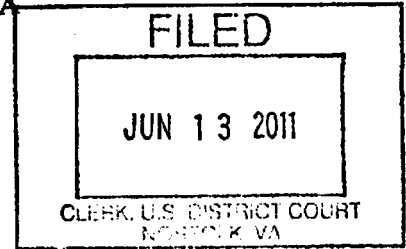


IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Norfolk Division



**PATENT LICENSING &
INVESTMENT CO., LLC**

Plaintiff,

v.

Civil Action No. 2:10cv421

GREEN JETS, INC.

Defendant.

ORDER

This matter comes before the Court on Defendant Green Jets Inc.'s ("Green Jets" or "Defendant") motion to transfer this patent infringement action to the Southern District of Florida pursuant to 28 U.S.C. § 1404(a) ("Motion to Transfer"), doc. 25, and Plaintiff Patent Licensing and Investment Co., LLC's ("Patent Licensing" or "Plaintiff") motion to dismiss Counterclaim II and Second Affirmative Defense ("Motion to Dismiss"), doc. 47. On June 3, 2011, the Court held a hearing on the Motion to Transfer and ruled from the bench. For the reasons stated at the hearing and herein, the Court **GRANTS** Defendant's Motion to Transfer, doc. 25. Accordingly, the Court declines to decide Plaintiff's Motion to Dismiss, doc. 47, and any other outstanding motions in this case.

BACKGROUND

On December 29, 1999, inventor Joel H. Rosenblatt filed a patent application for a distributed computer network air travel scheduling system and method, U.S. Patent Application No. 09/473,687 ("687 application"). Comp., Ex. A. On March 23, 2004, the

United States Patent and Trademark Office (the “USPTO”) issued the '687 application as U.S. Patent No. 6,711,548 (the “548 Patent”). Id. Mr. Rosenblatt’s listed address on the copy of the '548 Patent is Mile Marker 24.5, Royal Palm Plaza, Summerland Key, Florida 33042. Id.

Plaintiff was certified as a Limited Liability Company by the State Corporation Commission for the Commonwealth of Virginia on May 25, 2007, and is in the business of “help[ing] small and midsize technology oriented companies with their intellectual property (‘IP’) strategy to maximize the protection at minimum cost.” Doc. 34-1, ¶ 4. Plaintiff’s “registered office was originally located at 10557 Fox Forest Drive, Great Falls, Virginia 22066 where it remained until recently when it relocated to [11710 Plaza America Drive,] Reston, Virginia,” Doc. 34-1, ¶¶ 6 and 9. Plaintiff’s president, registered agent, and attorney,¹ William K. Wells, is listed as residing at the Great Falls address. Docs. 28-3 and 28-4. Plaintiff also maintains a mailing address at 11654 Plaza America Drive, Reston, Virginia, 20190, which is a UPS store that rents out boxes. Docs. 34-1, ¶ 7, 28-1. Mr. Wells is Plaintiff’s only full-time employee, although Plaintiff also employs a part-time employee and others as needed. Doc. 34-1, ¶ 8.

Defendant is a Florida corporation with its headquarters in West Palm Beach, Florida. Doc. 27, ¶ 3. Defendant has a president and Chief Executive Officer, Dean Rotchin, and two other employees, all of whom work in Defendant’s headquarters in West Palm Beach. Defendant “offers private jet seat service to its clients by arranging flights with charter jet operators.” Doc. 27, ¶ 4. Specifically, from its headquarters, Defendant “assembles a group of clients who are willing to fly on the same itinerary

¹ Mr. Wells is not listed as counsel of record for Plaintiff but is listed as Plaintiff’s counsel in Plaintiff’s first motion to dismiss Defendant’s affirmative defenses and counterclaims. Doc. 14.

according to a preset, published seat pricing model,” doc. 27, ¶ 5, and, based on the clients’ preferences, Defendant “selects for the assembled group an appropriate aircraft from a spectrum of qualified, independent charter jet operators,” doc. 27, ¶ 7.

