

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

**MOSAID TECHNOLOGIES INC.,**

**PLAINTIFF,**

**V.**

**MICRON TECHNOLOGY, INC., AND  
POWERCHIP SEMICONDUCTOR  
CORPORATION**

**DEFENDANTS.**

Case No. 2:06cv302-DF

**MICRON'S MOTION TO DISMISS AND TRANSFER PURSUANT TO THE FEDERAL  
CIRCUIT'S FEBRUARY 29, 2008 RULING**

**I. INTRODUCTION**

Micron respectfully requests that this Court dismiss the claims in this action relating to the eight patents over which the Federal Circuit has ruled the Northern District of California has jurisdiction.<sup>1</sup> Micron also requests the Court to transfer pursuant to 28 U.S.C. § 1404(a), the claims relating to the remaining four patents in this action.<sup>2</sup> It would be a waste of judicial and party resources to proceed with this dispute in two jurisdictions, and the Federal Circuit has determined that the proper forum for this dispute is the Northern District of California.

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<sup>1</sup> U.S. Patent Nos. 5,751,643; 5,822,253; 6,278,640; 6,603,703; 5,828,620; 6,236,581; 6,657,919; 6,992,950.

<sup>2</sup> U.S. Patent Nos. 7,038,937; 6,980,448; 5,406,523; 6,847,573.

On February 29, 2008, the Federal Circuit reversed and remanded the Northern District of California's ruling that the Northern District of California did not have jurisdiction over Micron's first-filed declaratory judgment action. Specifically, the Federal Circuit held that the Northern District of California should have applied "the 'convenience factors' [of § 1404(a)] before effectively transferring the case to another jurisdiction." (Ex. 1, Fed. Cir. Op. at 13.) The Federal Circuit then applied those factors and found that "it would be an abuse of discretion to transfer the action" out of the Northern District of California. *Id.*

Accordingly, Micron's declaratory judgment action will now proceed in the Northern District of California. That action includes eight of the patents at issue before this Court. The claims at issue in the Northern District of California will be identical to the issues in Texas with respect to those eight patents. The Court should thus dismiss those eight patents because they should be addressed by only one district court.

Of the four other patents before this Court, three are related as continuations to — and thus share the identical patent specifications with — seven of the patents in Micron's declaratory judgment complaint in California. Further, the fourth patent is asserted against the same products that MOSAID accuses of infringing six of the eight patents in this action that are now proceeding in California. The Court should transfer these patents to the Northern District of California because there is substantial overlap between the four remaining patents in Texas and the patents at issue in California, and because the Federal Circuit has already held that California is the appropriate forum under a 28 U.S.C. § 1404(a) convenience analysis for this dispute.<sup>3</sup>

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<sup>3</sup> Additionally, Micron can amend its declaratory judgment complaint in the Northern District of California to include the remaining four patents at issue before this Court.

## II. BACKGROUND

On July 24, 2006, Micron filed a declaratory judgment action against MOSAID in the Northern District of California. (Ex. 2, 7/24/06 Micron ND Complaint.) The next day, on July 25, 2006, MOSAID sued Micron in this Court. (Docket No. 1) MOSAID subsequently amended its complaint in this action. Eight of the twelve patents currently asserted by MOSAID in this action were already at issue in Micron's first-filed California declaratory judgment complaint. Of the remaining four patents asserted in this case, three were related as continuations to the patents at issue in California, and those share identical specifications to patents asserted in Micron's declaratory judgment action.<sup>4</sup> After considering motions to dismiss and to transfer brought by MOSAID, the Northern District of California dismissed Micron's case on October 23, 2006. (Ex. 3, 10/23/06 NDCA Order dismissing Case.) Micron subsequently appealed this decision to the Federal Circuit. (Ex. 4, 2/9/07 Micron Appeal Brief.)

The Federal Circuit reversed the district court's dismissal. (*Id.* At 13.) After concluding that the Northern District of California had erred in dismissing Micron's action, the Federal Circuit proceeded to analyze the appropriate forum for this litigation under 28 U.S.C. § 1404. (*See id.* at 12-13.) Based upon its analysis of these factors, the Federal Circuit concluded that the Northern District of California was "the more convenient forum for both parties." (*Id.*) On this basis, the Federal Circuit held that "[a]pplying the relevant convenience factors, it would be an abuse of discretion to transfer the action" out of the Northern District of California to Texas. (*Id.*)

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<sup>4</sup> U.S. Patent No. 7,038,937 has the same specification as U.S. Patent Nos. 5,214,602, 5,822,253, 6,278,640, and 6,603,703 in the California action. U.S. Patent Nos. 6,980,448 and 5,406,523 have the same specification as one another and U.S. Patent Nos. 5,828,620, 6,236,581, and 6,580,654 in the California action. U.S. Patent Nos. 5,822,253, 6,278,640, 6,603,703, 5,828,620, and 6,236,581 are also at issue in the Eastern District of Texas action.

