

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

KRANOS IP CORPORATION,)	
KRANOS IP II CORPORATION,)	
KRANOS CORPORATION DBA)	
SCHUTT SPORTS,)	Civil Action No.: 2:17-cv-00443-JRG
)	
<i>Plaintiffs,</i>)	Jury Trial Demanded
)	
v.)	
)	
RIDDELL, INC.,)	
)	
<i>Defendant.</i>)	

**PLAINTIFFS' OPPOSITION TO DEFENDANT'S MOTION TO DISMISS OR
TRANSFER TO THE NORTHERN DISTRICT OF ILLINOIS PURSUANT TO 28 U.S.C.
§ 1406(a) OR 28 U.S.C. § 1404(a)**

TABLE OF CONTENTS

	Page(s)
I. ARGUMENT	1
A. Defendant Fails To Meet Its Burden Of Showing That Venue Is Improper In This District.....	1
1. Defendant Has A “Regular And Established Place Of Business” In This District.....	2
2. Defendant Does Not Address, Let Alone Contest, The “Committed Acts Of Infringement [In This District]” Prong.....	6
B. Defendant Fails To Meet Its Burden Of Showing That The Northern District Of Illinois Is A “Clearly More Convenient” Forum Than This District.....	7
1. Defendant Fails To Show That The NDIL Offers Better Proof Access.	7
2. Defendant Fails To Show That The NDIL Is A Clearly More Convenient Forum For The Witnesses.....	10
3. Defendant Fails To Show That Other Considerations Of Judicial Economy Weigh In Favor Of Transfer.	13
4. Defendant Fails To Show That The NDIL Has A Greater Interest In The Outcome Of This Case Than This District.	15
5. The Remaining Public Interest Factors Either Weigh Against Transfer Or Are Neutral.....	15
II. CONCLUSION	15

TABLE OF AUTHORITIES

	Page(s)
Federal Cases	
<i>Abstrax, Inc. v. Hewlett-Packard Co.</i> , No. 2:14-cv-158-JRG, 2014 WL 5677834 (E.D. Tex. Nov. 3, 2014)	8
<i>Allergan Sales, LLC v. UCV, Inc.</i> , No. 2:15-cv-01001-JRG-RSP, 2016 WL 8201783 (E.D. Tex. Nov. 2, 2016).....	13, 15
<i>Ambraco Inc. v. Clipper Faith MV</i> , 570 F.3d 233 (5th Cir. 2009)	2
<i>In re Apple, Inc.</i> , 743 F.3d 1377 (Fed. Cir. 2014).....	7
<i>BMC Software, Inc. v. ServiceNow, Inc.</i> , No. 2:14-cv-903-JRG, 2015 WL 2061932 (E.D. Tex. Apr. 30, 2015).....	9, 12
<i>Bounty-Full Entm’t v. Forever Blue Entm’t Group</i> , 923 F.Supp. 950 (S.D. Tex. 1996)	1
<i>Brunswick Corp. v. Suzuki Motor Co., Ltd.</i> , 575 F.Supp. 1412 (E.D. Wisc. 1983).....	3
<i>In re Cordis Corp.</i> , 769 F.2d 733 (Fed. Cir. 1985), <i>cert. denied</i> , 474 U.S. 851 (1985).....	2, 3, 4
<i>CPG Prods. Corp. v. Mego Corp.</i> , No. C-1-79-582, 1980 U.S. Dist. Lexis 17061 (S.D. Oh. Aug. 21, 1980).....	3
<i>Duke Energy Int’l, LLC v. Napoli</i> , 748 F.Supp.2d 656 (S.D. Tex. 2010)	1
<i>Gaddis v. Calgon Corp.</i> , 449 F.2d 1318 (5th Cir. 1971)	2
<i>GBS Dev., Inc. v. West</i> , No. 5:09-CV-39 (DF), 2009 U.S. Dist. Lexis 51373 (E.D. Tex. June 18, 2009)	1
<i>In re Genentech, Inc.</i> 566 F.3d 1338 (Fed. Cir. 2009).....	10
<i>Global TelLink Corp. v. Securus Techs., Inc.</i> , No. 3:13-cv-713, 2014 WL 860609 (E.D. Va. Mar. 5, 2014).....	14

Graham v. Atlantic Pacific Equip.,
 No. 12-cv-2458, 2012 U.S. Dist. Lexis 185871.....1, 2

Hako Minuteman, Inc. v. Advance Machine Co.,
 729 F.Supp. 65 (N.D. Ill. 1990)2

Hemstreet v. Caere Corp.,
 No. 90 C 0377, 1990 U.S. Dist. Lexis 6782 (N.D. Ill. June 5, 1990).....2

Holdridge v. Tricorbrown Inc.,
 No. 3:13-CV-1202-L, 2013 U.S. Dist. Lexis 89620 (N.D. Tex. June 26, 2013).....1

Innovative Display Techs. LLC v. BMW of North America, LLC,
 No. 2:14-cv-00106-JRG, 2015 WL 1459188 (E.D. Tex. Mar. 30, 2015).....8, 15

Instrumentation Specialties Co. v. Waters Assocs., Inc.,
 No. 76 C 4340, 1977 U.S. Dist. Lexis 13508 (N.D. Ill. Oct. 12, 1977).....3

Invitrogen Corp. v. Gen. Elec. Co.,
 No. 6:08-cv-113, 2009 WL 331889 (E.D. Tex. Feb. 9, 2009).....14

Kalvar Corp. v. Memorex Corp.,
 386 F.Supp. 273 (E.D. La. 1974)6, 7

Kroy IP Holdings, LLC v. Starbucks Corp., Inc.,
 2:13-cv-936-JRG, 2014 WL 5343168 (E.D. Tex. Sept. 30, 2014).....10, 15

Mears Tech., Inc. v. Finisar Corp.,
 No. 2:13-cv-376-JRG, 2014 WL 1652603 (E.D. Tex. Apr. 4, 2014).....12

Mink v. AAAA Dev., LLC,
 190 F.3d 333 (5th Cir. 1999)5

Munoz v. Toyota Motor Corp.,
 No. C-11-170, 2011 U.S. Dist. Lexis 105412, 2011 WL 4000902 (S.D. Tex.
 July 20, 2011).....1

