

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

PARKERVISION, INC.,

Plaintiff,

vs.

Case No. 3:15-cv-1477-J-39JRK

APPLE, INC., et al.,

Defendant.

ORDER

This patent case is before the Court on the Report and Recommendation entered by the Honorable James R. Klindt, United States Magistrate Judge, on January 9, 2018. (Doc. 88; Report). In the Report, Magistrate Judge Klindt recommends that Defendant Apple Inc.'s ("Apple") Motion to Dismiss for Improper Venue (Doc. 58; Apple Motion) be denied, and that Defendant Qualcomm Inc.'s ("Qualcomm") Motion to Transfer to the Southern District of California (Doc. 60; Qualcomm Motion) be denied. Judge Klindt also recommends that Apple be directed to respond to the Amended Complaint (Doc. 3) within fourteen (14) days of the date of this Order, and that Qualcomm be permitted to amend its Answer and Counterclaims by that same deadline "solely for the purpose of making clear it contests venue as to the infringement counts set forth in the Amended Complaint." Report at 28. Qualcomm has filed an objection to the Report (Doc. 89; Qualcomm Objection), to which Plaintiff, ParkerVision, Inc. ("ParkerVision") has filed a response. (Doc. 94; ParkerVision Response). Neither ParkerVision or Apple filed an objection to the Report.

The Court may "accept, reject, or modify, in whole or in part, the findings or

recommendations made by the magistrate judge.” 28 U.S.C. § 636(b). If no specific objections to findings of fact are filed, the district court is not required to conduct de novo review of those findings. See Garvey v. Vaughn, 993 F.2d 776, 779 n.9 (11th Cir. 1993); see also 28 U.S.C. § 636(b)(1). If, on the other hand, a party files an objection, the district judge must conduct a de novo review of the portions of a magistrate judge’s report and recommendation to which the party objects. United States v. Powell, 628 F.3d 1254, 1256 (11th Cir. 2010); 28 U.S.C. § 636(b)(1). The district court must review legal conclusions de novo. See Cooper-Houston v. Southern Ry. Co., 37 F.3d 603, 604 (11th Cir. 1994); United States v. Rice, No. 2:07-mc-8-FtM-29SPC, 2007 WL 1428615, at *1 (M.D. Fla. May 14, 2007).¹

I. Background²

ParkerVision initiated this case alleging patent infringement against nine Defendants on December 14, 2015. (Doc. 1; Complaint). The Complaint was amended on December 16, 2015, when Plaintiff filed an Amended Complaint as of right under Rule 15, Federal Rules of Civil Procedure (“Rule(s)”), against the same nine Defendants. (Doc. 3; Amended Complaint). As set forth in the Report, only Apple and Qualcomm

¹ The Court is not required to conduct a de novo review of those portions of the Report to which no party has filed an objection. See Garvey, 993 F.2d at 779 & n.9; see also 28 U.S.C. § 636(b)(1). If no objections to a magistrate judge’s report and recommendation are filed, the Report is reviewed only for plain error and only if necessary in the interests of justice. Shepherd v. Wilson, 663 F. App’x 813, 816 (11th Cir. 2016); see also Mitchell v. United States, 612 F. App’x 542, 545 (11th Cir. 2015) (noting that under 11th Circuit Rule 3-1, the appellant would have waived his ability to appeal to the district court’s final order on a report and recommendation where appellant failed to object to that report and recommendation) (citing 11th Cir. R. 3-1). “Under plain error review, we can correct an error only when (1) an error has occurred, (2) the error was plain, (3) the error affected substantial rights, and (4) the error seriously affects the fairness, integrity or public reputation of judicial proceedings.” Symonette v. V.A. Leasing Corp., 648 F. App’x 787, 790 (11th Cir. 2016) (citing Farley v. Nationwide Mut. Ins. Co., 197 F.3d 1322, 1329 (11th Cir.1999)).

² There being no factual objections to the Magistrate Judge’s findings as to the background of this case, the Court only recites those background facts pertinent to the Court’s de novo review.

remain as Defendants. Report at 3, 5. With respect to personal jurisdiction and venue,

[T]he Amended Complaint alleges that “Apple is a California corporation with its principal place of business at 1 Infinite Loop, Cupertino, California 95014” and that “Qualcomm is a Delaware corporation with its principal place of business at 5775 Morehouse Drive, San Diego, California 92121.” Am. Compl. at 2 ¶¶ 2-3. According to the Amended Complaint, “[p]ersonal jurisdiction exists generally over [Apple and Qualcomm] because [they both have] sufficient minimum contacts with the forum as a result of business conducted within the State of Florida and the Middle District of Florida. Personal jurisdiction also exists specifically over [Apple and Qualcomm] because [they], directly or through subsidiaries or intermediaries, make[], use[], offer[] for sale, sell[], import[], advertise[], make[] available and/or market[] products in the United States, the State of Florida, and the Middle District of Florida that infringe one or more claims of each of ParkerVision’s Patents-in-Suit[.]” Id. at 4-5 ¶¶ 15-16.