In view of this ruling, Micron brings the present motion to dismiss and transfer.

### III. APPLICABLE LEGAL STANDARDS

Dismissal of claims is appropriate where they are pending in another, earlier filed lawsuit. *See, e.g., West Gulf Maritime Asso'c v. ILA Deep Sea Local 24, et al.*, 751 F.2d 721, 729 (5th Cir. 1985) (“a district court may dismiss an action where the issues presented can be resolved in an earlier-filed action pending in another district court”). “The federal courts long have recognized that the principle of comity requires federal district courts— courts of coordinate jurisdiction and equal rank— to exercise care to avoid interference with each other’s affairs. The concern manifestly is 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. This concern applies... where related cases have been filed in different districts.” *Save Power Ltd. v. Syntek Finance Corp.*, 121 F.3d 947, 950 (5th Cir. 1997), *citing West Gulf*, 751 F.2d at 728- 729; *Colorado River Water Conservation Dist. v. United States*, 424 U.S. 800, 817-20 (1976).

Dismissal of substantially overlapping actions is required because “[t]he general principle in the interrelation of federal district courts is to avoid duplicative litigation.” *California Security Co-op, Inc. v. Multimedia Cablevision, Inc.*, 897 F. Supp. 316, 317 (E.D. Tex. 1995). Thus, when multiple cases involving substantially overlapping issues are filed, the Court must resolve two questions in deciding to dismiss: 1) are the two pending actions so duplicative or do they involve such substantially similar issues that one court should decide the subject matter of both actions, and if so, 2) which of the two courts should take the case. *Nat’l Instruments Corp. v. Softwire Tech., LLC*, 2003 U.S. Dist. LEXIS 26952 \*2 (E.D. Tex. May 9, 2003). Where another court is proceeding on related patents, it makes sense to combine those

actions. *See, e.g., Catch Curve, Inc. v. Venali, Inc.*, No. CV 05-04820, 2006 WL 4568799, \*3 (C.D. Cal. 2006) (“[j]udicial economy weighs heavily in favor of keeping two or more related patent actions in the same forum”).

With respect to transferring an action, a district court “may transfer any civil action to any other district where it might have been brought . . . for the convenience of the parties and witnesses” or “in the interest of justice.” 28 U.S.C. § 1404(a). Courts evaluate multiple factors to determine whether a venue change would be more convenient for parties and witnesses or serve the interest of justice. 28 U.S.C. 1404(a); *In re Volkswagen AG*, 371 F.3d 201, 203 (5th Cir. 2004); *Mediatek, Inc. v. Sanyo Electric Co. LTD*, 2006 WL 463871 (E.D. Tex. 2006); *Cummins-Allison Corp. v. Glory Ltd.*, 2004 U.S. Dist. LEXIS 13839, at \*\*13-14 (E.D. Tex. May 26, 2004). The private factors include: (1) the relative ease of access to sources of proof; (2) the availability of the compulsory process to secure witnesses’ attendance; (3) the willing witnesses’ cost of attendance; and (4) all other practical problems that make the cases trial easy, expeditious, and inexpensive. *In re Volkswagen AG*, 371 F.3d at 203. The public factors include: (1) the administrative difficulties flowing from court congestion; (2) the local interest in having local issues decided at home; (3) the forum’s familiarity with the governing law; and (4) the avoidance of unnecessary conflict of law problems involving foreign law’s application. *Id.* *See also*, Ex. 1, (Fed. Cir. Op. at 11-12) (describing and applying the convenience factors).

**A. The Court Should Dismiss All Claims Relating to the Eight Patents-in-Suit in Common With the California Action.**

Two substantially similar proceedings are now concurrently pending in two different courts: Micron’s earlier-filed declaratory judgment action in the Northern District of California; and MOSAID’s later-filed action in this Court. Eight of the patents in the Northern District of California are also at issue here. Because it would be inefficient for two district courts to

proceed on the same issues for the same set of patents, Micron respectfully asks the Court to dismiss MOSAID's claims in this action. This is appropriate where the same issues are pending in an earlier-filed action in another district court. *See West Gulf Maritime Assn'c v. ILA Deep Sea Local 24, et al.*, 751 F.2d 721, 729 (5th Cir. 1985) ("a district court may dismiss an action where the issues presented can be resolved in an earlier-filed action pending in another district court").

**B. The Court Should Transfer the Claims Relating to the Remaining Four Patents to the Northern District of California.**

Three of the four patents not currently in the California litigation are direct continuations of the patents in California. The fourth patent is being asserted by MOSAID on the same products that MOSAID accuses of infringing six of the eight patents in this action that will now proceed in California. Accordingly, substantial issues of claim construction, invalidity, and non-infringement overlap between the two cases, and substantially the same experts, fact witnesses, and documents are relevant to both actions.<sup>5</sup> The Court can and should prevent this almost complete overlap between two actions by transferring the four patents remaining in Texas. *See, e.g., Catch Curve, Inc. v. Venali, Inc.*, 2006 WL 4568799, \*3 (C.D. Cal. 2006) ("[j]udicial economy weighs heavily in favor of keeping two or more related patent actions in the same forum"); *Mann Mfg.*, 439 F.2d at 408 n.6 ("Regardless of whether or not the suits here are identical, if they overlap on the substantive issues, the cases would be required to be consolidated ....").

