

2016 WL 4543072

Only the Westlaw citation is currently available.
United States District Court, S.D. Florida.

[VOLTSTAR TECHNOLOGIES, INC.](#), Plaintiff,

v.

[NEWSLINK OF MIAMI, LLC](#), et al., Defendants.

CASE NO. 9:16-cv-80063-ROSENBERG/HOPKINS

|
Signed 05/02/2016

|
Filed 05/03/2016

Attorneys and Law Firms

[Diana Frances Mederos](#), [Joel Benjamin Rothman](#), [Jerold Ira Schneider](#), Schneider Rothman Intellectual Property Law Group, PLLC, Boca Raton, FL, for Plaintiff.

[Meredith Frank Mendez](#), [W. John Eagan](#), Malloy and Malloy, P.L., [Brian S. Dervishi](#), [Peter A. Tappert](#), Weissman & Dervishi, P.A., Miami, FL, [David V. Jafari](#), [Saul Acherman](#), Jafari Law Group Inc., Aliso Viejo, CA, for Defendants.

**ORDER TRANSFERRING CLAIMS AGAINST
DEFENDANT KANEX, INC. TO THE U.S.
DISTRICT COURT FOR THE CENTRAL DISTRICT
OF CALIFORNIA AND SEVERING AND STAYING
CLAIMS AGAINST DEFENDANT NEWSLINK**

[ROBIN L. ROSENBERG](#), UNITED STATES DISTRICT JUDGE

*1 **THIS CAUSE** is before the Court on Defendant Kanex, Inc.'s Motion to Sever and Transfer Claims against Kanex and Stay Claims against Newslink [DE 31]. The Court has reviewed the motion, the response from Plaintiff, *see* DE 34, and the reply from Kanex, *see* DE 36. The Court notes that Defendant Newslink does not oppose the motion. *See* DE 31 at 14 (certificate of good faith conference). For the reasons set forth below, the motion is granted.

I. BACKGROUND

Plaintiff brings claims for patent infringement against Defendants Kanex and Newslink. Kanex, which is based in California, manufactures the allegedly infringing product, and Newslink, which is based in Florida, sells the product. Kanex contends that the claims against Newslink should be severed and stayed pending resolution of the claims against Kanex, which should be transferred to the U.S. District Court for the Central District of California.

II. LEGAL STANDARD

28 U.S.C. § 1404(a) provides, “For the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought[.]” “[A] district court considering a § 1404(a) motion (or a *forum non conveniens* motion) must evaluate both the convenience of the parties and various public-interest considerations.” *Atl. Marine Const. Co. v. U.S. Dist. Court for W. Dist. of Texas*, 134 S. Ct. 568, 581 (2013). The standard for transfer under § 1404(a) leaves much to the broad discretion of the trial court. *See Brown v. Connecticut Gen. Life Ins. Co.*, 934 F.2d 1193, 1197 (11th Cir. 1991); *see also Gonzalez v. Pirelli Tire, LLC*, No. 07-80453-CIV, 2008 WL 516847 (S.D. Fla. Feb. 22, 2008) (collecting cases). The burden is on the movant to establish that the suggested forum is more convenient. *In re Ricoh Corp.*, 870 F.2d 570, 573 (11th Cir. 1989). Courts consider the following factors:

- (1) the convenience of the witnesses;
- (2) the location of relevant documents and the relative ease of access to sources of proof;
- (3) the convenience of the parties;
- (4) the locus of operative facts;
- (5) the availability of process to compel the attendance of unwilling witnesses;
- (6) the relative means of the parties;
- (7) a forum's familiarity with the governing law;
- (8) the weight accorded a plaintiff's choice of forum; and
- (9) trial efficiency and the interests of justice, based on the totality of the circumstances.

Manuel v. Convergys Corp., 430 F.3d 1132, 1135 (11th Cir. 2005); see also *Atl. Marine*, 134 S.Ct. at 581, n.6.

III. ANALYSIS

The Court finds transfer of this action appropriate for several reasons. First, this action “could have been brought” in California. See 28 U.S.C. § 1404(a). In its response to the motion, Plaintiff argues this element “is partially disputed because there would be jurisdiction only over the supplier, Defendant Kanex[,] but not over its Florida retailer Defendant Newslink.” DE 34 at 8 (response to motion). In the very next sentence, however, Plaintiff admits that “[b]ecause Kanex has an indemnification obligation to Newslink, the lack of jurisdiction over the retailer is of less significance.” *Id.* Moreover, the Court finds that this argument does not prohibit transfer of the claims against Kanex because severance of the Newslink claims is proper under *In re Nintendo of Am., Inc.*, 756 F.3d 1363, 1365 (Fed. Cir. 2014), which is on all fours with the present case.

*2 In *Nintendo*, the Federal Circuit discussed the “ ‘customer-suit’ exception to the ‘first-to-file’ rule”: “[w]hen a patent owner files an infringement suit against a manufacturer’s customer and the manufacturer then files an action of noninfringement or patent invalidity, the suit by the manufacturer generally takes precedence.” *Id.* at 1365. In *Nintendo*, the Federal Circuit applied this rule in a patent infringement case where the patent-holder had sued both a manufacturer and retailer of the allegedly offending product. *Id.* at 1364. The Federal Circuit held that allowing transfer of the manufacturer’s claim to a more convenient forum, while severing and staying the claims against the retailers, “would resolve these claims more efficiently and conveniently” and held that the lower court should have granted the manufacturer’s motion to this effect. *Id.* at 1366. As discussed *infra*, Kanex, the manufacturer, has met its burden of establishing that California is a more convenient forum under 28 U.S.C. § 1404(a). Accordingly, the claims against the Newslink, the Florida retailer, should be severed and stayed to await the resolution of the claims against Kanex.