In re Peachtree Lane Assocs., Ltd.,
 150 F.3d 788 (7th Cir. 1998)1

Rembrandt Patent Innovations, LLC v. Apple, Inc.,
 No. 2:14-cv-0015-JRG, 2014 WL 3835421 (E.D. Tex. Aug. 1, 2014)9

Rotec Indus. v. Mitsubishi Corp.,
 215 F.3d 1246 (Fed. Cir. 2000).....6

Saint Lawrence Comm LLC v. LG Electronics, Inc.,
 No. 2:14-cv-1055-JRG, 2015 WL 7854738 (E.D. Tex. Dec. 3, 2015).....10

<i>Sanders v. Seal Fleet, Inc.</i> , 998 F.Supp. 729 (E.D. Tex. 1998).....	1
<i>Shelter-Lite, Inc. v. Reeves Bros., Inc.</i> , 356 F.Supp. 189 (N.D. Oh. 1973).....	3
<i>Solocron Media, LLC v. Verizon Commun. Inc.</i> , No. 13-cv-1059, 2015 WL 1011310 (E.D. Tex. Mar. 5, 2015).....	14
<i>TechRadium Inc. v. FirstCall Network, Inc.</i> , No. 3:13-cv-78, 2013 WL 4511326 (S.D. Tex. Aug. 23, 2013).....	14
<i>Texas Digital Sys., Inc. v. Telegenix, Inc.</i> , 308 F.3d 1193 (Fed. Cir. 2002).....	14
<i>Texas Marine & Brokerage, Inc. v. Euton</i> , 120 F.Supp.2d 611 (E.D. Tex. 2000).....	1
<i>Union Asbestos & Rubber Co. v. Evans Prods. Co.</i> , 328 F.2d 949 (7th Cir. 1964).....	6
<i>In re Volkswagen of Am., Inc.</i> , 545 F.3d 304 (5th Cir. 2008) (<i>en banc</i>).....	7
Federal Statutes	
28 U.S.C. § 1400(b).....	2, 6
35 U.S.C. § 271.....	6
Rules	
FED. R. CIV. P. 12(b) (3).....	1, 2

I. ARGUMENT

Defendant has failed to meet its burden of demonstrating that venue is improper in this District or that the Northern District of Illinois is a clearly more convenient forum than this District. The Court should therefore deny Defendant's motion.

A. Defendant Fails To Meet Its Burden Of Showing That Venue Is Improper In This District.

"A party may move for dismissal of a suit based on improper venue under FED. R. CIV. P. 12(b) (3). The burden to demonstrate why venue is improper, and why the forum should be changed, lies with the movant." *Sanders v. Seal Fleet, Inc.*, 998 F.Supp. 729, 732-33 (E.D. Tex. 1998) (citing *Time, Inc. v. Manning*, 366 F.3d 690, 698 (5th Cir. 1966)); *see also* 2-12 Moore's Federal Practice-Civil § 12.32 [4] ("... the better view is that a party challenging venue has the burden of proving its impropriety. This view recognizes that improper venue is an affirmative defense that should be raised and proved by the party challenging venue.").^{1, 2} "In meeting this burden, the movant must show facts that will defeat a plaintiff's assertion of venue." *Duke Energy Int'l, LLC v. Napoli*, 748 F.Supp.2d 656, 682 (S.D. Tex. 2010); *Munoz*, 2011 U.S. Dist. Lexis 105412, at *6 (same); *Graham v. Atlantic Pacific Equip.*, No. 12-cv-2458, 2012 U.S. Dist. Lexis 185871, at *5 (citing *Pierce v. Shortly Small's of Branson, Inc.*, 137 F.3d 1190, 1191-92

¹ Courts have noted that there appears to be a Fifth Circuit split on the burden issue.

² *See also, e.g., In re Peachtree Lane Assocs., Ltd.*, 150 F.3d 788, 794 (7th Cir. 1998) (venue is presumed to be proper in the district in which the case was filed and party challenging venue bears the burden of establishing that the district chose by plaintiff was an improper venue); *Texas Marine & Brokerage, Inc. v. Euton*, 120 F.Supp.2d 611, 612 (E.D. Tex. 2000) (same); *GBS Dev., Inc. v. West*, No. 5:09-CV-39 (DF), 2009 U.S. Dist. Lexis 51373, at *2 (E.D. Tex. June 18, 2009) (same); *Holdridge v. Tricorbrown Inc.*, No. 3:13-CV-1202-L, 2013 U.S. Dist. Lexis 89620, at *7 (N.D. Tex. June 26, 2013) (quoting *Roach v Bloom*, No. 3:08-CV-439-L, 2009 WL 667218, at *2 (N.D. Tex. Mar. 16, 2009) ("Accordingly, the court sees no logical reason why [a defendant moving to dismiss pursuant to 12(b)(3)] should not be required to establish that venue is improper and that the action should be dismissed"); *Munoz v. Toyota Motor Corp.*, No. C-11-170, 2011 U.S. Dist. Lexis 105412, 2011 WL 4000902, at *2 (S.D. Tex. July 20, 2011) (holding that the defendant "bears the burden of showing improper venue in connection with a motion to dismiss"); *Bounty-Full Entm't v. Forever Blue Entm't Group*, 923 F.Supp. 950, 957-58 (S.D. Tex. 1996) ("When moving to dismiss for lack of proper venue pursuant to Rule 12(b)(3) . . . the defendant has the burden to demonstrate affirmatively that the plaintiff filed the lawsuit in an improper venue.") (citing *Myers v. American Dental Ass'n*, 695 F.2d 716, 724 (3d Cir. 1982)).

(10th Cir. 1998) (same)). “[U]nder . . . Rule 12(b)(3), the court is permitted to look at evidence in the record beyond simply those facts alleged in the complaint and its proper attachments.” *Ambraco Inc. v. Clipper Faith MV*, 570 F.3d 233, 238 (5th Cir. 2009).³ The Court must accept as true all of the uncontroverted allegations in the complaint and resolve all factual conflicts in the plaintiff’s favor. *Id.* at *6 (citing *Braspetro Oil Serv. Co. v. Modec (USA), Inc.*, 240 Fed. Appx. 612, 615 (5th Cir. 2007); *see also Ambraco*, 570 F.3d at 237 (same)).