On August 24, 2010, Plaintiff instituted the action in this case, claiming that Defendant infringed the '548 Patent to which Plaintiff was “properly assigned the rights, including the right to sue for and recover all past, present and future damages for infringement.” Comp., ¶¶ 11-16. Specifically, Plaintiff claims that the inventor assigned all rights and interest in the '548 Patent to Memphis Ventures, Inc.,² a corporation located in Memphis, Tennessee, doc. 34-1, ¶ 18, and that on or about May 2009, Memphis Ventures, Inc. transferred “all essential rights to [Plaintiff] including the right to sue for and recover all past, present and future damages for infringement of the '548 Patent.”³ Comp., ¶ 8. Defendant denies those allegations because the USPTO assignment database reflects that Memphis Ventures, Inc. is the assignee of the '548 Patent. The database does not reflect an assignment to Plaintiff. Am. Ans., ¶ 12. Defendant also denies that it infringed the '548 Patent. Am. Ans., ¶¶ 11-16.

On March 17, 2011, Defendant filed this motion to transfer venue to the Southern District of Florida, doc. 25, along with declarations from Dean Rotchin, doc. 27, and John P. Moy, one of Defendant’s counsel of record, doc. 28, and exhibits attached to John P. Moy’s declaration, docs. 28-1—28-8. On March 31, 2011, Plaintiff filed its memorandum in opposition to Defendant’s motion, doc. 34, along with a declaration

² In the Complaint, Plaintiff refers to “Memphis Ventures, Inc.” Comp., ¶ 8. In parts of William K. Wells’ declaration executed on March 31, 2011, Memphis Ventures is referred to as “Memphis Ventures LLC.” Doc. 34-1, ¶ 19. For the purposes of this order, the Court will refer to Memphis Ventures as a corporation, “Memphis Ventures, Inc.”

³ Plaintiff also claims that Memphis Ventures, Inc. assigned to Plaintiff, along with the rights in the '548 Patent, the rights of a related batch of patent applications referred to as the MyJets Applications. Doc. 34-1, ¶ 19.

from William K. Wells, doc. 34-1, and an exhibit attached to the declaration, doc. 34-1, exh. A. On April 4, 2011, Defendant filed its reply, doc 38, along with another declaration from Dean Rotchin, doc. 38-1, and another exhibit, 38-2. In response to arguments arising out of the reply, on April 8, 2011, Plaintiff filed a motion for leave to file a supplemental declaration of William K. Wells, doc. 39, along with the supplemental declaration, doc. 39-1. On April 26, 2011, a United States Magistrate Judge granted Plaintiff's motion for leave to file the supplemental declaration. Doc. 45.

LEGAL STANDARDS

“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.” 28 U.S.C. § 1404(a). The decision of whether to transfer rests within the district court’s discretion. Agilent Tech., Inc. v. Micromuse, Inc., 316 F. Supp. 2d 322, 325 (E.D. Va. 2004) (citation omitted). “[I]n considering whether to transfer venue, a district court must make two inquiries: (1) whether the claims might have been brought in the transferee forum, and (2) whether the interest of justice and convenience of the parties and witnesses justify transfer to that forum.” Pragmatus AV, LLC v. Facebook, Inc., No. 1:10cv1288, 2011 WL 320952 at *2 (E.D. Va. Jan. 27, 2011) (quoting Agilent Tech., Inc., 316 F. Supp. 2d at 324–25 (citation omitted)). The party seeking transfer carries the burden of establishing the propriety of the transferee forum. Id.

ANALYSIS

A. Whether the Claims Might Have Been Brought in the Southern District of Florida

Title 28 United States Code, Section 1400(b) provides that “[a]ny civil action for patent infringement may be brought in the judicial district where the defendant resides, or

where the defendant has committed acts of infringement and has a regular and established place of business.” 28 U.S.C. § 1400(b). “[A] corporation shall be deemed to reside in any judicial district in which it is subject to personal jurisdiction at the time the action is commenced.” 28 U.S.C. § 1391(c). In this case, Defendant is a Florida corporation with its headquarters in West Palm Beach, Florida, which is within the Southern District of Florida. Doc. 27, ¶ 3. Plaintiff does not dispute that the Southern District of Florida has personal jurisdiction over Defendant. Doc. 34, p. 5. For these reasons, this civil action could have been brought in the Southern District of Florida.