Second, the Court finds transfer appropriate because the locus of operative facts is in California. “[S]everal district courts [including the Southern District of Florida] have

held that the ‘center of gravity’ [that is, the preferred forum] for a patent infringement case is where the accused product was designed and developed.” *Motorola Mobility, Inc. v. Microsoft Corp.*, 804 F. Supp. 2d 1271, 1276 (S.D. Fla. 2011) (citation and quotation marks omitted); see also *Trace-Wilco, Inc. v. Symantec Corp.*, No. 08-80877-CIV, 2009 WL 455432 (Feb. 23, 2009) (collecting cases). “Also relevant is ‘the place where the marketing and sales decisions occurred, not just the location of any particular sales activity.’ ” *Id.* (quoting *Amini Innovation Corp. v. Bank & Estate Liquidators, Inc.*, 512 F. Supp. 2d 1039, 1044 (S.D. Tex. 2007)).

In the present case, Defendant Kanex is a California corporation which has its principal place of business in California and does not have any offices or employees in Florida. See DE 31-3 at ¶¶ 2-3 (Declaration of Kelvin Yan). Kanex’s products are designed, marketed and shipped from California. *Id.* at ¶¶ 6-9. Accordingly, the “locus of operative facts” or “center of gravity” of the case is in California.

Third, the convenience of the witnesses favors California. Kanex’s own employees and a former employee who have knowledge of the accused product’s design, sales, and marketing operations, all work and reside in California. See DE 31-3 at ¶¶ 7, 15; DE 36-1 at ¶ 2 (Supplemental Declaration of Kelvin Yan). Non-party witnesses relevant to Kanex’s prior art defense—namely, inventors listed on a patent filed within days of Plaintiff’s patent—are also located in California. See DE 36-2 (Supplemental Declaration of Saul Acherman).

Fourth, Plaintiff’s choice of forum is entitled to little deference because Plaintiff has minimal ties to Florida. “Although [g]enerally, a plaintiff’s choice of forum should not be disturbed unless it is clearly outweighed by other considerations, where a plaintiff has chosen a forum that is not its home forum, only minimal deference is required, and it is considerably easier to satisfy the burden of showing that other considerations make transfer proper.” *Motorola Mobility, Inc. v. Microsoft Corp.*, 804 F. Supp. 2d 1271, 1276 (S.D. Fla. 2011) (citation and quotation marks omitted). Plaintiff admits that it is headquartered in Illinois and does not submit any evidence that it has any offices, employees or agents in Florida, other than its attorneys. See DE 34 at 9 (Plaintiff’s response). “Additionally, ‘where the operative facts underlying the cause of action did not occur within the forum chosen

by the Plaintiff, the choice of forum is entitled to less consideration.’ ” *Motorola*, 804 F. Supp. 2d at 1276 (quoting *Windmere Corp. v. Remington Prods., Inc.*, 617 F. Supp. 8, 10 (S.D. Fla. 1985)). As noted *supra*, the operative facts underlying this cause of action occurred in California, not Florida.

*3 The Court does not find Plaintiff's opposition to Kanex's motion persuasive. Plaintiff admits that it selected this forum for two reasons: (1) because Plaintiff's counsel is located here; and (2) because an earlier filed lawsuit, which is also pending before the undersigned, invokes the same patent as this case. *See* DE 34 at 6 (response to motion). Regarding the location of counsel, this is unpersuasive in light of the Kanex's evidence discussed *supra*. “Of the factors considered on a transfer motion, the location of counsel is entitled to the least consideration.” *Meterlogic, Inc. v. Copier Sols., Inc.*, 185 F. Supp. 2d 1292, 1304 (S.D. Fla. 2002).

Regarding the earlier lawsuit, *Voltstar Technologies, Inc. v. Office Depot, Inc.*, 9:15-cv-81190-RLR, Plaintiff argues that it would promote judicial efficiency to keep the claims in the present case here and consolidate the two cases, “rather than have infringement cases involving the same patent proceeding concurrently in two districts.” DE 34 at 15. The Court notes, however, that Plaintiff has never moved to consolidate these cases, and Plaintiff elsewhere admits that “the product accused in this lawsuit is not sold by Office Depot.” DE 34 at 5 (Plaintiff's response); *see also* DE 34-1 at ¶ 24 (Affidavit of James McGinley, principal of Plaintiff Voltstar, stating that the accused product in this case is not sold on www.officedepot.com). Moreover, allowing a plaintiff to defeat transfer based on this factor alone could allow plaintiffs to “manipulate venue by serially filing cases within a single district,” thereby

“undermin[ing] the principals underpinning transfer law and the recently enacted America Invents Act.” *GeoTag, Inc. v. Starbucks Corp.*, No. 2:10-CV-572, 2013 WL 890484, at *6 (E.D. Tex. Jan. 14, 2013).

IV. CONCLUSION

Based on the foregoing, it is hereby **ORDERED AND ADJUDGED** as follows:

1. Defendant Kanex, Inc.'s Motion to Sever and Transfer Claims against Kanex and Stay Claims against Newslink [DE 31] is **GRANTED**.
2. Plaintiff's claims against Defendant Kanex, Inc. are **SEVERED** and **TRANSFERRED** to the United States District Court for the Central District of California.
3. Plaintiff's claims against Defendant Newslink of Miami, LLC are **STAYED** pending resolution of the claims against Kanex. Any party may move for the stay imposed by this Order to be lifted.
4. The Clerk of the Court is directed to **CLOSE THIS CASE FOR STATISTICAL PURPOSES**; this closure shall not affect the merits of any party's claim.

DONE AND ORDERED in Chambers, Fort Pierce, Florida, this 2nd day of May, 2016.

All Citations

Not Reported in Fed. Supp., 2016 WL 4543072