1. Defendant Has A “Regular And Established Place Of Business” In This District.

“Venue in patent infringement actions is controlled exclusively by 28 U.S.C. § 1400(b), which provides: Any civil action for patent infringement may be brought in the judicial district where the defendant resides,⁴ *or where the defendant* has committed acts of infringement *and has a regular and established place of business.*” *In re Cordis Corp.*, 769 F.2d 733, 734 (Fed. Cir. 1985), *cert. denied*, 474 U.S. 851 (1985).⁵ Regarding the second prong, to

determine[] whether a corporate defendant has a regular and established place of business in a district, the appropriate inquiry is whether the corporate defendant does its business in that district through a permanent and continuous presence there and not as [defendant] argues, whether it has a fixed physical presence in the sense of a formal office or store. (*Id.* at 786.)⁶

Notably, Defendant agrees that *In re Cordis Corp.* and its definition of “regular and established place of business” is controlling authority. (*See* Defendant’s Motion to Dismiss or Transfer

³ Citations are omitted unless otherwise stated.

⁴ Plaintiffs are not asserting that Defendant resides in this District.

⁵ Emphasis is added unless otherwise stated.

⁶ *See also, e.g., Gaddis v. Calgon Corp.*, 449 F.2d 1318, 1320 (5th Cir. 1971) (reversing lower court’s holding that division of defendant did not have a regular and established place of business and stating “[n]o authority is offered for the proposition that [the facts] do not, *altogether*, add up to enough to establish venue”); *Hako Minuteman, Inc. v. Advance Machine Co.*, 729 F.Supp. 65, 66-67 (N.D. Ill. 1990) (holding that venue was proper and that *In re Cordis Corp.* is controlling authority over earlier Seventh Circuit decisions, including *Knapp-Monarch Co.* (cited by Defendant, *see* Motion, Dkt. No. 7 at 8); *Hemstreet v. Caere Corp.*, No. 90 C 0377, 1990 U.S. Dist. Lexis 6782, at *5-*6 (N.D. Ill. June 5, 1990) (holding that venue was proper, *In re Cordis Corp.* is controlling authority, and “a court must consider the totality of the defendant corporation’s activities within the district to determine if the corporation conducts its business within the district ‘through a permanent and continuous presence.’”).

(“Motion”), Dkt. No. 7 at 8; *see also id.* at 11 (“Riddell likewise does not have ‘a permanent and continuous presence’ . . . *as required to establish proper venue.*”).^{7, 8}

In Texas, where people live and breathe football (*see* Complaint, Dkt. No. 6 ¶¶ 13-20), and which has the most student football players of any state, indeed 60% more student football players than the next closest state (*id.* ¶ 17), it comes as no surprise and cannot reasonably be disputed that Defendant—by its own admission, the largest supplier of football helmets since football became popular throughout the country approximately 70 years ago (*id.* ¶¶ 22-23, 25, 54)—has a regular and established place of business in this District. Accepting as true all of the uncontroverted allegations in the Complaint and resolving all factual conflicts in Plaintiffs’ favor, Defendant has clearly not met its burden of offering facts that defeat Plaintiffs’ assertion

⁷ Numerous district courts have followed the same reasoning articulated in *In re Cordis Corp.*, *i.e.*, that a fixed physical presence is not required to establish that a defendant has a regular and established place of business. *See, e.g., Brunswick Corp. v. Suzuki Motor Co., Ltd.*, 575 F.Supp. 1412, 1424 (E.D. Wisc. 1983) (declining to follow earlier Seventh Circuit decisions, including *Knapp-Monarch Co.*, and holding that defendant’s employment of three employees in the district who work out of their home and are on the road calling on customers to demonstrate and sell a product in the district constituted the defendant having a regular and established place of business, despite that defendant did not own or rent real estate in the district); *CPG Prods. Corp. v. Mego Corp.*, No. C-1-79-582, 1980 U.S. Dist. Lexis 17061, at *9-11 (S.D. Oh. Aug. 21, 1980) (holding that defendant’s employment and control of a sales agent in the district who carried out defendant’s business of selling defendant’s toys, was employed by only defendant, was physically in the district to carry out a substantial part of defendant’s business, and served as defendant’s customer contact in the district constituted the defendant having a regular and established place of business, despite the fact that the sales agent did not perform his activities from one set physical location such as a storefront or a rented office space); *Instrumentation Specialties Co. v. Waters Assocs., Inc.*, No. 76 C 4340, 1977 U.S. Dist. Lexis 13508, at *14-*16 (N.D. Ill. Oct. 12, 1977) (denying a motion to dismiss for improper venue and holding that a fixed physical location is not required to show a regular and established place of business); *Shelter-Lite, Inc. v. Reeves Bros., Inc.*, 356 F.Supp. 189, 196 (N.D. Oh. 1973) (denying a motion to dismiss for improper venue and holding that “any unyielding rule that a regular and established place of business cannot arise by virtue of a salesman operating out of his residence is at odds with the practicalities and necessities of the business community. In many instances, by reason of the type of product involved, there is simply no need for a sales representative to maintain a formal office, nor for the employers to maintain warehousing facilities in a particular locale.”).

