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

CAPELLA PHOTONICS, INC., *Plaintiff,* v. FUJITSU NETWORK COMMUNICATIONS, INC., *Defendant.*	§ § § § § § § § § § § §	CIVIL ACTION NO. 2:20-CV-00076-JRG

ORDER

Before the Court is the Motion to Transfer Venue Pursuant to 28 U.S.C. § 1404(a) (the "Motion") filed by Defendant Fujitsu Network Communications, Inc. ("Fujitsu"). (Dkt. No. 31.) On January 27, 2021, the Court conducted a hearing on the Motion. (Dkt. No. 77.) Having considered the Motion, the related briefing, the oral argument presented at the motions hearing, and the relevant authority, the Court is of the opinion that the Motion should be **DENIED**.

I. BACKGROUND

The present parties have a history of disputes concerning the accused optical networking technology. The presently asserted patents, United States Reissue Patents RE47,905 and RE47,906 (the "Asserted Patents"), stem from RE42,368 and RE42,678 (the "Predecessor Patents"). (Dkt. No. 31-4, 31-5, 31-6.) Plaintiff Capella Photonics, Inc. ("Capella") asserted the Predecessor Patents against Fujitsu and various other Defendants in the Southern District of Florida. (Dkt. No. 31 at 2; Dkt. No. 31-6.) The Southern District of Florida transferred these cases on motion by defendants and pursuant to § 1404(a) to the Northern District of California ("NDCA"). (Dkt. No. 31 at 2; Dkt. No. 31-7.) Subsequently, the Predecessor Patents were

invalidated in *inter partes* review, and the cases were dismissed. (Dkt. No. 31 at 2; Dkt. No. 31-8, 31-9.)

Capella then pursued reissue of the Predecessor Patents, resulting in issuance of the Asserted Patents, RE47,905 and RE47,906, which issued on March 16, 2020. (Dkt. No. 1; Dkt. No. 1-2, 1-3; Dkt. No. 31 at 2–3.) The Asserted Patents are at issue in the present case.

Cisco Systems, Inc., which was one of the defendants from the Southern District of Florida action, has recently filed a case in the Northern District of California requesting a declaratory judgment of non-infringement as to the Asserted Patents (the "Cisco DJ Action"). (*Cisco Sys., Inc. v. Capella Photonics*, No. 20-1858 (N.D. Cal.), Dkt. No. 31-10.) One of Fujitsu's suppliers, Finisar Corporation, has also filed a Complaint for Declaratory Judgment of Non-Infringement on the Asserted Patents. (*Finisar Corp. v. Capella Photonics, Inc.*, No. 5:20-cv-7629 (N.D. Cal.), Dkt. No. 51-4.)

Capella filed the present action against Fujitsu on March 16, 2020, alleging infringement of RE47,905 and RE47,906 based on Fujitsu's use of fiber optic networking platform. (Dkt. No. 1.) Fujitsu filed the present Motion seeking transfer to the Northern District of California based on convenience. (Dkt. No. 31.)

II. LEGAL STANDARD

In evaluating a motion to transfer pursuant to § 1404(a), the Court considers the Fifth Circuit's non-exhaustive list of private and public interest factors. *In re Volkswagen AG*, 371 F.3d 201, 203 (5th Cir. 2004) ("Volkswagen I"). 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-interest 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." *Id.*

In order to support a claim for transfer under § 1404(a), a movant must demonstrate that the transferee venue is "clearly more convenient" than the current District. *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 315 (5th Cir. 2008) ("Volkswagen II").

III. ANALYSIS

Fujitsu argues that transfer to the Northern District of California is warranted because Capella could have brought this action in that district (Dkt. No. 31 at 7); Capella litigated the Predecessor Patents of the presently-asserted reissue patents in that district (*id.* at 2–4); Capella has no ties to Texas (*id.* at 4–6); and all associated evidence and witnesses for the accused functionality are located in NDCA. (*id.* at 6). Fujitsu thus primarily bases its arguments for transfer on previous and related litigation in NDCA, and Capella's contacts to NDCA. (*See* Dkt. Nos. 31, 51.)

Capella opposes transfer, contending that Fujitsu has not satisfied its burden to establish that NDCA is clearly more convenient because it has focused solely on Capella's contacts, and ignored Fujitsu's own significant contacts to the Eastern District of Texas, including that it is headquartered here.[1] (Dkt. No. 48.)

Both parties presented their respective analyses and arguments pursuant to the factors established under Fifth Circuit law.