The Amended Complaint also alleges that “[v]enue in this District is proper under 28 U.S.C. §§ 1400(b) and 1391(b) and (c), because Defendants are subject to personal jurisdiction in this District and have committed acts of infringement in this District.” Am. Compl. at 5 ¶ 19. Further, according to the Amended Complaint, “Defendants make, use, and/or sell infringing products within this District, have continuing presence within the District, and have the requisite minimum contacts with the District such that this venue is a fair and reasonable one.” Id. at 5-6 ¶ 19. Finally, the Amended Complaint alleges with respect to venue that “[u]pon information and belief, Defendants have transacted and, at the time of the filing of th[e Amended] Complaint, are continuing to transact business within the District.” Id. at 6 ¶ 19.

Report at 3-4. Qualcomm Defendants answered the Amended Complaint and asserted eight counterclaims. (Doc. 19). Qualcomm denied ParkerVision's venue allegations, but did not assert a defense of improper venue. Id. ¶ 19. Qualcomm alleged that the Court has jurisdiction and venue over its counterclaims seeking declarations of non-infringement and invalidity of the patent-in-suit. Id. at 14 ¶ 3. See Report at 5.

Apple moves to dismiss pursuant to Rule 12(b)(3), which provides that a party may assert "improper venue" by motion. (Doc. 58 at 6). Qualcomm moves to transfer this case to the Southern District of California pursuant to 28 U.S.C. §§ 1406(a) and 1400(b), or alternatively under the permissive transfer statute for the convenience of the parties, 28 U.S.C. § 1404(a). (Doc. 60 at 9). Both Apple and Qualcomm contend that venue is not proper in the Middle District of Florida under the patent venue statute, 28 U.S.C. § 1400(b).

In recommending denial of Defendants' respective Motions, the Magistrate Judge made the following determinations:

Transfer pursuant to 28 U.S.C. §§ 1400(b) and 1406(a):

- 1) Whether considered under Federal Circuit law, or Eleventh Circuit law, ParkerVision bears the burden of proof, for purposes of establishing venue pursuant to 28 U.S.C. § 1400(b). See Report at 10;
- 2) The Court must accept the ParkerVision's allegations as true and evaluate all plausible inferences and factual conflicts in favor of the ParkerVision, for purposes of establishing venue pursuant to 28 U.S.C. § 1400(b). The Court may also consider matters outside of the pleadings, such as affidavit testimony, in resolving the venue issues. See Report at 10;
- 3) Qualcomm's filing of an Answer did not waive its challenge to the Court's venue, pursuant to 28 U.S.C. § 1400(b). See Report at 11;
- 4) Decisions of the Federal Circuit are binding for purposes of considering venue pursuant to 28 U.S.C. § 1400(b). See Report at 16;
- 5) Rejecting as "too rigid" "the exact date of the filing of the Complaint" as the determinant time for establishing whether a Defendant has a "regular and established place of business," rather considering whether the Defendant had a

"regular and established place of business" in the district when the cause of action accrued and the Complaint was filed within a reasonable time thereafter, "especially in this circumstance," for purposes of establishing venue pursuant to 28 U.S.C. § 1400(b). See Report at 18-19;

6) The requirement of having a regular and established place of business in the Middle District of Florida, for purposes of establishing venue pursuant to 28 U.S.C. § 1400(b), is met as to both Apple and Qualcomm. See Report at 13, 15, 19.

7) ParkerVision has met its burden of establishing that "acts of infringement" occurred in this District, for purposes of establishing venue pursuant to 28 U.S.C. § 1400(b), as to both Apple and Qualcomm. See Report at 20;

8) The record is sufficient for the Court to decide venue pursuant to 28 U.S.C. § 1400(b), and venue specific discovery is not necessary in this case. See Report at 20.

Transfer pursuant to 28 U.S.C. 1404(a):

9) A motion to transfer venue of a patent case pursuant to 28 U.S.C. § 1404(a) is governed by regional circuit law, rather than the law of the Federal Circuit. See Report at 21;

10) Qualcomm did not waive its ability to seek permissive transfer of this action pursuant to 28 U.S.C. § 1404(a), because the waiver provisions of Rule 12(h) do not govern a motion to transfer venue pursuant to the discretionary provisions of 28 U.S.C. § 1404(a). See Report at 21;

11) Venue may also lie, and this case could have been brought, in the Southern District of California. See Report at 22;

12) The burden of showing that a transfer is appropriate pursuant to 28 U.S.C. § 1404(a) lies with Qualcomm. See Report at 22;