⁸ *Lace v. Lace*, the *only* case cited by Defendant regarding venue that was issued after the Federal Circuit’s *In re Cordis Corp.* decision (*see* Motion, Dkt. No. 7 at 8) also holds that *In re Cordis Corp.* is controlling authority. No. 89 C 0414, 1989 WL 103364, at *3 (N.D. Ill. Aug. 28, 1989). Further, *Lace* states that *In re Cordis Corp.* “may represent a less stringent view of the statute than that followed by the Seventh Circuit” and that the Seventh Circuit’s *University of Illinois* decision (also cited by Defendant, *see* Motion, Dkt. No. 7 at 9) “seemed to stem at least in part from a conviction that a man’s bedroom simply cannot be a ‘regular and established place of business.’” *Id.* at *2, *2 n. 4; *see also In re Cordis Corp.*, 769 F.2d at 737 (distinguishing *University of Illinois*). Defendant’s other cited cases on venue: *American Cynamid Co.*, *General Radio Co.*, and *Mastantuono* (*see* Motion, Dkt. No. 7 at 8-9) notably predate, and are in conflict with, *In re Cordis Corp.*

that venue is proper in this District. As shown below, the *uncontroverted* allegations from the *24 pages* of Plaintiffs' Complaint (*see* Complaint, Dkt. No. 6 at pages 2-26) show that venue is proper in this District because, without question, Defendant does business through a permanent and continuous presence here (*In re Cordis Corp.*, 769 F.2d at 734):

- 1) Defendant is registered to do business in Texas and has a registered agent in Austin, Texas. (Complaint, Dkt. No. 6 ¶¶ 7, 21.)
- 2) Defendant employs at least two full-time direct sales representatives who are located in this District and who work exclusively for Defendant. (*Id.* ¶¶ 24-27, 28, 31-33; 6/8/17 declaration of Defendant's Thad Ide ("Ide Decl."), Dkt. No. 7-1 ¶ 11.)
- 3) Defendant's website identifies at least approximately five full-time direct sales representatives who are located in this District. (Complaint, Dkt. No. 6 ¶ 27.)
- 4) Defendant exercises control over its direct sales representatives located in this District. (*Id.* ¶¶ 24-28, 31-33.)
- 5) Defendant's direct sales representatives located in this District are salaried employees, and receive compensation, commissions, benefits, and payments for expenses directly from Defendant. (*Id.* ¶ 28.)
- 6) Defendant pays taxes, franchise taxes, and other fees to the State of Texas and other municipalities and agencies in Texas and/or this District relating to Defendant's employment of its direct sales representatives located in this District and their sales of the infringing helmets in this District. (*Id.* ¶¶ 28.)
- 7) Defendant's direct sales representatives located in this District are the contact persons for Defendant in this District and have the authority to acknowledge orders of infringing helmets, negotiate sales of infringing helmets, execute agreements for infringing helmets, and physically distribute infringing helmets. (*Id.* ¶¶ 24-33, 36-38.)
- 8) Defendant's direct sales representatives located in this District receive infringing helmets, distribute infringing helmets, keep an inventory of infringing helmets, and possess additional property of Defendant for the marketing, promotion, and display of the infringing helmets—all in this District. (*Id.* ¶¶ 24-27, 29-31, 33, 36-38.)
- 9) Defendant's direct sales representative located in this District have phone numbers within this District that are associated with Defendant. (*Id.* ¶ 31.)
- 10) Defendant's direct sales representatives located in this District conduct sales presentations, seminars, demonstrations, and provide product support, all within this District. (*Id.* ¶¶ 24-27, 29, 30-31, 36-38.)
- 11) Defendant is an approved vendor of many schools, counties, municipalities, and school districts located in this District and sells infringing helmets to them in this District. (*Id.* ¶¶ 31, 36-38, 41-43, 52-54.)
- 12) Defendant advertises its company and the infringing helmets in this District. (*Id.* ¶¶ 29-30, 33-35, 40, 44-45, 49-50, 52-53.)

- 13) Defendant's direct sales representatives' presence and activities in this District have been permanent and continuous. (*Id.* ¶¶ 24-27, 32, 63.)
- 14) Defendant's direct sales representatives' presence and activities in this District has led to a significant amount of sales of the infringing helmets and other products of Defendant in this District. (*Id.* ¶¶ 10, 22-23, 54.)
- 15) Defendant also contracts with independent dealers or sales persons who acknowledge orders of infringing helmets, negotiate sales of infringing helmets, execute agreements for infringing helmets, and distribute infringing helmets, all in this District. (*Id.* ¶¶ 24, 33, 51.)
- 16) Defendant markets, offers for sale, and sells the infringing helmets to residents of this District, through retail stores located in this District. (*Id.* ¶¶ 24, 33, 46-50.)
- 17) The retail stores located in this District through which Defendant markets, offers for sale, and sells the infringing helmets to residents of this District, keep an inventory of infringing helmets, and possess additional property of Defendant for marketing, promotion, and display of the infringing helmets. (*Id.* ¶¶ 33, 46-50.)
- 18) Defendant has a website at www.riddell.com through which it does business with, and sells the infringing helmets directly to, residents of this District. (*Id.* ¶¶ 33, 44-45.)⁹
- 19) Defendant's website at www.riddell.com, through which it does business with, and sells the infringing helmets directly to, residents of this District also has a custom, online store for team ordering that has been used to purchase the infringing helmets by residents of this District. (*Id.* ¶¶ 34-35.)
- 20) Defendant is national partner and sponsor of USA Football and Pop Warner and uses those partnerships to market, advertise, offer for sale, and sell the infringing helmets to the residents of this District. (*Id.* ¶¶ 19, 39-40.)
- 21) Defendant reconditions and recertifies infringing helmets of residents of this District by sending such helmets to its facility in San Antonio, Texas. (*Id.* ¶¶ 55-60.)
- 22) Defendant advertises its reconditioning and recertification services to residents of this District and distributes reconditioned and recertified helmets to residents of this District. (*Id.*)
- 23) Defendant and Defendant's direct sales representatives located in this District also sell Defendant's parts and accessories to independent helmet reconditioners located in this District. (*Id.* ¶¶ 61-62.)
- 24) Defendant, Defendant's direct sales representatives, Defendant's independent sales representatives, Defendant's distributors' and retailers' stores, Defendant's website, Defendant's distributors' and retailers' websites, and Defendant's reconditioning program generate a substantial amount of revenue for Defendant from residents of this District. (*Id.* ¶¶ 10, 23, 33, 36-38, 44-51, 54, 55-62.)
- 25) Defendant's, Defendant's direct sales representatives', Defendant's independent sales representatives', Defendant's distributors' and retailers' stores', Defendant's website',

⁹ Defendant has clearly availed itself of Texas through its internet presence. *See Mink v. AAAA Dev., LLC*, 190 F.3d 333, 336 (5th Cir. 1999).