[1] Fujitsu does not contest that its headquarters address is in the Eastern District of Texas. (*See generally* Dkt. Nos. 31, 51.) Capella lists, and Fujitsu confirms, that its address is either 2801 Telecom Parkway (Dkt. No. 48-2 at 44:15–18) or 2821 Telecom Parkway, Richardson, Texas 75082. (Dkt. No. 1 ¶ 3.) The address 2801 Telecom Parkway is in this District. (*See* Collin County Appraisal District Property Search.) The address 2821 Telecom Parkway appears to be a typographical error.

I. Private Factors

a. Access to Sources of Proof.

Fujitsu argues that this factor weighs in favor of transfer because Capella's evidence and witnesses are located at its headquarters in NDCA (Dkt. No. 31 at 7–8); all technical documents related to the accused components "likely are located at or accessible in" NDCA (*id.* at 8); and Fujitsu's own documents are located or accessible in both districts. (*Id.*).

Capella contends that this factor weighs heavily against transfer because a proper analysis of this factor looks to physical sources of proof. Fujitsu has a substantial presence and conducts substantial activities in the Eastern District of Texas ("EDTX"). (Dkt. No. 48 at 6–7); the accused products were designed, developed, manufactured and marketed in Richardson, Texas and other locations far from California (*id.* at 7); and the manuals for the accused products expressly refer customer inquiries to Fujitsu's Richardson office. (*Id.*)

Although Fujitsu provides argument as to where Capella maintains its documents, "[i]n patent infringement cases, the bulk of relevant evidence usually comes from the accused infringer." *In re Genentech, Inc.*, 566 F.3d 1338, 1345 (Fed. Circ. 2009) (quoting *Neil Bros. Ltd. v. World Wide Lines, Inc.*, 425 F.Supp.2d 325, 330 (E.D.N.Y. 2006)). Consequently, courts generally look to the place where the defendant's documents are kept. *Id.*

Fujitsu's documents are undeniably available in this District. (Dkt. No. 31 at 8 (noting that Fujitsu's documents are "located or accessible in both NDCA and this District.").) Fujitsu is headquartered in Richardson, Texas.[2] (Dkt. No. 48-2 at 37:17–19; Dkt. No. 1 ¶ 3; Dkt. No. 48-3 at 2; Dkt. No. 48-5 at 6.) Indeed, Fujitsu identified and provided for deposition a corporate

[2] Note that Fujitsu denies that this is its principal place of business in its Answer. (Dkt. No. 14 ¶ 3.) However, in the deposition citation noted *supra*, Fujitsu's corporate representative acknowledges that "Fujitsu Network Communications is headquartered in Richardson, Texas." (Dkt. No. 48-2 at 37:17–19.) Fujitsu made supporting admissions at the motions hearing conducted on January 27, 2021.

representative who works at the "Fujitsu Richardson, Texas location." (Dkt. No. 48-2 at 38:8–9.) The Fujitsu website lists the address for the company headquarters to be in Richardson (Dkt. No. 48-3 at 2), which is "the official address of Fujitsu Network Communications." (*Id.* at 44:9–23.)

Accordingly, this factor weighs against transfer.

b. Availability of Compulsory Process.

Fujitsu argues that this factor favors transfer because many important witnesses in this case will be non-party witnesses, "the vast majority of whom reside in NDCA," including third-party vendors of WSS, Finisar and Lumentum; "[l]itigating in this District will prevent [Fujitsu] from subpoenaing these witnesses to testify at trial;" and Fujitsu "is unaware of any Capella of third-party witnesses that reside in Texas or within this District's subpoena power." (Dkt. No. 31 at 8.)

Capella contends this factor does not favor transfer because Fujitsu did not identify with specificity any third-party witnesses who would be unwilling or unavailable to testify at trial. (Dkt. No. 48 at 9–10.) Specifically, Capella asserts that Fujitsu identified purported witnesses as "Capella witnesses" that have not been associated with Capella for many years and have no relevant information (*id.* at 8); there are no identified third-party suppliers that have identified connections to California (*Id.*) (citing the deposition testimony of Fujitsu's representative); "Fujitsu submits no evidence to establish that the persons at their suppliers with knowledge of the actual design and development of the WSS components are based either outside Texas or in California" (Dkt. No. 48 at 9); one of the attorneys who prosecuted the patents resides in Kingwood, Texas (*id.*); and this District is more convenient for any Lumentum witnesses in Canada and any Molex witnesses in Illinois. (*Id.*).

