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BLOG

First Post-Mandamus Inter-District Transfer Granted

SEPTEMBER 2, 2020

Parus Holdings Inc. v. LG Electronics Inc. et al., No. 6:19-cv-00432 (lead case) (W.D. Tex. August 20, 2020)

In summer 2019, Parus Holdings sued five defendants – LG, Google, Apple, Samsung, and Amazon – for patent infringement in the Western District of Texas. On December 20, 2019, Judge Albright consolidated the five cases.

Then, on January 3, 2020, LG moved to transfer venue to the Northern District of California ("NDCA") under 28 U.S.C. § 1404(a).

On August 6th, Judge Albright GRANTED LG's motion determining that LG has met its burden to demonstrate that NDCA is "clearly more convenient." Judge Albright found that: (1) access to sources of proof, cost of attendance of willing witnesses, and local interests all weighed slightly or very slightly in favor of transfer; (2) court congestion weighed against transfer; and (3) all other factors were neutral.

First, as to the *relative ease of access to sources of proof*, Judge Albright found that the location of documents favored transfer because Google researches, designs, develops, and tests the accused product (Google Assistant) in NDCA and LG integrates Google Assistant into its Android products in NDCA. As a result, Judge Albright determined it was likely that the bulk of documents relevant to the case would be kept in NDCA. As to the ease of access to party witnesses, Judge Albright found this factor neutral because, although LG identified several employees in NDCA with relevant information, there were also Google engineers in WDTX (Austin). Taken together, the Court found this factor weighed slightly in favor of transfer.

Second, as to the ***availability of compulsory process*** to secure attendance of witnesses, Judge Albright found this factor neutral. LG argued several prior art witnesses are in NDCA and that Google engineers who are key witnesses with knowledge of how the accused technology works are only within the subpoena power of NDCA, and no third-party witnesses are in WDTX. Parus argued that there was nothing indicating Google employees would be unwilling witnesses. Judge Albright determined this factor was neutral because; (i) little weight should be afforded to prior art witnesses since they are "very unlikely to testify (and LG may have cherry-picked them to begin with)"; (ii) "Google collaborates with LG to implement its technology into LG products, which makes it unlikely that the employees would be unwilling to testify at trial concerning LG"; and (iii) although the "Google engineers are technically non-party witnesses for the purpose of this order, there is pending action against Google regarding the same asserted technology in this case, which the Court consolidated with several other actions involving the same patent-in-suit."

The Court determined that the consolidation with the Google case meant that although technically a third party, "Google engineers would likely not be unwilling to testify."

Third, as to the ***cost of attendance of willing witnesses*** (the "single most important factor in the transfer analysis"), the Court found the factor weighed "slightly in favor of transfer" because LG established that Google would have few potential witnesses (third-party witnesses) in WDTX and it would be more convenient for the Google engineers to testify in NDCA. Nevertheless, because "this [was] a consolidated action, Google [was] not a wholly disconnected third party," so this factor only weighed "slightly" in favor of transfer because the Court could not weigh "the convenience of Google witnesses as heavily as it would if this were a separate action." The Court otherwise gave little weight to the convenience of party and prior art witnesses.

Fourth, as to ***all other practical problems that make trial of a case easy, expeditious and inexpensive***, Judge Albright found this factor neutral. LG argued that the WDTX litigation was in its early stages and NDCA is a clearly more convenient forum for LG, Google, Samsung and Apple (other co-pending Parus litigation defendants, all of whom had transfer motions pending). The Court, however, found that, "[w]hile all other defendants have filed motions to transfer venue to NDCA, these motions are still pending. This means LG's argument stating that NDCA is clearly more convenient for all parties related to this suit does not apply." Importantly, the Court explained that it would provide "an independent evaluation" of each motion to transfer on the merits.

Fifth, consistent with past transfer rulings, the Court found that the ***court congestion*** weighed against transfer because the time-to-trial statistics indicated that the Court is 25% faster than NDCA.

Sixth, the Court found that ***local interest*** in having localized interests decided at home weighed slightly in favor of transfer. LG argued that NDCA is where Google researched, designed and developed the accused functionality and where LG integrates Google Assistant into its products. The Court determined this aspect was neutral given Google's "undoubtedly large presence" in WDTX, which rendered it "local" in WDTX. The Court, however, found that LG's integration of Google Assistant in NDCA pushed this factor "very slightly towards transfer."

Taking all these considerations together, Judge Albright granted LG's transfer motion. This decision marks Judge Albright's first transfer of a case out of Waco after the Federal Circuit granted Adobe's mandamus petition.

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