Defendant’s distributors’ and retailers’ websites’, and Defendant’s reconditioning program’s presence in this District have been permanent and continuous in this District. (*Id.* ¶¶ 32, 63, *see also id.* ¶¶ 7, 10-12, 19-63.)

Defendant offers *only four* paragraphs from the Ide Decl. in support of its *scant half-page motion to dismiss*—none of which show that venue is improper here. (*See* Motion, Dkt. No. 7 at 10-11 (Sec. IV(A)); *id.* at 2, 8, 11 (citing Ide Decl., Dkt. No. 7-1 ¶¶ 3, 4, 10, 11)).¹⁰

2. Defendant Does Not Address, Let Alone Contest, The “Committed Acts Of Infringement [In This District]” Prong.

To establish venue under the second prong of the venue statute the defendant must have committed acts of infringement in this District. 28 U.S.C. § 1400(b).^{11, 12} Defendant does not address or contest this prong (*see* Motion, Dkt. No. 7 at 10-11) and would be hard pressed to contest it as it concedes that the “accused products are marketed, sold, and used throughout the United States.” (*Id.* at 2; *see also* Ide Decl., Dkt. No. 7-1 ¶ 4.) Defendant and its declarant’s admission is consistent with the uncontested allegations of the Complaint, which show that the infringing helmets are used, offered for sale, and sold in this District, and that inducement of infringement also occurs in this District. (*See, e.g.*, Complaint, Dkt. No. 6 ¶¶ 10, 12, 20, 23-31, 33, 35-54, 55-58, 61-63.)

¹⁰ ¶ 3 merely provides Defendant’s incorporation and headquarters information. (Ide Decl., Dkt. No. 7-1 ¶ 3.) ¶ 4 confirms that Defendant’s infringing helmets are “marketed, sold, and sold throughout the United States.” (*Id.* ¶ 4.) ¶ 10 states that Defendant has “no place of business, facilities or offices” in this District and that Defendant “does not own, lease, manage, or maintain any real property or other assets” in this District. (*Id.* ¶ 10.) ¶ 11 states that Defendant has two sales representatives located in this District who work out of their homes and “transmit purchase orders to Riddell’s manufacturing and distribution facility in North Ridgeville, Ohio.” (*Id.* ¶ 11.)

¹¹ 35 U.S.C. § 271 (a-b) states in relevant part: “(a) . . . whoever without authority makes, uses, offers to sell, or sells any patented invention . . . infringes the patent. (b) Whoever actively induces infringement of a patent shall be liable as an infringer.” 35 U.S.C. § 271 (a, b). Congress added “offer-to-sell” infringement liability to the patent statute in April 1994. *See Rotec Indus. v. Mitsubishi Corp.*, 215 F.3d 1246, 1253 (Fed. Cir. 2000).

¹² Courts hold that “demonstrations of the accused device [in conjunction with] the systematic and continuous solicitation of orders within the district, constitute, for venue purposes, a sufficient degree of selling to amount to ‘infringing sales.’” *Union Asbestos & Rubber Co. v. Evans Prods. Co.*, 328 F.2d 949, 952 (7th Cir. 1964); *Kalvar Corp. v. Memorex Corp.*, 386 F.Supp. 273, 277 (E.D. La. 1974) (same).

B. Defendant Fails To Meet Its Burden Of Showing That The Northern District Of Illinois Is A “Clearly More Convenient” Forum Than This District.

Defendant bears the burden to demonstrate good cause for a transfer, *i.e.*, that its proposed transferee forum, the Northern District of Illinois (“NDIL”), is a “clearly more convenient” forum than this District. *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 315 (5th Cir. 2008) (*en banc*). This “‘good cause’ burden reflects the appropriate deference to which the plaintiff’s choice of venue is entitled. *Id.* But to show good cause, a moving party must satisfy the statutory requirements and clearly demonstrate that a transfer is ‘[f]or the convenience of the parties and witnesses, in the interest of justice.’” *Id.* Defendant fails to carry this burden.^{13,14}

1. Defendant Fails To Show That The NDIL Offers Better Proof Access.

Defendant has not established that any physical documents or evidence that are relevant to this action are located within the NDIL. Defendant relies on the Ide Decl. to support its position. (*See* Ide Decl., Dkt. No. 7-1 ¶¶ 5-7.) But a careful reading of the Ide Decl. casts doubt over the meaning and relevance of Mr. Ide’s testimony relating to the location of proof factor.

First, Mr. Ide’s declaration is vague, which prevents the Court from fully analyzing the location of proof factor. *See In re Apple, Inc.*, 743 F.3d 1377, 1379 (Fed. Cir. 2014) (quoting with approval the district court’s statement that “‘Apple’s vague assertions and unknown relevance and location of potential sources’” prevented the district court from weighing “the relative ease of access to sources of proof factor in its transfer analysis, because ‘the weighing of this factor would be merely speculative’”). Mr. Ide declares that “Riddell’s documentation relating to the research, design, development, testing, and functionality of the accused products is

¹³ The private interest factors include: (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. *Id.* The public factors include: (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.*

¹⁴ Plaintiffs do not dispute that they could have filed suit in the NDIL.

maintained in its Rosemont, Illinois headquarters,” that “[t]he records of Riddell’s engineers . . . are *maintained* in its Rosemont, Illinois headquarters,” and that “Riddell’s documentation regarding sales, marketing, profits, and costs relevant to the accused products is *maintained* in its Rosemont, Illinois headquarters.” (Ide Decl., ¶¶ 5-7.) Mr. Ide does not state whether the documents are “maintained” in electronic or hard copy format. The Court would need to speculate regarding the use of the term “maintained” in order to accurately assess this factor. Indeed, Mr. Ide’s use of the phrase “maintained” is best characterized as a “weasel word,” *i.e.*, a word whose “meaning is malleable to a point where [it] mean[s] what the user wants [it] to mean in any given situation; [it] ha[s] no meaning of [its] own.” *Abstrax, Inc. v. Hewlett-Packard Co.*, No. 2:14-cv-158-JRG, 2014 WL 5677834, at *2 (E.D. Tex. Nov. 3, 2014). Mr. Ide’s statements “leave the Court with no specific information or reliable guidance as to where the documents . . . relevant to this case are actually located.” *Id.* at 3. As this Court noted:

The Court relies on defendants to accurately disclos[e] the facts underlying the motions they file. This is particularly true when the defendant requests relief from the Court early in a case, because most, if not all, of the relevant facts are exclusively controlled by the defendant. An incomplete recitation of those facts may be just as misleading as an inaccurate recitation. This means that the defendant must perform a thorough investigation of the facts underlying the venue analysis, before filing the motion. The Court is not persuaded that such an investigation was performed in this case.