13) Inasmuch as a transfer of this case to the Southern District of California would merely shift the inconvenience from one party to the other, factors pertaining to the convenience of the witnesses and relative means of the parties weigh in favor of retaining the case in this District, for purposes of

determining whether a permissive transfer for the convenience of the parties is appropriate pursuant to 28 U.S.C. § 1404(a). See Report at 23-24;

14) The locus of operative facts is the Southern District of California where Qualcomm's accused products were primarily designed and developed, and this factor weighs in favor of transfer, for purposes of determining whether a permissive transfer for the convenience of the parties is appropriate pursuant to 28 U.S.C. § 1404(a). See Report at 24;

15) The location of relevant evidence and ease of access to sources of proof is neutral, for purposes of determining whether a permissive transfer for the convenience of the parties is appropriate pursuant to 28 U.S.C. § 1404(a), in light of advances of copying technology, ease of transporting documents, the already completed discovery in the concluded proceedings before the U.S. International Trade Commissioner ("ITC"), and the location of Qualcomm documents in the Southern District of California, and ParkerVision documents in this District. See Report at 25;

16) The factors of familiarity with the governing law, trial efficiency and the interests of justice weigh in favor of retaining the case in this District, in light of previous patent cases between the parties covering related technology brought in this District, for purposes of determining whether a permissive transfer for the convenience of the parties is appropriate pursuant to 28 U.S.C. § 1404(a). See Report at 26;

17) ParkerVision's choice of this District as the forum for litigating this case weighs "slightly in favor" of denying transfer to the Southern District of California under 28 U.S.C. § 1404(a). See Report at 26-28;

18) Qualcomm has not met its burden of showing that transferring this case to the Southern District of California, pursuant to 28 U.S.C. § 1404(a) is appropriate. See Report at 28.

II. Qualcomm's Objections

Qualcomm contends that the Magistrate Judge erred in denying transfer pursuant

to the patent venue statute, 28 U.S.C. § 1400(b) and 28 U.S.C. § 1406(a), because Qualcomm "had no regular and established place of business in the District when the action was brought." (Doc. 89 at 3). Qualcomm argues that it is error to "reach[] backwards in time to evaluate contacts prior to the filing of the complaint - effectively rewriting the statute to allow venue in jurisdictions where the defendant 'had' a regular and established place of business." Id.; see also id. at 7. Additionally, Qualcomm argues that the Magistrate Judge lacked a sufficient basis for finding that ParkerVision satisfied its burden of showing that Qualcomm committed "acts of infringement" in this District. Id. at 10. As to permissive transfer pursuant to 28 U.S.C. § 1404(a), Qualcomm argues that the Magistrate Judge erred by placing "too much weight on [ParkerVision's] choice of forum," and by "ignor[ing] the substantial inconveniences to Qualcomm's witnesses if trial proceeds in this District." Id. at 3; see also id. at 11-12.

Qualcomm objects to the Magistrate Judges legal conclusions addressed by numbered paragraphs 5, 6, 7, 13, 16, 17 and 18 above. The Court reviews these determinations de novo. As to the remaining unobjected-to legal and factual conclusions made by the Magistrate Judge, the undersigned finds no plain error and will accept and adopt the legal and factual conclusions recommended by the Magistrate Judge. Notwithstanding the standard of review, the Court has conducted an independent examination of the record in this case and a de novo review of the legal conclusions and reaches the same determination.

III. Discussion

A. Transfer Pursuant to 28 U.S.C. §§ 1400(b) and 1406(a)

Section 1400(b) provides:

Any 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). Under Section 1400(b), venue is proper when either of two tests is satisfied: (1) the defendant resides in the judicial district, or (2) the defendant has committed acts of infringement and has a regular and established place of business in the judicial district. During the pendency of this action, the Supreme Court issued its decision TC Heartland LLC v. Kraft Foods Grp. Brands LLC, __ U.S. __, 137 S. Ct. 1514 (2017). In TC Heartland, the Supreme Court reaffirmed that the "residence" of a domestic corporation for purposes of Section 1400(b) is where the corporation is incorporated. 137 S. Ct. at 1517, 1521. In so doing, the Court overturned Federal Circuit precedent, VE Holding Corp. v. Johnson Gas Appliance Co., 917 F.2d 1574, 1578 (Fed. Cir. 1990), that had held that "residence" for purposes of Section 1400(b) incorporated the broader definition of corporate "residence" contained in the general venue statute, 28 U.S.C. § 1391, allowing a plaintiff to bring a patent infringement lawsuit against a corporation in any district in which the corporation is subject to personal jurisdiction. TC Heartland, 137 S. Ct. at 1519-20. The Supreme Court left untouched prior decisions regarding the alternative test, addressing whether the defendant in a patent case has committed acts of infringement and has a regular and established place of business in the judicial district, for purposes of venue under Section 1400(b).

The parties in this case agree that under TC Heartland, Qualcomm does not

"reside" in this District.³ The issue is whether ParkerVision has satisfied the alternative test for supporting venue in this District pursuant to Section 1400(b).