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<sup>5</sup> *Nat'l Instruments Corp. v. Softwire Tech., LLC* sets forth guidance on how to resolve the problem of multiple cases involving substantially overlapping issues. 2003 U.S. Dist. LEXIS 26952 \*2 (E.D. Tex. May 9, 2003). The Court should ask (1) are the two pending actions so duplicative or do they involve such substantially similar issues that one court should decide the subject matter of both actions, and if so, (2) which of the two courts should take the case. *Id.*

In fact, the Federal Circuit has already considered the issue. The Court held in its opinion that “where a discretionary determination is presented after the filing of an infringement action, the jurisdiction question is basically the same as a transfer action under § 1404(a).” (Ex 1, Fed. Cir. Op. at 11-12.) The Federal Circuit then analyzed the “convenience” factors as applied to the parties and issues in this case to determine which jurisdiction, the Northern District of California or the Eastern District of Texas, was the appropriate jurisdiction.

The convenience factors include the fact that MOSAID's U.S. operations are based in the Northern District of California and MOSAID has a presence and conducts business in that district. (Ex. 5, Joint Appendix to the Appeal brief at A202, A252, A292, A683.) MOSAID has no offices or employees in the Eastern District of Texas. (*See, id.*) Additionally, MOSAID's trial counsel is located in the Northern District of California. (Ex. 6, signature pages from MOSAID's February 28, 2008 claim construction brief.) Micron's trial attorneys are also located in the Northern District of California (see signature block to this brief below).

Upon applying the convenience factors to the facts of this case, the Federal Circuit found that “the Northern District of California is the more appropriate forum for the dispute between Micron and MOSAID.” (Ex 1, Fed. Cir. Op. at 12). The Federal Circuit left no doubt as to the which of the two forums was proper under §1404(a), holding that after “[a]pplying the relevant convenience factors, it would be an abuse of discretion to transfer the action” to the Eastern District of Texas. (*Id.* at 13).

In so holding, the Federal Circuit has now already considered and rejected MOSAID's arguments with respect to the relative degree of vestment by the Courts. (*See, id.* at 10-11). “Instead of relying solely on considerations such as ...degree of vestment..., the more appropriate analysis takes account of the convenience factors under 28 U.S.C. § 1404(a).” (*Id.*)

Additionally, because the Northern District of California has essentially the same rules for patent cases as the Eastern District of Texas, the work done by the parties thus far in the case can be carried over to the Northern District of California.

Finally, any reliance by MOSAID on the fact that it has added patents and parties to the Eastern District of Texas action is not compelling. Indeed, the Federal Circuit has considered that argument and rejected it:

This reason carries little weight because a patent holder may often easily file an artificially broader infringement suit to avoid declaratory judgment jurisdiction. If, as in this case, a patent holder could simply name another defendant or add a few additional claims to the later filed infringement, then the Supreme Court's more lenient standard for the declaratory judgment plaintiff would lose its primary intended effect. Accordingly, although the relationship between the two competing lawsuits remains a consideration, this consideration cannot be given undue weight because it is easily manipulated.

(Ex. 1, Fed. Cir. Op. at 10); *see also Save Power Ltd. v. Syntek Finance Corp.*, 121 F.3d 947, 951 (5th Cir. 1997) ("Complete identity of parties is not required for dismissal or transfer of a case filed subsequently to a substantially related action.").

Accordingly, this Court should transfer the four remaining patents to the Northern District of California.

#### **IV. CONCLUSION**

For the foregoing reasons, Micron respectfully requests the Court dismiss this action with respect to U.S. Patent Nos. 5,751,643; 5,822,253; 6,278,640; 6,603,703; 5,828,620; 6,236,581; 6,657,919; and 6,992,950 and transfer and dismiss the issues in this action with respect to U.S. Patent Nos. 7,038,937; 6,980,448; 5,406,523; and 6,847,573.

DATED: March 3, 2008

Respectfully submitted,

By: /s/ Kimberly Schmitt

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3) on March 3, 2008.

/s/ Kimberly Schmitt

Attorney for MICRON

**CERTIFICATE OF CONFERENCE**

The undersigned hereby certifies that counsel for Micron and Powerchip and counsel for MOSAID conferred telephonically on February 29, 2008 in an effort to resolve their disputes. The parties were unable to resolve the issues raised by this motion and this motion is opposed by MOSAID.

/s/ Kimberly Schmitt