Id. Much like the *Abstrax* defendant, Defendant exclusively controls the relevant facts relating to the location of *its own documents*. If Defendant maintained such documents physically (and exclusively) at its Rosemont, IL headquarters, then one would expect Mr. Ide to have explicitly made that point. *See Innovative Display Technologies LLC v. BMW of North America, LLC*, No. 2:14-cv-00106-JRG, 2015 WL 1459188, at *2 (E.D. Tex. Mar. 30, 2015) (“[The declarant] never specifies if such documents are present in digital or non-digital form. The Court must thus assume they are digital, and subject to transfer easily and electronically, or [the declarant] surely

would have made this important point expressly and forcefully.”). Thus, in fairness, the Court should presume that the documents to which Mr. Ide refers are maintained digitally. Assuming that the documents are stored digitally, the presence of those documents in Illinois negligibly impacts the transfer analysis (even assuming that the documents are relevant, a point that Plaintiffs dispute as discussed *infra*). See *Rembrandt Patent Innovations, LLC v. Apple, Inc.*, No. 2:14-cv-0015-JRG, 2014 WL 3835421, at *2 (E.D. Tex. Aug. 1, 2014) (holding that the presence of relevant electronically-stored documents in the transferee forum “only slightly” favor transfer “given the ease in the modern era of transferring electronic data from one place to another.”).

Regardless of the format in which the documents are maintained, Defendant has not demonstrated that its “Rosemont documents” are relevant to this action. See *BMC Software, Inc. v. ServiceNow, Inc.*, No. 2:14-cv-903-JRG, 2015 WL 2061932, at *2 (E.D. Tex. Apr. 30, 2015) (citing *In re Apple*, 743 F.3d at 1379) (“Vague assertions regarding the volume and location of potential evidence, much of which may be irrelevant to the case, cannot satisfy that burden.”). Defendant broadly identifies documents relating to research, design, development, testing, functionality, sales, marketing, profits, and costs of the infringing helmets as being located in IL. Defendant never explains how those broad categories of documents are relevant to the currently asserted claims. For example, the “technical” documents identified by Defendant as being maintained in IL have minimal relevance at best because the asserted claims are directed to the macro-level features of football helmets. Technical specifications, testing, research, design, and development documents contain a level of detail beyond what is needed to assess infringement.¹⁵ Defendant has failed to demonstrate that relevant documents are physically located in the NDIL.

¹⁵ If the asserted patents concerned technology that required a more nuanced or technical analysis of the accused products, *e.g.*, in the computer / electrical engineering or software space, then perhaps the broad categories of technical documents identified by Defendant could be relevant to infringement. Here, however, one need only examine the infringing helmets themselves to assess infringement.

Second, Mr. Ide states that “prototypes and physical samples of the helmets themselves are maintained in its Rosemont, Illinois headquarters.” (Ide Decl., Dkt. No. 7-1 ¶ 6.) Again, Defendant does not attempt to show that prototypes are relevant to this case. And although Mr. Ide declares that product samples are maintained in IL, he declares two paragraphs earlier that physical samples of the infringing helmets can be found *throughout the United States*. (*Id.* ¶ 4.)

Third, Mr. Ide declares that Defendant’s sales representatives located in this District “transmit purchase orders to Defendant’s *manufacturing and distribution facility* in North Ridgeville, Ohio, which fulfills the orders.” (*Id.* ¶ 11.) Mr. Ide’s statement suggests that at least purchase orders and documents relating to purchase orders, order fulfillment, manufacturing, and distribution may be located in North Ridgeville, Ohio. Those documents may be relevant and material to the sales of the infringing helmets. But Mr. Ide stated in his declaration that sales-related documents are maintained in Rosemont. If order fulfillment and distribution occurs in Ohio, then why would Defendant maintain documents relating to order fulfillment and distribution in IL? Neither Mr. Ide nor Defendant resolves that inconsistency.¹⁶

2. Defendant Fails To Show That The NDIL Is A Clearly More Convenient Forum For The Witnesses.

“The convenience of the witnesses is probably the single most important factor in a transfer analysis.” *In re Genentech, Inc.* 566 F.3d 1338, 1342 (Fed. Cir. 2009). Defendant improperly focuses on the alleged convenience to the *parties* while remaining willfully ignorant to the location of the *relevant third-party* witnesses when it concludes that witness convenience weighs in favor of transferring this case to the NDIL. *Saint Lawrence Comm LLC v. LG*

¹⁶ Defendant also purports to have knowledge regarding the location of Plaintiffs’ documents by relying on one of the plaintiff’s initial disclosures served in a *different* case involving *different* patents and *different* accused products. Moreover, Defendant omits critical information when it quotes that plaintiff’s attorneys in that case: “**To the extent they exist** and are in the possession of Schutt, such documents are located at” (Dkt. No. 7-8 at 4.) The fact that documents relating to a *different action may exist* in IL does not support Defendant’s position that all of Plaintiffs’ documents relevant to *this action* are located in the NDIL. To the contrary, they certainly would not exist in the NDIL because Plaintiffs’ plants and offices are not located in the NDIL.