This factor looks to the availability of compulsory process to secure the attendance of witnesses, and in particular non-party witnesses whose attendance may need to be secured by Court order. *Volkswagen II*, 545 F.3d at 316. A district court has subpoena power over witnesses that live or work within 100 miles of the courthouse. Fed. R. Civ. P. 45(c)(1)(A). A district court also has subpoena power over residents of the state in which the district court sits, assuming the compelled witness would not incur "substantial expense." Fed. R. Civ. P. 45(c)(1)(B).

Where a party has "identified witnesses relevant to [the] issues" in a case, "[a] district court should assess the relevance and materiality of the information the witness may provide." *In re Genentech*, 566 F.3d at 1343. This Court has always instructed parties that without specific identification of witnesses and clear demonstration of their likelihood of testifying at trial, the Court cannot properly weight the availability of compulsory process. *See, e.g.*, *Seven Networks, LLC v. Google, LLC*, No. 2:17-cv-442, 2018 WL 4026760, at *8 (E.D. Tex. Aug. 15, 2018) (citing *Oyster Optics, LLC v. Coriant Am. Inc.*, No. 2:16-cv-1302, 2017 WL 4225202, at *6 (E.D. Tex. Sept. 22, 2017)).

Fujitsu fails to specifically identify *any* witness under its analysis for this factor for whom compulsory process will be needed, instead hiding behind the generality that "the vast majority" of such witnesses "reside in NDCA." (Dkt. No. 31 at 8.) That is unhelpful. Indeed, the only witnesses that Fujitsu calls out by name or position are Capella witnesses and listed inventors on the patents. (*See* Dkt. No. 31 at 4–5.) Compulsory process is not determinative or particularly persuasive for any party witnesses, such as those of Capella, who will be analyzed under the willing witnesses factor. *Volkswagen II*, 545 F.3d at 316. Further, Fujitsu's corporate representative failed to specifically identify any potential third-party witnesses from its suppliers in his deposition. (Dkt. No. 48-2 at 66:13–18, 67:9–19, 72:24–73:2.)

Accordingly, Fujitsu has failed to show that compulsory process favors transfer, and this factor is neutral. *See Intellectual Ventures I LLC v. T-Mobile USA Inc.*, No. 2:17-cv-577, 2018 WL 4175934, at *4 n.4 ("The Court is of the opinion that a factor which does not reach any witnesses identified by either party is properly considered to be neutral and does not weigh in the transfer analysis," and "neutral factors cut against transfer.").

c. Cost of Attendance for Willing Witnesses.

Fujitsu argues that this factor favors transfer because the majority of Capella's fact witnesses reside in NDCA, and Capella appears to have no offices or employees in this District. (Dkt. No. 31 at 8–9.)

Capella contends that this factor weighs against transfer because Fujitsu only identifies plaintiff witnesses under this factor. Fujitsu ignores Capella's conscious decision to bring this case in this District and that choice is entitled to deference (Dkt. No. 48 at 10); Fujitsu only identified two employees in its Amended Initial Disclosure, residing in Denver and Plano (*id.*); various persons with knowledge have been identified in interrogatories and depositions that work in Richardson (*id.* at 10–11); and "Fujitsu has yet to identify a single employee residing in California it will call as a witness." (*Id.* at 11.)

"The convenience of the witnesses is probably the single most important factor in transfer analysis." *In re Genentech,* 566 F.3d at 1342. When considering this factor, the Court should consider all potential material and relevant witnesses. *See Alacritech Inc. v. CenturyLink, Inc.*, No. 2:16-cv-693, 2017 WL 4155236, at *5 (E.D. Tex. Sept. 19, 2017).

In its analysis of this factor, Fujitsu once again focuses solely on Capella's witnesses, the majority of whom Fujitsu alleges reside in NDCA. (Dkt. No. 31 at 8; *see also* Dkt. No. 31 at 4–5.) However, the convenience of party employee witnesses is given little weight under this factor.

Frederick v. Advanced Fin. Sols., Inc., 558 F.Supp. 699, 704 (E.D. Tex. 2007). Thus, neither the convenience of those Capella witnesses, nor the convenience of Fujitsu's employees residing in Denver and Plano (Dkt. No. 48 at 10), is dispositive.[3]

This factor is at most neutral.

d. Other Practical Problems.