B. Whether Transfer is Convenient to Parties and Witnesses and in the Interests of Justice

“The second prong of the 1404(a) analysis is a balancing test that weighs ‘(1) plaintiff’s choice of forum, (2) convenience of the parties, (3) witness convenience and access, and (4) the interests of justice.’” Pragmatuts AV, 2011 WL 320952, at *2 (citing Heinz Kettler GmbH & Co. v. Razor USA, LLC, No. 1:10cv708, 2010 U.S. Dist. LEXIS 119954 at *16 (E.D. Va. Nov. 5, 2010)). As previously mentioned supra, the decision of whether to transfer rests within the district court’s discretion. Agilent Tech., Inc., 316 F. Supp. 2d at 325 (citation omitted).

1. Plaintiff’s Choice of Forum

Plaintiff contends that its choice of forum is entitled to substantial deference because it filed suit in its home district—the district in which it has been operating since 2007. After considering the facts and circumstances in this case, the Court disagrees.

Typically, a plaintiff’s choice of forum is entitled to substantial weight, “especially where the chosen forum is the plaintiff’s home or bears a substantial relation to the cause of action.” Pragmatuts AV, 2011 WL 320952, at *2 (quoting Heinz Kettler

GmbH & Co., 2010 U.S. Dist. LEXIS 119954 at *17). However, the level of deference a court shows a plaintiff's forum choice "varies with the significance of the contacts between the venue chosen and the underlying cause of action," id. (quoting Board of Trustees v. Baylor Heating & Air Conditioning, Inc., 702 F. Supp. 1253, 1256 (E.D. Va. 1998)), and for this factor of the § 1404(a) analysis to weigh heavily against transfer, "a plaintiff must prove a legitimate connection to the district." Id. (citation omitted).

Courts have declined to show a plaintiff's choice of forum substantial deference when "connections to a preferred forum [were] made in anticipation of litigation and for the likely purpose of making that forum appear convenient." In re Microsoft Corp., 630 F.3d 1361, 1364 (Fed. Cir. 2011). This is especially so in patent infringement cases. For example, in Pragmatus AV, LLC v. Facebook, Inc., No. 1:10cv1288, 2011 WL 320952 (E.D. Va. Jan. 27, 2011), the court granted a motion to transfer in a patent infringement case. The plaintiff, owned by two individuals, was formed in the Eastern District of Virginia for the purposes of owning and managing its patent portfolio. Id. at *1. A week after it was incorporated, the plaintiff acquired the patent-in-suit from a patent aggregator. Id. Approximately five months after incorporating, the plaintiff filed suit. Id. at *3. The court declined to give the plaintiff's choice of forum substantial deference because of the plaintiff's tenuous connection with the district. The court found a lack of connection because:

[The plaintiff] does not contest defendants' description of it as a "non-practicing entity," meaning that it does not research and develop new technology but rather acquires patents, licenses the technology, and sues alleged infringers. [The plaintiff's] main line of business is enforcing its intellectual property rights, and a large part of that task involves threatening to file lawsuits. [The plaintiff's] only employee in this district is a co-owner who has owned a home in Alexandria since 2007 and works here part-time.

In sum, the only connection between the Eastern District of Virginia and this plaintiff is that [plaintiff] was formed in Alexandria a week before it acquired the patent portfolio and five months before it filed this lawsuit.

Id.

In this case, similar to Pragmatius AV, the only ascertainable connection between Plaintiff's acquisition and use of the '548 Patent and the Eastern District of Virginia is the suit filed to enforce that patent. The inventor is not located in this district.⁴ The alleged infringing activity is not occurring in this district.⁵ There is no evidence to suggest that Plaintiff is employing the '548 Patent in furtherance of a business enterprise in this district or that Plaintiff is licensing the use of the '548 Patent in this district. Plaintiff is only seeking to enforce the patent in this district. Accordingly, the Court concludes that there is no significant connection between the underlying cause of action and this district so as to justify awarding Plaintiff's choice of forum substantial deference.

Plaintiff argues that it is unlike the plaintiff in Pragmatius AV because it has been in this district since 2007 and it is involved in pursuits other than patent enforcement. Plaintiff contends that because it is more established in this district than the plaintiff in Pragmatius AV, its choice of forum is entitled to substantial deference. Plaintiff's connections to this district, however, are unrelated to the underlying cause of action. While the Court agrees that the facts in this case are distinguishable in certain aspects

⁴ The parties dispute the location of the inventor. The inventor's listed address on the copy of the '548 Patent is Mile Marker 24.5, Royal Palm Plaza, Summerland Key, Florida 33042. Comp., Ex. A. Plaintiff, however, claims that the inventor has moved to New Mexico. Doc. 34, p. 12. In any case, there is no evidence to suggest that the inventor is located in Virginia.

