent results. Federal comity is jeopardized when two substantially overlapping actions proceed in parallel before different courts. Under the facts presented in this case, only one of these two actions should proceed – the parties to these actions cannot waive the protections the first-filed rule provides the judicial process itself.

B. Emerson's Conduct Does Not Create An Exception To The First-Filed Rule

Nor is it fair to characterize Emerson's actions in Georgia an "abandonment" of its claims that creates an equitable exception to the first-to-file rule. (Doc. 24 at 6-7). As noted in Emerson's opening motion, Emerson realized that it was not possible to try a patent case involving eight patents, even where those patents are all interrelated as they are here. (Doc. 10 at 3). Emerson's first Georgia complaint presented claims as to one claim for each of eight patents

because the parties had exchanged contentions for those particular claims during pre-filing efforts to resolve this dispute. Critically, there was no race to the courthouse and Emerson sued SIPCO in its home court. But as this Court is no doubt aware, a patent infringement action involving eight patents is unwieldy. Even with just one claim each, it is practically impossible to try an action involving eight patents. Moreover, Emerson realized that it was unlikely that SIPCO or IPCO (collectively “SIPCO”) would limit their responsive Georgia pleading to just the two claims Emerson had put at issue.¹

Accordingly, Emerson narrowed the challenged patents to just one representative patent from each patent family, the ‘062 patent from the IPCO patent family, and the ‘511 patent from the SIPCO patent family. Under plaintiffs’ strained logic, Emerson’s efforts to streamline that action into a manageable proceeding should be treated as evidence of bad faith that creates an exception to the first-to-file rule. (Doc. 24 at 6-7). Emerson’s efforts, however, should be encouraged, not punished. If SIPCO believed that other patents from these families were more representative, or needed to be included in the Georgia action for some other reason, SIPCO was free to counterclaim as to any of the other patents in either patent family. SIPCO did not do so. Instead, SIPCO opted in favor of waiting for 9 months and then filing a parallel action in this District asserting eleven additional patents from the same two patent families.²

¹ SIPCO asserted a total of 28 claims from just the two patents at issue in Georgia.

² Plaintiffs also suggest that Emerson’s decision to take a license for products sold by its White Rogers Division somehow also evidences bad faith. Doc. 24 at 6. Rather than evidencing bad faith, Emerson’s actions demonstrate its good faith - it will take a license when warranted by the merits or sometimes when necessary to obtain a cost effective resolution. The industrial plant process management products at issue in both this and the Georgia action have no relationship to the home thermostats sold by White Rogers under license.

If SIPCO felt that this dispute should be heard here, not SIPCO's home court in Georgia, it should have filed this action much sooner and promptly moved the *first-filed* Georgia court for an order transferring that action to this District. Alternatively SIPCO could have simply asked the Georgia court to transfer the action. SIPCO did neither. Instead, SIPCO waived those options by waiting 9 months before filing an action in this District in an effort to obtain the same result or, at a minimum, compound the dispute. If equity is to play any role in this analysis, it is the plaintiffs' litigation tactics that are just plain wrong.

C. The Overlap Between This And The Georgia Action Is Substantial

SIPCO argues against dismissal or transfer on the grounds that the overlap between this action and the Georgia action is insubstantial. (Doc. 24 at 8-10). As support, plaintiff asserts that "Emerson relies solely on the fact that all the patents are part of the same patent families." *Id.* at 9. That assertion is not only wrong, it ignores the actual arguments Emerson presented in its opening memorandum. In that memorandum, Emerson identified a non-exhaustive list of claim terms common to patents in both actions (Doc. 10 at 7-8) and advised this Court that the same products are at issue in both cases and that the same witnesses will be called upon to testify. (Doc. 10 at 6). Plaintiffs simply ignore these points, fail to address the fact that numerous claim terms are common to patents at issue in both actions, and simply assert the obvious, that different patent claims have different limitations. (Doc. 24 at 8). As support for its argument that the cases do not overlap, plaintiffs present a comparison of a handful of patent claims.

Plaintiffs' claim comparisons muddle the issue. For example, page 3 of 7 of plaintiffs' Exhibit B compares the language of claim 1 of the '842 patent with the language of claim 2 of the '062 patent, but the '062 patent (at issue in Georgia) *is from the IPCO patent family* while the '842 patent (asserted here) *is from the SIPCO patent family*. (Doc. 24-2). Of course the two

claims differ – they are taken from different patent families. (Doc. 24-2). A comparison of a claim from an IPCO patent with a claim from a SIPCO patent fails to inform this Court and muddles the issue.

But the existence of different limitations is not the key to the analysis. Rather, the proper focus must be on the extent of similarities, or overlap, presented within the same patent families and the use of common claim terms. Although plaintiffs do not concede any overlap or similarity, that overlap plainly exists and even plaintiffs' limited comparison demonstrates that overlap. For example, plaintiffs' comparison between claim 1 of the '471 patent and claim 2 of the '062 patent establishes that *both* claims are directed to "[a] wireless network system," and further, that *both* claims require a "server including a server controller and a server radio modem," with each server implementing the same "server process," and a "plurality of clients each including a client controller and a client radio modem" with each client controller implementing a "client process" that, among other things, "initiates and selects a radio transmission path to said server." (Doc. 24-2, p. 6/7). The fact that the '471 patent claim requires more of the claimed "server" than the '062 patent does nothing to diminish the substantial overlap that plainly exists. Indeed, the claim limitation directed to the client controller selecting its path to the server is a key claim limitation that permeates the claims of the IPCO family and it requires construction by the court.

Any differences that may exist between these claims are overshadowed by their similarity. That similarity is further demonstrated by how the plaintiffs have applied these claims. Specifically, given the similarity of claims, the products accused of infringement in this action are *already* accused of infringement in the Georgia action. The reverse is also true. The products accused of infringement in Georgia are also accused of infringement in this action. *See*

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