1. "Regular and Established Place of Business"

The only Federal Circuit decision discussing the reach of Section 1400(b) post-TC Heartland, is In re: Cray, Inc., 871 F.3d 1355 (Fed. Cir. 2017). In In re: Cray, the Federal Circuit examined Section 1400(b)'s "regular and established place of business" requirement. It held that the fact that the defendant corporation had two employees working from their homes was not a sufficient enough presence to meet the requirement, based upon the specific facts of that case. 871 F.3d at 1364-66 ("We stress that no one fact is controlling. But taken together, the facts cannot support a finding that Cray has an established place of business in the Eastern District of Texas.").⁴

In reaching its conclusion, the Federal Circuit clarified that following TC Heartland, in order to establish a "regular and established place of business" pursuant to Section

³ Qualcomm is a Delaware corporation with its headquarters and principal place of business in San Diego, California, which is in the Southern District of California. (Doc. 60-5 at 1 (Dobbins Decl. ¶ 2)).

⁴ In In re: Cray, the Federal Circuit granted the defendant corporation's petition for mandamus, vacated the district court's order that had denied the defendant's motion to transfer venue, and directed the district court to transfer the case pursuant to 28 U.S.C. § 1406(a) to an appropriate venue. 871 F.3d at 1367. In addressing the question of when the regular and established place of business must be considered, the district court adopted the view that pursuant to Section 1400(b), "venue is properly lodged in the district if the defendant had a regular and established place of business at the time the cause of action accrued and suit is filed within a reasonable time thereafter." Raytheon Co. v. Cray, Inc., 258 F. Supp. 3d 781, 787-88 (E.D. Tex.) (quoting Welch Sci. Co. v. Human Eng'g Inst., Inc., 416 F.2d 32, 35 (7th Cir. 1969)), mandamus granted, order vacated sub nom., In re: Cray Inc., 871 F.3d 1355 (Fed. Cir. 2017). Though noting that the employment of one of the two employees working from home for the corporate defendant ended before the plaintiff filed its complaint, the Federal Circuit did not specifically address the issue of the timing of the required "regular and established place of business" other than to say that the facts presented cannot support a finding that the home workplace was a "regular and established place of business of Cray" and that the "same is true as to Mr. Testa [the former employee] to the extent he is relevant to this analysis." 871 F.3d at 1357, 1364-65 (emphasis in original). The Federal Circuit noted that the district court did not rely on the former employee's activities in determining that venue was proper. Id. at 1358. (Accord Doc. 89 at 5 (Qualcomm: "Cray did not reach the question of when venue is evaluated.")).

1400(b), "(1) there must be a physical place in the district; (2) it must be a regular and established place of business; and (3) it must be the place of the defendant." Id. at 1360. "If any statutory requirement is not satisfied, venue is improper under § 1400(b)." Id. To have a "regular and established place of business" in a district in accordance with Section 1400(b), a defendant must have "a physical, geographical location in the district from which the business of the defendant is carried out." Id. at 1362.

The first factor requires a physical place in the district such as a "[a] building or a part of a building set apart for any purpose" or "quarters of any kind" where the business is conducted. . . . A virtual space or electronic communication is not sufficient. . . . While a fixed physical presence such as an office or store is not required, there must be a "physical, geographical location" from which the defendant's business is carried out.

Reflection, LLC v. Spire Collective LLC, No. 17cv1603-GPC(BGS), 2018 WL 310184, at *2 (S.D. Cal. Jan. 5, 2018) (quoting In re: Cray, 871 F.3d at 1362). The place of business must be both "regular," which means that it operates in a "steady[,] uniform[,] orderly [, and] methodical" manner, and "established," which means that it is not transient but instead "settle[d] certainly, or fix[ed] permanently." In re: Cray, 871 F.3d at 1362-63 (citations omitted). Finally, the place of business must be the defendant's place, and not simply a place of the defendant's employees - the defendant must be the one that established or ratified the business. Id. at 1363. The Federal Circuit advises that "[i]n deciding whether a defendant has a regular and established place of business in a district, no precise rule has been laid down and each case depends on its own facts." Id. at 1362. It "stress[ed] that no one fact is controlling" and all facts must be "taken together" in determining whether venue is proper. Id. at 1366.

ParkerVision alleges in the Amended Complaint that Qualcomm is a Delaware

corporation with its principal place of business in California. (Doc. 3 at 2 (Am. Compl. ¶ 3)). It alleges that the Court has personal jurisdiction over Qualcomm "as a result of business conducted within the State of Florida and the Middle District of Florida," and because it markets products in the Middle District of Florida that infringe on ParkerVision's patents. Id. ¶ 16. ParkerVision alleges in the Amended Complaint, which was filed prior to the Supreme Court's decision in TC Heartland, that:

Venue in this District is proper under 28 U.S.C. §§ 1400(b) and 1391(b) and (c), because Defendants are subject to personal jurisdiction in this District and have committed acts of infringement in this District. Defendants make, use, and/or sell infringing products within the District, have continuing presence within this District, and have the requisite minimum contacts with the District such that this venue is a fair and reasonable one. Upon information and belief, Defendants have transacted and, at the time of the filing of this Complaint, are continuing to transact business within the District.