⁵ Plaintiff submitted a copy of a listing of aircraft available through Defendant's service. Doc. 34-1, Ex. A. The document lists "empty legs" in Richmond, Leesburg, and Manassas. Id. Plaintiff posits that this is evidence of infringing activity in the Eastern District of Virginia. Doc. 34, p. 9. The patent in this case, however, is a system concerning air travel. Defendant's system for matching clients to jets is the alleged infringing activity and that system was developed and implemented and is currently employed in the Southern District of Florida. Doc. 27, ¶¶ 13-14.

from those in Pragmatus AV, the Court finds one important similarity: the only connection between Plaintiff, the '548 patent, and the Eastern District of Virginia is the litigation in the district. As previously stated, the level of deference a court shows a plaintiff's forum choice "varies with the significance of the contacts between the venue chosen and the underlying cause of action," Pragmatus AV, 2011 WL 320952, at *2 (quoting Board of Trustees, 702 F. Supp. at 1256), and courts have declined to show a plaintiff's choice of forum substantial deference when "connections to a preferred forum [were] made in anticipation of litigation and for the likely purpose of making that forum appear convenient." In re Microsoft Corp., 630 F.3d at 1364.

Plaintiff argues that there is a significant connection between the underlying cause of action and this district other than the litigation in this case—the assignment of "essential rights" in the '548 Patent. Specifically, William K. Wells, Plaintiff's president, stated in a declaration that the contract transferring the rights to the '548 Patent and the MyJets Applications from Memphis Ventures, Inc. to Plaintiff was executed in Virginia and documents relating to that transfer are also located in Virginia. Doc. 34-1, ¶ 20. Plaintiff claims that because Defendant contests the assignment, the assignment provides a connection between the underlying cause of action and this district.

Plaintiff, however, has not provided the Court with any details regarding the assignment, other than the aforementioned declaration. Specifically, the Court has not received any evidence or information regarding: what rights were assigned; the purpose for which those rights were assigned; what Plaintiff has done with those rights; and whether the bulk of the documents and witnesses regarding the assignment are located in

Tennessee or Virginia.⁶ Therefore, without knowing more, the Court cannot accept Plaintiff's contention that the assignment creates a significant connection between the underlying cause of action and this district.

Because the Court concludes that Plaintiff's choice of forum is not dispositive, the Court will look to the other factors in the § 1404(a) analysis to determine whether to transfer this case. See Board of Trustees, 702 F. Supp. at 1257 (considering other factors of the analysis when the plaintiff's choice of forum is not dispositive).

2. Convenience to the Parties

Plaintiff argues that this factor does not favor transfer because Plaintiff filed suit in its home forum. Plaintiff cites the decision in Board of Trustees v. Baylor Heating & Air Conditioning, Inc., 702 F. Supp. 1253, 1259 (E.D. Va. 1988), which states that when a plaintiff files suit in its home forum, "convenience to parties rarely, if ever, operates to justify transfer." For the reasons discussed supra, the Court is unwilling to apply such a presumption and will consider this factor, along with the other three factors, in its analysis. In doing so, the Court concludes that this factor strongly favors transfer.

As noted by the Federal Circuit, "in patent infringement cases, the bulk of relevant evidence usually comes from the accused infringer," In re Genentech, Inc., 556, F.3d 1338, 1345 (Fed. Cir. 2009). In this case, the bulk of the witnesses and documents relating to Defendant's alleged infringement are located at its headquarters in the Southern District of Florida. Specifically, the '548 Patent involves a computer network air travel scheduling system. Comp., Ex. A. Defendant is in the business of matching clients with charter jets containing empty seats. Doc. 27, ¶ 4. Defendant's president and

⁶ Plaintiff explains that the assignment was not filed with the USPTO and that it cannot disclose the details of the assignment pursuant to a confidentiality agreement. In any case, the Court cannot agree with Plaintiff's contention without more details regarding the assignment.

two employees, who have the knowledge of the development, implementation, and operation of the systems and services accused of infringement, are located at Defendant's headquarters in the Southern District of Florida. Doc. 27, ¶ 13. Also, documentation for those systems and services are located in Defendant's headquarters in the Southern District of Florida. Doc. 27, ¶ 14. Therefore, most, if not all, of the discovery relating to Defendant's alleged infringing activity will come from witnesses and documents located in the Southern District of Florida.