Electronics, Inc., No. 2:14-cv-1055-JRG, 2015 WL 7854738, at *4 (E.D. Tex. Dec. 3, 2015) (“[t]he convenience of non-party witnesses carries the greater weight in the analysis.”); *Kroy IP Holdings, LLC v. Starbucks Corp., Inc.*, 2:13-cv-936-JRG, 2014 WL 5343168, at *3 (E.D. Tex. Sept. 30, 2014) (“it is the convenience of non-party witnesses . . . that is the more important factor and is accorded greater weight in a transfer of venue analysis.” (quoting *Mohamed v. Mazda Motor Corp.*, 90 F.Supp.2d. 757, 775 (E.D. Tex. 2000))). Considering the potentially relevant third-party witnesses, namely, the inventors of the patents-in-suit, Defendant has not established that the NDIL is a “clearly more convenient” forum than this District. The table below identifies the third-party inventors and their proximity to the NDIL and this District.¹⁷

Patent	Inventor	Distance to NDIL	Distance to EDTX
6,434,755	P. David Halstead	546 miles	744 miles
	Cherie F. Alexander	907 miles	159 miles
9,498,014	Michael M. Princip	709 miles	955 miles
	James C. Wingo	1,162 miles	276 miles
	Jeremy J. Thompson	1,098 miles	272 miles
8,499,366	Kenneth W. Nimmons	495 miles	563 miles
	David Rogers	994 miles	1,671 miles
	Duco Noordzij	995 miles	1,672 miles
	Eduard Milea – Google Map	2,013 miles	1,582 miles
	Larry Maddux	472 miles	648 miles
	Ray Drake	1,173 miles	1,009 miles

On the whole, the non-party inventors reside just as close to this District as to the NDIL. It appears that Defendant did not undertake any investigation whatsoever to ascertain the current (or most recently available) addresses of the inventors of the patents-in-suit before it concluded that “the vast majority of the named inventors (those listed on the face of the patents-in-suit as residing in Illinois, Massachusetts, Tennessee, and North Carolina), many of whom are third parties, are . . . closer to Chicago than Marshall. (Motion, Dkt. No. 7 at 13-14.) Confusingly, Defendant instead explains in a footnote that “Riddell does not have current address information

¹⁷ (See Exhibits 1-33.)

for the named inventors (with the exception of Thad Ide), as Schutt has not yet provided initial disclosures pursuant to 26(a)(1) in this matter.” (*Id.* at 4 n.2.) That Plaintiffs have not provided initial disclosures is irrelevant to Defendant’s decision not to investigate the locations of the named inventors. The fact is: the potentially relevant third-parties to this action, namely, the inventors of the patent-in-suit, are collectively located just as near this District as the NDIL. Transferring to the NDIL would simply shift the convenience between the third-party witnesses.

Further, even if Defendant were correct that the inventors were located nearer the NDIL than this District, Defendant has not demonstrated that any of those inventors would provide relevant, material testimony. *Mears Tech., Inc. v. Finisar Corp.*, No. 2:13-cv-376-JRG, 2014 WL 1652603, at *2-3 (E.D. Tex. Apr. 4, 2014). According to the *Mears* Court:

Finisar offers no explanation of what relevant and material information is to be obtained from said [third-party] witnesses, beyond a declaration from a Finisar employee stating: “I understand that both Drs. Drolet and Vieri could testify as to the development and operation of the Accused Technology...” ... This type of nebulous speculation that some third-party witness “could” offer testimony fails to establish with necessary specificity how, if at all, compulsory process would affect this case. (*Id.* at *2-3.)

Here, Defendant does even less than the *Finisar* defendant. Defendant does not even offer a declaration stating that the named inventors could provide relevant, material testimony.

Defendant also points out that none of the law firms that prosecuted the patents in suit have Texas offices. (Motion, Dkt. No. 7 at 4.) But prosecuting attorneys are rarely called to trial, and courts often give little weight to the convenience of prosecution counsel. *See BMC Software*, 2015 WL 2061932, at *4, *5 (“because patent prosecuting attorneys are rarely called to trial, the Court gives little weight to the cost of attendance to the patent prosecuting attorneys.”).¹⁸ The location of prosecution counsel does not weigh in favor of transfer.

¹⁸ Asserted Pat. No. 9,498,014 is related to the following provisional patent applications: 61/494,522; 61/376,818; and 61/366,703. The Andrews Kurth Kenyon LLP law firm, located at 600 Travis, Suite 4200, Houston, TX 77002

With respect to party witnesses, Defendant identifies six potential employees located at its Rosemont, IL headquarters as a reason to transfer this case to the NDIL. (Motion, Dkt. No. 7 at 3, 13.) But Defendant’s self-serving identification of six witnesses in the NDIL does not weigh in favor of transfer given the focus on the convenience of non-party witnesses in the transfer analysis and the *incompleteness* of Mr. Ide’s declaration testimony. Specifically, Mr. Ide’s declaration lacks any information regarding Defendant’s *non-Rosemont* employees and their knowledge.¹⁹ Defendant is in exclusive control of the facts relating to where its employees are located and what they know. Defendant’s cherry-picking of six persons in its Rosemont office as potential witnesses having relevant knowledge without specifying whether Defendant has knowledgeable employees elsewhere is therefore misleading and of limited value to the transfer analysis. Moreover, Defendant again fails to establish that any of those witnesses will offer relevant, material testimony. At most, Defendant states that that these witnesses can offer testimony regarding several broad “Area(s) of Knowledge” without ever explaining why such testimony would be relevant and material. (Motion, Dkt. No. 7 at 3.)^{20,21}

3. Defendant Fails To Show That Other Considerations Of Judicial Economy Weigh In Favor Of Transfer.

The litigation between Defendant and one of the plaintiffs in the NDIL does not provide a basis for transfer. That the two cases involve some of the same parties and the same general field of technology is insufficient. *Allergan Sales, LLC v. UCV, Inc.*, No. 2:15-cv-01001-JRG-RSP, 2016 WL 8201783, at * (E.D. Tex. Nov. 2, 2016) (“[A] case is not ‘related’ simply because

prosecuted each of those provisional applications. Thus, at least some of the possibly relevant prosecution counsel (and documents relating thereto) may be located in Texas, significantly closer to this District than to the NDIL.

¹⁹ Based on public information, it appears that *only 58* of Defendant’s employees work out of the Rosemont, IL headquarters. See www.chicagobusiness.com/article/20170315/BLOGS04/170319934/riddell-moving-headquarters.