Am. Compl. ¶ 19.

Qualcomm establishes that when ParkerVision filed its Complaint on December 14, 2015, Qualcomm had no offices in Florida. (Doc. 60-5 at 3 (Dobbins Decl. ¶ 6)). Prior to the filing of the Complaint, Qualcomm did maintain offices in Ocala, Florida, and in Orlando, Florida, both of which are located in the Middle District of Florida. Id. ¶ 8. The Ocala office closed in 2014, and the Orlando office closed "in November 2015." Id. Then, "more than a year after the [C]omplaint was filed, Qualcomm closed on an acquisition of a joint venture it had established in early 2016 with third-party TDK Corporation, which "included an office in Maitland, Florida," also in the Middle District of Florida. Id. ¶ 7. Qualcomm represents that "[t]he Maitland office played no role in the design, development, or sales of the accused Qualcomm chips." Id.

These facts raise the issue of the date or time at which Qualcomm must have had a regular and established place of business in this District to support venue pursuant to Section 1400(b), and whether an office that closed between two to six weeks prior to the filing of the Complaint constitutes a "regular and established place of business" sufficient to satisfy the patent venue statute's requirements. The Federal Circuit did not address this question in In re Cray and the law is unsettled.

In arguing that the Magistrate Judge erred by "reaching back in time" to find that Qualcomm had a regular and established place of business in this District for purposes of the Section 1400(b) requirement, Qualcomm cites to the decision in Personal Audio, LLC v. Google, Inc., No. 1:15-CV-350, ___ F. Supp.3d ___, 2017 WL 5988868 (E.D. Tex. Dec. 1, 2017). In Personal Audio, the defendant in the patent case, Google, Inc., operated an office in the Eastern District of Texas as a regular and established place of business between November 2011 and December 2013, when it closed its office and leased the property to another entity until August 2015. Id. at *9. The court held that there was insufficient evidence for the plaintiff to carry its burden of proving that Google had a "regular and established place of business" in the district on September 15, 2015, the date plaintiff filed its complaint alleging patent infringement. Id. The court held that "venue is determined under § 1400(b) by the facts and situation as of the date suit is filed. This is the plain reading of § 1400(b), the pertinent provisions of which are written in the present tense." Id. at 7; see also id. at *8. The court also emphasized the need for strict statutory construction, and the Supreme Court's directive in TC Heartland to focus on the language of the statute. Id. at *6-7; see generally Omega Patents, LLC v. CalAmp Corp., No. 6:13-cv-1950-Orl-40DCI, 2017 WL 4990654, *2, 3 (M.D. Fla. Sept. 22, 2017)

(observing that "venue must be determined based on the facts at the time of filing" (quoting Flowers Indus., Inc. v. F.T.C., 835 F.2d 775, 778 (11th Cir. 1987) and finding that at the time of the filing of the suit the accused infringer had consented to personal jurisdiction and venue based on a prior settlement agreement involving a first asserted patent), appeal filed No. 18-1309 (Fed. Cir. Dec. 19, 2017).

ParkerVision cites to the decision in Welch Sci. Co. v. Human Eng'g Inst., Inc., 416 F.2d 32 (7th Cir. 1969). There, the court was guided by the Supreme Court's holding in Fourco Glass Co. v. Transmirra Prods. Corp., 353 U.S. 222, 226 (1957), which held that a domestic corporation "resides" only in the state of its incorporation, for purposes of Section 1400(b). See TC Heartland, 317 S. Ct. at 1517. The Court's decision in TC Heartland reaffirmed Fourco. Thus, the reasoning of Welch remains relevant to the analysis of Section 1400(b).

In Welch, the facts alleged established that the defendant had committed acts of infringement in the Northern District of Illinois but had sold its business in that district thirty-seven days before suit was filed. 416 F.2d at 33, 35-36. The Welch court concluded that under a fair reading of Section 1400(b), "venue is properly lodged in the district if the defendant had a regular and established place of business at the time the cause of action accrued and suit is filed within a reasonable time thereafter. It is our view that employing the test here is fair and reasonable." Id. at 35. Holding that plaintiff had satisfied the requirements of Section 1400(b), the court stated:

[B]y interpreting "regular and established place of business in the judicial district" to mean at the time the cause of action accrues and a reasonable time thereafter, we are not expanding patent venue jurisdiction. We are not holding that

a defendant charged with patent infringement can be sued in any district where he has never had an established place of business. Rather, we hold that a defendant cannot establish a business in a particular judicial district and then abandon or sell it without remaining amenable to suit for venue purposes in that district for a reasonable time. Such an interpretation does not violate the requirements of a narrow reading of the patent venue statute in Fourco Glass Co. v. Transmirra Prods. Corp., 353 U.S. 222 (1957).