Fujitsu argues that this factor favors transfer because Capella's headquarters are located in NDCA, and it would be less costly to litigate there; the NDCA is presently conducting the Cisco DJ Action, which is the first-filed case involving the Reissue patents; and the same logic applies to this case as does in Infinera's motion to transfer.[4] (Dkt. No. 31 at 9.)

Capella contends that this factor is "neutral at best," as there are no practical problems that make NDCA more convenient. (Dkt. No. 48 at 11.)

"Practical problems include those that are rationally based on judicial economy. Particularly, the existence of duplicative suits involving the same or similar issues may create practical difficulties that will weigh heavily in favor or against transfer." *Eolas Techs., Inc. v. Adobe Sys., Inc.*, No. 6:09-cv-446, 2010 WL 3835762, at *6 (E.D. Tex. Sept. 28, 2010).

Fujitsu argues that this factor favors transfer because (1) Capella is located in the Northern District of California, and (2) there are duplicative suits in that district. (Dkt. No. 31 at 9.) Neither of these shows that NDCA is clearly more convenient that this District due to practical problems.

Although there are related lawsuits in the Northern District of California, there is no duplication of issues between the cases in that court and the present case pending in this Court. The original cases in California concerned different patent claims. Although those claims were

[3] Even if this factor were dispositive, the Plano witness would disfavor transfer, as Plano is located in this District.
[4] *Capella Photonics, Inc. v. Infinera Corp. et al.*, Case No. 2:20-cv-77, Dkt. Nos. 36, 37 (also set for motions hearing on Wednesday, January 27, 2021 at 9:00 am).

related to the claims at issue in this lawsuit, they were not the same. Further, the claims in the California court against different defendants and different products will necessarily have little bearing on the claims here. Infringement must be shown for each accused product, and Fujitsu has failed to present any evidence or argument that the infringement contentions against other products bears on the accused products at issue in this case.

Capella points out that it chose to bring the present lawsuit in this District, and is not asserting any hardship stemming from litigation in this District that would be cured by transfer to the Northern District of California. (Dkt. No. 48 at 11.) Accordingly, the Court finds there are not practical problems to Capella to trying this case in this District that would be rendered more convenient or remedied by transfer.

Accordingly, this factor weighs against transfer.

II. Public Factors

a. Administrative Difficulties

Fujitsu argues this factor is neutral. (Dkt. No. 31 at 10.)

Capella contends that this factor weighs against transfer because cases go to trial materially faster in this District than in NDCA, including by statistics, because trials have not been conducted there during COVID-19, and NDCA has a "backlog of cases awaiting trial." (Dkt. No. 48 at 12.)

The relevant inquiry under this factor is "[t]he speed with which a case can come to trial and be resolved." *In re Genentech, Inc.*, 556 F.3d 1338, 1347 (Fed. Cir. 2009). "The most recent time-to-trial statistics from the U.S. Government reveal that each judge in the NDCA has an average total caseload of 715 cases and the median time from filing to trial for civil cases is 29.3 months." (Dkt. No. 48 at 12.[5]) The same statistics show that median time to trial from the filing

[5] (citing https://www.uscourts.gov/sites/default/files/data_tables/fcms_na_distprofile0630.2020.pdf.)

of an action in the Eastern District of Texas is 17.7 months. (*Id.* at 35.) This case is currently set for jury selection in EDTX on August 2, 2021 (Dkt. No. 26), whereas the Cisco DJ Action in NDCA, which was filed within days of the present action, does not yet even have a jury trial date assigned. (Dkt. No. 48 at 12.)

Accordingly, this factor weighs against transfer.

b. Local Interests.

Fujitsu argues that this factor weighs in favor of transfer because any presence in this District is outweighed by the strong presence of "Capella, its executives, the inventors, and [Fujitsu's] WSS suppliers" in NDCA; and the national sales of Fujitsu do not make any more or less meaningful connection to this District that any other. (Dkt. No. 31 at 10.)

Capella contends that this factor weighs heavily against transfer because Fujitsu has its principal place of business in Richardson, where Fujitsu partially designed and developed the technology at issue in this case, as well as marketed and sold the technology. (Dkt. No. 48 at 13.)

"[I]f there are significant connections between a particular venue and the events that gave rise to a suit, this factor should be weighed in that venue's favor." *In re Acer Am. Corp.*, 626 F.3d 1255–56 (Fed. Cir. 2010). As noted *supra*, Fujitsu is headquartered in this District. Indeed, Fujitsu makes the list of "Richardson's Largest Employers," as it employs 1,500 people in its Richardson office. (Dkt. No. 48-4 at 4.) As a threshold matter, Fujitsu Network Communications has significant localized interests in this District. Fujitsu has ignored this in its briefing and its argument.