²⁰ The “Area(s) of Knowledge” include (1) “The research, design, development, testing, and functionality of the accused products;” (2) Sales, profit, and cost information relating to the accused products;” (3) “Sales and marketing of the accused products;” and (4) Company background and organization.” (*Id.*)

²¹ Plaintiffs agree that the non-party witnesses identified at this time do not appear to be under the subpoena power of either this Court or the NDIL and that this factor is neutral.

it involves some of the same parties or the same general technology. To materially impact the transfer analysis, such a case must involve sufficiently similar issues such that proceeding simultaneously in different courts could lead to ‘wastefulness of time, energy and money that § 1404(a) was designed to prevent.’” (quoting *In re Volkswagen*, 566 F.3d at 1351)).²²

Here, the cases concern *different* patents and *different* accused products. Specifically, the NDIL case involves *Defendant’s* assertion of three of its patents against numerous accused products of one of the plaintiffs. This case involves *Plaintiffs’* assertion of three of its own patents against numerous infringing helmets of *Defendant*. Simply put, there is no overlap between the patents-in-suit and the accused products at issue in the two cases.

Defendant is also wrong that the NDIL Court’s issuance of a claim construction order on terms alleged to be “very similar” to terms contained in the asserted patents here renders that case sufficiently related to this case to favor a transfer. Notably, Defendant does not cite a single case to support that proposition nor could it.²³ Defendant also makes no showing that the NDIL’s *Markman* Order would prevent “wastefulness of time, energy, and money.” The NDIL could not adopt its previous claim construction on Defendant’s patents in lieu of a thorough consideration of the intrinsic and extrinsic evidence of Plaintiffs’ asserted patents. Defendant’s argument boils down to its belief that the NDIL’s “familiar[ity] with the parties and the technology at issue” would further judicial economy. (Motion, Dkt. No. 7 at 14.) But this Court has already held that overlapping parties and technology are insufficient to favor a transfer.²⁴

²² See also *Invitrogen Corp. v. Gen. Elec. Co.*, No. 6:08-cv-113, 2009 WL 331889, at *4 (E.D. Tex. Feb. 9, 2009) (“[T]he Court finds few similarities between the patents at issue in the 112 case and the ‘272 patent other than the fact that they both relate to the field of DNA technology. The mere fact that both cases involve the same parties and some sort of DNA technology is not sufficient to weigh in favor of transfer.”).

²³ See, e.g., *Texas Digital Sys., Inc. v. Telegenix, Inc.*, 308 F.3d 1193, 1211 (Fed. Cir. 2002) (explaining that a claim of an unrelated patent “sheds no light on” the claims of the patent-in-suit); *Solocron Media, LLC v. Verizon Commun. Inc.*, No. 13-cv-1059, 2015 WL 1011310, at *4 (E.D. Tex. Mar. 5, 2015) (same).

²⁴ Defendant’s reliance on *TechRadium Inc. v. FirstCall Network, Inc.*, No. 3:13-cv-78, 2013 WL 4511326, at 3-4 (S.D. Tex. Aug. 23, 2013) and *Global TelLink Corp. v. Securus Techs., Inc.*, No. 3:13-cv-713, 2014 WL 860609, at

4. Defendant Fails To Show That The NDIL Has A Greater Interest In The Outcome Of This Case Than This District.

This Court has already rejected the argument that a defendant's state of residence has a specialized interest in a case. *See Kroy*, 2014 WL 5343168, at *5. Thus, Defendant's argument that the NDIL has a strong local interest in this case "because Riddell resides in that district" is contrary to law. Plus, it appears that Defendant is cutting ties with IL in favor of Ohio in view of its opening of its new North Ridgeville, Ohio manufacturing and distribution facility—a facility that appears to be handling operations formerly located in IL.²⁵ Moreover, any localized interest that the NDIL may have to this case is more than offset by the especially strong local interest that this District has to the technology at issue: football helmets. (*See* Complaint, Dkt. No. 6 ¶¶ 13-20.) This factor is neutral or weighs slightly against transfer.

5. The Remaining Public Interest Factors Either Weigh Against Transfer Or Are Neutral.

The factor relating to administrative difficulties flowing from court congestion weighs against transfer. The "court congestion [factor] ... favors a district that can bring a case to trial faster." *Innovative Display Technologies*, 2015 WL 1459188, at *5. The median time-to-trial in this District for patent cases is nearly a year faster than the NDIL. (Exhibits 34-35.) This factor weighs against transfer.²⁶

II. CONCLUSION

For the foregoing reasons, the Court should deny Defendant's Motion.

*7 (E.D. Va. Mar. 5, 2014) is misplaced. Notably, Defendant ignores the *Allergan* and *Invitrogen* decisions issued by *this Court* reach the *exact opposite conclusion*.

²⁵See news.riddell.com/info/releases/riddell-opens-new-production-and-distribution-facility-in-north-ridgeville-ohio

²⁶ Plaintiffs agree that the two remaining public interest factors, namely, the familiarity of the forum with the law that will govern the case, and the avoidance of unnecessary problems of conflict of laws, are neutral.

Dated: June 22, 2017

SIEBMAN, BURG, PHILLIPS & SMITH, LLP

By /s/Matthew Levinstein

Michael C. Smith
Siebman, Burg, Phillips & Smith, LLP
113 East Austin Street
Marshall, Texas 75670
T-903.938.8900
michaelsmith@siebman.com

Richard D. Harris
James J. Lukas, Jr.
Matthew Levinstein
Greenberg Traurig, LLP
77 West Wacker Drive, Ste. 3100
Chicago, IL 60601
T-312.456.8400/F-312.456.8435
harrisr@gtlaw.com
lukasj@gtlaw.com
levinsteinm@gtlaw.com

Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

I, Matthew Levinstein, an attorney, certify that on June 22, 2017, a true and correct copy of **PLAINTIFFS' OPPOSITION TO DEFENDANT'S MOTION TO DISMISS OR TRANSFER TO THE NORTHERN DISTRICT OF ILLINOIS PURSUANT TO 28 U.S.C. § 1406(a) OR 28 U.S.C. § 1404(a)**, was served on counsel of record was served on counsel of record electronically through the Eastern District of Texas' CM/ECF electronic filing system.

/s/Matthew Levinstein

Matthew Levinstein

One of the Attorneys for Plaintiffs