Welch, 416 F.2d at 35-35; see also Precision Fabrics Grp., Inc. v. Tietex Int'l, Ltd., No. 1:13-cv-645, 2017 WL 5176355, at *10 n.15 (M.D.N.C. Nov. 7, 2017) (observing that the inquiry into whether an accused infringer has "a regular and established place of business" in a district "is properly limited to the time the cause of action accrued and a reasonable time thereafter."); Wi-LAN Inc. v. Lenovo (United States), Inc., No. 17cv365-BEN-MDD, 2017 WL 3194692, at *3 (S.D. Cal. July 27, 2017) (permitting expedited discovery on the issue of venue in patent infringement case "limited in time to the date the claims accrued plus a reasonable time thereafter" for purposes of Section 1400(b); stating that "'venue is properly lodged in the district if the defendant had a regular and established place of business at the time the cause of action accrued and suit is filed within a reasonable time thereafter.'" (quoting Welch, 416 F.2d at 35) (emphasis omitted)).

The court in Personal Audio recognized the Seventh Circuit's analysis in Welch, observing:

From the point of view of a court in equity, this interpretation seems reasonable and fair; the defendant had a regular and established place of business in the district until only thirty-seven days before suit. Whether it is a correct view of statutory construction to hold that there is some equitable leeway in § 1400(b) will have to be decided by a higher court.

Personal Audio, 2017 WL 5988868, at *7. The Personal Audio court found that even under the Welch accrual analysis, defendant did not have a "regular and established place of business" in the court's district under Section 1400(b) because the 21 month delay between the defendant's closing of its office in the court's district and the filing of the patent infringement lawsuit was not a "reasonable delay." Id. at 9.

Acknowledging that the evidence addressing the requirement of having a "regular and established place of business" in this District as to Qualcomm presents a "close[] question," Judge Klindt determined that:

Qualcomm does not seriously contest that the Ocala and Orlando offices constituted regular and established places of business in the district until their closing. This acquiescence, combined with ParkerVision's allegations with respect to venue set forth in the Amended Complaint, lead the undersigned to find that ParkerVision has met its burden of showing that, at least until their closure, the offices were physical locations, from which business was carried out, with sufficient permanence and stability to be regular and established.

Report at 15-16 (citing In re: Cray, 871 F.3d at 1360, 62-63). Judge Klindt determined that ParkerVision had met its burden of establishing that Qualcomm maintained a "regular and established place of business" in this District for purposes of the patent venue statute, Section 1400(b), recommending that

[U]nder the unique facts presented, and heeding the Federal Circuit's admonition that "no precise rule has been laid down and each case depends on its own facts," In re Cray, 871 F.3d at 1362, application of the rule proposed in Personal Audio - using the exact date of the filing of the Complaint - is too rigid. No one disputes that the causes of action accrued while Qualcomm had at least one office in this district, and . . . until the November 2015 closure, such a presence was regular and

established. So, if the Personal Audio rule were applied, the ultimate determination of whether the Court has venue with respect to the claims brought by ParkerVision against Qualcomm [footnote omitted] would turn on whether ParkerVision had filed its Complaint just two to six weeks earlier.

Report at 18-19.

Upon de novo review of the law and the record in this case, the undersigned agrees and adopts the reasoning of the Magistrate Judge, and holds that the "regular and established place of business" requirement of Section 1400(b) has been met in this case. Even in Personal Audio, which held that the facts in existence at the time the complaint is filed are to be considered, the court's determination of venue appears to be based, at least in part, on the unreasonableness of the delay between the termination of a regular and established place of business and the filing of the lawsuit. See Personal Audio, 2017 WL 5988868, at *9. ParkerVision's two- to six-week delay in filing suit after Qualcomm had closed its office in this District is at most five days more than the 37-day delay in Welch, and much less than the 21-month delay in Personal Audio. Abiding by the Federal Circuit's admonition that "[i]n deciding whether a defendant has a regular and established place of business in a district, no precise rule has been laid down and each case depends on its own facts," In re: Cray, 871 F.3d at 1361, the undersigned finds that the fact that ParkerVision filed suit in this District within weeks after Qualcomm closed its doors is reasonable. Finding that Qualcomm's established and regular business in the District weeks before suit was filed is sufficient for establishing venue pursuant to Section 1400(b) does not offend Section 1400(b)'s purpose "'to eliminate the "abuses engendered" by previous venue provisions allowing such suits to be brought in any

district in which the defendant could be served." In re: Cray, 871 F.3d at 1361 (quoting Schnell v. Peter Eckrich & Sons, Inc., 365 U.S. 260, 262 (1961) (construing the predecessor statute to Section 1400(b))). It also constitutes "more than minimum contacts necessary for establishing personal jurisdiction or for satisfying the doing business standard of the general venue provision, 28 U.S.C. § 1391(c)." Id. (internal quotation marks and citation omitted).