However, the focus of this factor is not only on "general contacts with the forum that are untethered to the lawsuit," but should consider any "significant connections between a particular venue and *the events that gave rise to a suit*." *In re Apple Inc.*, ___ F.3d ___, 2020 WL 6554063,

at *9 (Fed. Cir. Nov. 9, 2020) (emphasis in original) (quoting *In re Acer Am. Corp.*, 626 F.3d 1252, 1256 (Fed. Cir. 2010)). For example, a court is to look to where "the accused products were designed, developed, and tested." *Id.* at *9.

Components of the accused products were designed, developed, and their manufacture was directed in this District in Richardson, Texas. (Dkt. No. 48-2 at 29:12–20, 32:7–8, 35:2–3, 36:12–13, 55:11–24.)

Fujitsu argues that it sells its products nationally, and therefore a local interest cannot be shown in this District. (Dkt. No. 31 at 10.) However, Fujitsu's argument seems based on a misunderstanding of the basis for venue in this District, which is not solely its sales in this district, but also the place where Fujitsu designs, develops, and directs manufacture of the accused products, as well as maintains a large corporate residence. As this Court has previously stated, "[t]here is little doubt that this District has a local interest in the disposition of any case involving a resident corporate party." *Seven*, 2018 WL 4026760, at *14 (citing *In re BigCommerce, Inc.*, 890 F.3d 978, 985 (Fed. Cir. 2018) (holding that "the judicial district where the principal place of business is located" is the district in which it "resides" for venue purposes in a multi-district state)).

Accordingly, this factor heavily weighs against transfer.

c. Judicial Economy.

Fujitsu argues that this factor favors transfer because NDCA is intimately familiar with the technology, the predecessor patents, and the issues that were raised in the NDCA original patent cases, as well as the Cisco DJ Action, and transfer would prevent relitigating the same issues and potentially conflicting rulings on the same issues. (Dkt. No. 31 at 9–10.) Fujitsu further says that this factor, in its view, may be determinative. (*Id.* at 9.)

Capella contends this factor weighs against transfer because "[t]his District is perhaps the preeminent forum for patent infringement cases" and Judge Chen in NDCA does not have any familiarity with the accused products, the technology in the accused patents, or other issues, as the previous cases involving the original patents did not progress through even claim construction or substantive motions hearings. (Dkt. No. 48 at 14–15.)

"No litigant deserves an opportunity to go over the same ground twice, hoping that the passage of time or changes in the composition of the court will provide a more favorable result the second time." *Cent. Soya Co. v. Geo. A. Hormel & Co.*, 723 F.2d 1573, 1580 (Fed. Cir. 1983) (citing *U.S. v. Turtle Mountain Band of Chippewa Indians*, 222 Ct. Cl. 1, 612 F.2d 517, 520 (1979)).

As noted above, there is no duplication in the present action of issues between this case and the cases that have been or are pending in the Northern District of California. To the extent that the interests of justice and judicial economy "may be determinative to a particular transfer motion," as argued by Fujitsu, this factor is not more than neutral. (Dkt. No. 31 at 9 (citing *Regents of the Univ. of California v. Eli Lilly & Co.*, 119 F.3d 1559, 1565 (Fed. Cir. 1997)).

Accordingly, the Court finds this factor to be neutral.

d. Conflict of Laws.

The parties agree that this factor is neutral. (Dkt. No. 31 at 10; Dkt. No. 48 at 15.) The Court accepts that this factor is neutral.

III. CONCLUSION

Fujitsu primarily bases its arguments for transfer on (1) previous and related litigation in NDCA, and (2) Capella's contacts to NDCA. Neither set of arguments demonstrates that the Northern District of California is "clearly more convenient" than this District. *Volkswagen II*, 545 F.3d at 315. Rather, Fujitsu's extensive contacts with this District—including its headquarters in

in Richardson, Texas—demonstrate that EDTX is likely much more convenient than NDCA. Under no fair analysis is NDCA clearly more convenient.

In sum, four factors weigh against transfer and four factors are neutral. No factor weighs in favor of transfer. In light of the foregoing, the Court hereby **DENIES** the Motion to Transfer Venue Pursuant to 28 U.S.C. § 1404(a) (Dkt. No. 31) .

So Ordered this

Jan 31, 2021

RODNEY GILSTRAP
UNITED STATES DISTRICT JUDGE