To require Defendant to move the relevant files and employees to the Eastern District of Virginia would place a very heavy burden on Defendant's business. Defendant, as a small business, relies on its president, Dean Rotchin, and its two employees to be present at headquarters, answering phones and matching clients to charter jets. If Mr. Rotchin or the other employees had to be away from headquarters for proceedings in this case, Defendant would have difficulty continuing the day-to-day operations of the business.

Plaintiff, on the other hand, has very little relevant evidence, if any, located in the Eastern District of Virginia. Plaintiff has only one full-time employee, William K. Wells, its president. Plaintiff has not submitted any evidence that suggests that its business would be burdened if Mr. Wells has to travel to Florida. The only relevant documents that Plaintiff claims are located in this district are documents regarding the assignment of rights in the '548 Patent. As discussed supra, Plaintiff has not provided the Court with details regarding the amount of documents located in the district, the burden of moving those documents, and the relevance of those documents. Based on what Plaintiff has submitted regarding this motion, the Court cannot agree with Plaintiff that moving one

employee and an unspecified amount of evidence would impose a significant hardship on Plaintiff.

Because Defendant would be much more burdened if the proceedings were in this district than Plaintiff if proceedings were in the Southern District of Florida, the Court concludes that this factor strongly favors transfer.

3. Convenience of Witnesses

Similar to the analysis under the previous factor, this factor also strongly favors transfer. Most of the non-party witnesses that would testify to the alleged infringing activity are located in the Southern District of Florida. According to Defendant, these witnesses include: (1) individuals employed by Defendant's vendors who have knowledge of, and responsibility for, the operations of the computer systems used in Defendant's private jet seat service; (2) multiple non-party charter jet providers for whom Defendant offers its private jet seat service (either headquartered in the Southern District of Florida or have a base in the district); (3) the booking engine web site that is integrated with Defendant's online system (headquartered in the district); and (4) possibly the inventor of the '548 Patent whose listed address on the patent is in the Southern District of Florida.⁷ Doc. 26, p. 12-13.

Plaintiff counters that Defendant's non-party witnesses are not concentrated in the Southern District of Florida, but, instead, are scattered throughout the United States. In support of its argument, Plaintiff cites a listing of "empty leg" flights available in different cities throughout the country. Doc. 34-1, Ex. A. The alleged infringing activity, however, concerns Defendant's system for matching clients to charter jets. That system

⁷ As discussed in footnote 4 *supra*, the inventor's listed address on the copy of the '548 Patent is Mile Marker 24.5, Royal Palm Plaza, Summerland Key, Florida 33042. Comp., Ex. A. Plaintiff, however, claims that the inventor has moved to New Mexico. Doc. 34, p. 12.

was developed and implemented and is currently employed in the Southern District of Florida. Doc. 27, ¶¶ 13-14. Therefore, the bulk of evidence regarding that system will also be located in the Southern District of Florida, regardless of where “empty legs” depart and arrive.

Plaintiff also contends that a significant amount of non-party witnesses are located in the Eastern District of Virginia. In support of its assertion, Plaintiff sets forth the following witnesses that reside in this district: (1) Mark Ferguson, who has files relating to Plaintiff’s operation; (2) Plaintiff’s attorney, Fred Grasso, who was retained to analyze Defendant’s infringement of the patent-in-suit; and (3) Gary Morris, an attorney, who (i) was involved in the purchase of the '548 patent, (ii) has possession and/or control of files relating to that purchase, and (iii) has knowledge about the value of the patent-in-suit as well as the related MyJets Applications and the relationship of those assets to one another.⁸ Doc. 34, p. 11-12. Files relating to Plaintiff’s operation, however, are largely irrelevant—it is Defendant’s operation that is the primary subject of dispute in this case.⁹ Also, any work product or testimony from Plaintiff’s attorneys regarding infringement of the '548 Patent would most likely be privileged. Knowledge of the value of the patent-in-suit is relevant, but one witness with such knowledge does not outweigh the bulk of non-party witnesses cited by Defendant.