2. "Acts of Infringement"

"In assessing whether a defendant has committed an act of infringement within the District, an allegation of infringement - even if contested - is sufficient to establish venue is proper" for purposes of Section 1400(b). Intellectual Ventures II LLC v. FedEx Corp., No. 2:16-CV-00980-JRG, 2017 WL 5630023, at *8 (E.D. Tex. Nov. 22, 2017) (citing Patent Holder LLC, v. Lone Wolf Distrib., Inc. & Lone Wolf R&D LLC, No. 17-23060-CIV, 2017 WL 5032989, at *5 (S.D. Fla. Nov. 1, 2017) ("Although this allegation may be contested, it satisfies the 'acts of infringement' requirement of § 1400(b)."); Symbology Innovations, LLC v. Lego Sys., Inc., No. 2:17-cv-86, __ F. Supp.3d __, 2017 WL 4324841, at *7 (E.D. Va. Sept. 28, 2017) (finding that contested allegations of "acts of infringement" satisfy the requirements of Section 1400(b)). This is because "[t]he issue of infringement is not reached on the merits in considering venue requirements." In re Cordis Corp., 769 F.2d 733, 737 (Fed. Cir. 1985) (internal quotation marks and citations omitted). See also Regenlab USA LLC v. Estar Techs. Ltd., No. 16-cv-08771 (ALC), 2017 WL 3601304, at *2 n.2 (S.D.N.Y. Aug. 17, 2017) ("With respect to infringement, at this stage, it suffices that RegenLab alleges that each defendant made sales in New York of the product at

issue."); Jarratt v. Amazon.com, Inc., No. 5:16-CV-05302, 2017 WL 3437782, at *1 n.2 (W.D. Ark. Aug. 10, 2017) ("Whether any act of infringement has occurred is reserved for trial - allegations of infringement are sufficient for a venue determination." (citing In re Cordis Corp., 769 F.2d at 737)). Qualcomm argues that the Report lacks a sufficient basis to conclude that ParkerVision has satisfied its burden to show that the infringing acts by Qualcomm occurred in this District. (Doc. 89 at 10).

ParkerVision alleges in the Amended Complaint that Qualcomm, "directly or through subsidiaries or intermediaries, makes, uses, offers for sale, sells, imports, advertises, makes available and/or markets products in the United States, the State of Florida, and the Middle District of Florida that infringe one or more claims of each of ParkerVision's Patents-in-Suit." (Doc. 3 at 5; (Am. Compl. ¶ 16)); see generally id. at 23-24 (Am. Compl. ¶¶ 80-84) (allegations regarding Qualcomm's alleged infringement of the '528 Patent)). In its Objection to the Report, Qualcomm cites to the affidavit of Qualcomm's Senior Legal Counsel, Matthew R. Dobbins, who states that "[t]he actions ParkerVision has identified as the basis for Qualcomm's alleged infringement occurred either in the Southern District of California or overseas." (Doc. 60-5 at 3 (Dobbins Aff. ¶ 8)).

Upon de novo review, the Court determines that Plaintiff's allegations regarding Qualcomm's alleged infringement within this District satisfy the requirements of Section 1400(b) in establishing venue, and that the conclusory statement of Mr. Dobbins contesting ParkerVision's allegations does not override the allegations. The Court adopts the Magistrate Judge's finding that ParkerVision's allegations satisfy the "acts of

infringement" requirement of Section 1400(b).

B. Transfer Pursuant to 28 U.S.C. § 1404(a)

Section 1404(a) provides that "[f]or 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 or to any district or division to which all parties have consented." 28 U.S.C. § 1404(a). The parties do not dispute that the this case could have been brought in the Southern District of California, the destination to which Qualcomm seeks a transfer for the convenience of the parties and witnesses.

To determine whether transfer is appropriate, the Eleventh Circuit requires the Court to weigh the following Section 1404(a) 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 n.1 (11th Cir. 2005) (citation omitted).

1. Plaintiff's Choice of Forum

Qualcomm objects that the Magistrate Judge "placed too much weight on ParkerVision's choice of forum and not enough weight on its forum shopping." (Doc. 89 at 11). Qualcomm argues that the Magistrate Judge erred in "dismissing ParkerVision's forum shopping," which it contends is a "critical fact" supporting transfer. Id. at 12.

"In determining the propriety of transfer, the Court must give considerable weight to Plaintiff's choice of forum. . . . Only if the Plaintiff's choice is clearly outweighed by considerations of convenience, cost, judicial economy, and expeditious discovery and trial process should [the] Court disregard the choice of forum and transfer the action." Response Reward Sys., L.C. v. Meijer, Inc., 189 F. Supp. 2d 1332, 1339-40 (M.D. Fla. 2002) (internal citation omitted); see also In re Ricoh Corp., 870 F.2d 570, 573 (11th Cir. 1989) ("[F]ederal courts traditionally have accorded a plaintiff's choice of forum considerable deference."); Robinson v. Giarmarco & Bill, P.C., 74 F.3d 253, 260 (11th Cir. 1996) ("The plaintiff's choice of forum should not be disturbed unless it is clearly outweighed by other considerations." (citation omitted)). "However, the plaintiff[s] choice is accorded lesser weight where the choice of forum lacks any significant connection with the underlying claim." Silong v. United States, No. 5:05-CV-55-OC-10GRJ, 2006 WL 948048, at *1 (M.D. Fla. Apr. 12, 2006).

The Magistrate Judge considered this "lesser weight" standard and Qualcomm's argument that ParkerVision is "forum shopping" in light of ParkerVision's previous lawsuits brought against Qualcomm in this District. See Report at 27. The Magistrate Judge concluded that on balance, "Parkervision's choice of forum is entitled to at least some consideration given that it resides here and all the inventions claimed in the asserted patents 'were conceived and reduced to practice in this District.'" Id. at 27-28 (citing Doc. 65 at 22 (ParkerVision's Response to Qualcomm's Motion)). The Magistrate Judge thus concluded that ParkerVision's choice of forum "weighs slightly in favor of ParkerVision," for purposes of a Section 1404(a). Id. at 28.

Upon de novo review of the applicable law and the facts in the record, the Court agrees with and adopts the Magistrate's finding.

2. The Convenience of the Witnesses and Qualcomm

Second, Qualcomm objects that the Report "failed to consider the substantial inconveniences to Qualcomm and its witnesses if trial proceeds in this District." (Doc. 89 at 12). Qualcomm cites to the inconvenience caused to it and its employees by the prior ITC proceedings in Washington, D.C., as a basis for reversing the Magistrate Judge's finding.

The Magistrate Judge found that while the vast majority of Qualcomm's witness live and work in the Southern District of California, Qualcomm has authority over their own employees to compel them to travel to this District if necessary. Report at 23. The Magistrate Judge found that Qualcomm has "significantly more financial resources available to it than does ParkerVision." Id. at 24 (citing Doc. 65-66 (ParkerVision's Response to Qualcomm's Motion with citations and links to financial reports found on the Internet)). Finally, the Magistrate Judge found that ParkerVision's witness and employees are located in this District, and that a transfer to the Southern District of California would "merely shift the inconvenience from one party to the other." Id. (quoting Folkes v. Haley, 64 F. Supp. 2d 1152, 1154 (M.D. Ala. 1999)). Significantly, Qualcomm does not object to or take issue with any of the Magistrate Judge's factual findings underpinning the Magistrate Judge's conclusion that the convenience of the witnesses factor weighs in favor of retaining the case in this District. Qualcomm in its Objection fails to acknowledge that ParkerVision's headquarters and its witnesses are located here.

Upon de novo review of the applicable law and the facts in this record, the Court determines that the parties are in virtual equipoise as to this factor, and that to transfer this case to the Southern District of California would merely shift the burden from Qualcomm to ParkerVision. Qualcomm has not met its burden of establishing that this factor leans in favor of transfer. The Court agrees with and adopts the Magistrate Judge's recommendation.

Upon due consideration, and for the foregoing reasons, it is hereby

ORDERED:

1. Defendant Qualcomm Incorporated's Objections to the Report and Recommendation Denying Qualcomm's Motion to Transfer to the Southern District of California (Doc. 89) are **OVERRULED**.

2. The Magistrate Judge's Report and Recommendation (Doc. 88) is **ADOPTED** as the opinion of this Court, as supplemented herein.

3. Defendant Apple's Motion to Dismiss for Improper Venue (Doc. 58) is **DENIED**.

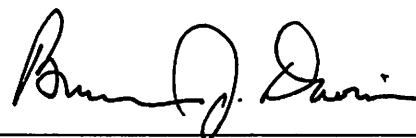
4. Defendant Qualcomm Incorporated's Motion to Transfer to the Southern District of California (Doc. 60) is **DENIED**.

5. Defendant Apple, Inc. is **DIRECTED** to respond to the Amended Complaint (Doc. 3) on or before **March 26, 2018**.

6. Defendant Qualcomm Inc. may amend its Answer and Counterclaims on or before **March 26, 2018**, solely for the purpose of making clear it contests venue as to the

infringement counts set forth in the Amended Complaint (Doc. 3).

DONE AND ORDERED in Jacksonville, Florida, this 8^m day of March, 2018.



BRIAN J. DAVIS
United States District Judge

jl

Copies furnished to:
Counsel of Record