⁸ Plaintiff also identifies Aaron Kamlay, who formed a law firm with Gary Morris in Washington, DC, as a potential witness. Mr. Kamlay prosecuted the related MyJets Applications while working at Townsend, Townsend and Crew, LLP in Washington, DC. Doc. 34-1, ¶ 21. The Court cannot, however, give much, if any weight, to potential witnesses when conducting its § 1404(a) analysis.

⁹ Files relating to the assignment of rights in the '548 Patent would be relevant because the assignment is in dispute, but Plaintiff did not specify that those were the type of files in Mr. Ferguson’s possession. Furthermore, as discussed *supra*, Plaintiff has not provided the Court with sufficient information regarding the assignment so as to justify allotting the assignment significant weight in the § 1404(a) analysis.

Because most of the relevant non-party witnesses are located in the Southern District of Florida and Plaintiff has failed to identify relevant non-party witnesses in this district, the Court concludes that this factor strongly favors transfer.

4. Interests of Justice

“Relevant considerations in evaluating the interests of justice are the pendency of a related action; the court’s familiarity with the applicable law; docket conditions; access to premises that might have to be viewed; the possibility of unfair trial; the ability to join other parties; and the possibility of harassment.” Pragmatus AV, 2011 WL 320952 at *4 (quoting Nationwide Mut. Ins. Co. v. Overlook, LLC, No. 4:10cv69, 2010 U.S. Dist. LEXIS 60300 (E.D. Va. June 17, 2010)). The only factor listed that is relevant in this case is “docket conditions.” In regards to that factor, the court in Pragmatus AV stated that “[a]lthough . . . efficiency may be particularly attractive to plaintiffs in complex litigation such as patent infringement actions, that efficiency also invites forum shopping.” Id.; see also Cognitronics Imaging Systems, Inc. v. Recognition, 83 F. Supp. 2d 689, 699 (E.D. Va. 2000) (“The ‘rocket docket’ certainly attracts plaintiffs, but the Court must ensure that this attraction does not dull the ability of the Court to continue to act in an expeditious manner.”). The court concluded that “[w]hen a plaintiff with no significant ties to the Eastern District of Virginia chooses to litigate in the district primarily because it is known as the ‘rocket docket,’ the interest of justice ‘is not served.”’ Pragmatus AV, 2011 WL 320952 at *5 (quoting Original Creatine Patent Co., Ltd. v. Met-Rx USA, Inc., 387 F. Supp. 2d 564, 572 (E.D. Va. 2005)).

In this case, Plaintiff claims that this factor is in its favor because the Eastern District of Virginia’s “docket is faster than that of the Southern District of Florida” and

“based on [Plaintiff’s] substantial ties to this district, there is an interest in this controversy being decided here in this district.” Doc. 34, p. 13. The difference in time to trial between the Eastern District of Virginia and the Southern District of Florida is not a significant difference. See Doc. 28-8 (noting that for the 12-month period ending March 31, 2010, the median time from the filing of a civil action to its final disposition in the Eastern District of Virginia is 11.1 months compared to 15.5 months in the Southern District of Florida). Also, as discussed supra, while Plaintiff has been operating in this district since 2007, there is no significant connection between Plaintiff’s acquisition and use of the ‘548 Patent and this district other than the litigation in this case. The Court concludes that the interests of justice favor transfer because of this lack of connection and the insignificant difference in time from filing to disposition between the two districts.¹⁰

CONCLUSION

For the reasons stated herein and at the June 3, 2011 hearing, the Court FINDS that the § 1404(a) factors weigh overwhelmingly in favor of transfer. Accordingly, the Court GRANTS Defendant’s Motion to Transfer, doc. 25, and declines to decide Plaintiff’s Motion to Dismiss, doc. 47, and any other outstanding motions in this case.

¹⁰ The Court recognizes that Plaintiff in this case has more of a presence in this district than the plaintiff in Pragmatus AV. The Court does not believe, however, that the interests of justice favor a plaintiff’s choice of forum when the only connection between a plaintiff’s acquisition and use of the patent-in-suit and the plaintiff’s choice of forum is the lawsuit filed in that forum.

