

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

VERTIV CORPORATION,	:	
	:	
Plaintiff,	:	
	:	
v.	:	Civil Action No. 3:24-cv-01152-N
	:	
VALTRUS INNOVATIONS LIMITED,	:	JURY TRIAL DEMANDED
	:	
Defendant.	:	
	:	

**PLAINTIFF VERTIV CORPORATION’S RESPONSE TO VALTRUS’ MOTION TO
DISMISS FOR LACK OF JURISDICTION OR TO TRANSFER UNDER 28 U.S.C. §
1404(a)**

TABLE OF CONTENTS

I. INTRODUCTION	1
II. BACKGROUND	1
A. Valtrus’ Threats of Litigation Against Vertiv Customers Based on Vertiv Products	1
B. Valtrus’ Lawsuits Relying on Vertiv Technology	4
C. Vertiv’s Customers Request Indemnification	7
D. Valtrus’ Contacts with the Northern District of Texas	8
III. ARGUMENT	8
A. Vertiv Established that Declaratory Judgment Jurisdiction Exists In This Matter ..	8
B. The Court Has Subject Matter Jurisdiction Over the Controversy Valtrus Created with Vertiv by Alleging that Vertiv’s Customers Directly Infringe.....	9
1. The ‘490 Patent Creates a Controversy Over Vertiv’s Sensors	12
2. Suppliers May Both Intervene In Specific Customer Suits and Seek Declaratory Judgment Relief	13
C. Vertiv’s Indemnity Obligations to Its Customers Also Establish a Controversy	14
1. Vertiv Properly Plead Its Indemnity Obligations	15
2. Vertiv’s Customer Indemnity Agreements were Known to Valtrus at the Time It Filed its Brief	16
3. Vertiv’s Additional Evidence of Indemnity Agreements	16
4. Valtrus’ Legal Authority is Inapposite	17
D. Transfer to the Eastern District Under §.....	19
1. The Private Interest Factors Disfavor Transfer	20
2. The Public Interest Factors are Neutral	25

TABLE OF AUTHORITIES

	Page(s)
Cases	
<i>Adobe Systems, Inc. v. Select Retrieval LLC</i> , 2014 WL 497441 (S.D. Cal. 2014).....	14, 24
<i>In re Apple Inc.</i> , 979 F.3d 1332 (Fed. Cir. 2020).....	24
<i>Arris Group v. British Telecommunications PLC</i> , 639 F.3d 1368 (Fed. Cir. 2011).....	<i>passim</i>
<i>Ashcroft v. Iqbal</i> , 556 U. S. 662 (2009).....	15
<i>Brown v. Peterson</i> , No. 7:03 CV 0205, 2006 WL 349805 (N.D. Tex. Feb. 3, 2006).....	9, 16
<i>In re Chamber of Com. of United States of Am.</i> , 105 F.4th 297 (5th Cir. 2024).....	19, 20, 21, 22
<i>Cline v. Colvin</i> , No. 3:25-CV-2715-K (BF), 2016 WL 4467657 (N.D. Tex. Aug. 2, 2016).....	9
<i>Datanet LLC v. Dropbox Inc.</i> , No. 6:22-CV-01142-OLG-DTG, 2023 WL 7741313 (W.D. Tex. Nov. 14, 2023).....	25
<i>Delphi Corp. v. Auto. Techs. Int’l, Inc.</i> , No. 08-CV-11048, 2008 WL 2941116 (E.D. Mich. July 25, 2008).....	23, 24
<i>DSS Tech. Mgmt., Inc. v. Apple, Inc.</i> , 2014 WL 6847569 (E.D. Tex. Nov. 7, 2014).....	21
<i>In re EMC Corp.</i> , 501 F. App’x 973 (Fed. Cir. 2013).....	21, 24
<i>Enovsys LLC v. T-Mobile USA, Inc.</i> , No. 2:21-CV-00368-JRG, 2022 WL 2161028 (E.D. Tex. June 14, 2022).....	19
<i>Excentus Corp. v. Codepro Innovations, LLC</i> , No. 3:12-CV-01988-P, 2013 WL 12126218 (N.D. Tex. Feb. 5, 2013).....	9
<i>In re Google LLC</i> , 58 F.4th 1379 (Fed. Cir. 2023).....	25

HollyAnne Corp. v. TFT, Inc.,
199 F.3d 1304 (Fed. Cir. 1999).....19

In re Juniper Networks, Inc.,
14 F.4th 1313 (Fed. Cir. 2021)25

Med. Components, Inc. v. Osiris Med., Inc.,
226 F. Supp. 3d 753 (W.D. Tex. 2016).....13

MedImmune, Inc. v. Genentech, Inc.,
549 U.S. 118 (2007).....8

Mitek Sys., Inc. v. United Servs. Auto. Ass’n,
34 F. 4th 1334 (Fed. Cir. 2022)9, 11

Moore v. Unit Texas Drilling, LLC,
No. 3:08-CV-2080-N, 2009 WL 10704741 (N.D. Tex. Nov. 17, 2009)22

Perfect Corp. v. Lennon Image Techs., LLC,
No. 6:22-CV-01164-ADA-DTG, 2023 WL 8041010 (W.D. Tex. Nov. 20,
2023)10, 14

Purdy v. Munden,
356 F. Supp. 2d 658 (E.D. Tex. 2005).....20, 23

SafeNet, Inc. v. Uniloc USA, Inc.,
No. 6:15-CV-97-RWS-KNM, 2015 WL 10793747 (E.D. Tex. Aug. 19, 2015)9, 10

Sanofi-Aventis Deutschland GmbH v. Novo Nordisk, Inc.,
614 F. Supp. 2d 772 (E.D. Tex. 2009).....21

SVV Tech. Innovations, Inc. v. Micro-Star Int’l Co.,
No. 6:22-CV-511-ADA, 2023 WL 2775166 (W.D. Tex. Apr. 4, 2023)20

Traxcell Techs., LLC v. Verizon Wireless Pers. Commc’ns, LP,
No. 6:20-CV-01175-ADA, 2022 WL 1127222 (W.D. Tex. Feb. 1, 2022).....21

In re Volkswagen of Am., Inc.,
545 F.3d 304 (5th Cir. 2008)23, 24

Statutes

28 U.S.C. § 1404(a)19

28 U.S.C. §22018

I. INTRODUCTION

Rather than directly take on Vertiv, the supplier of the accused data center cooling, control and sensor products technology, Valtrus chose to assert patent infringement against Vertiv's customers for their use of that technology. Valtrus never suggests that it cannot bring infringement claims against Vertiv. Rather, Valtrus has targeted individual Vertiv customers to create a cloud over the propriety of using Vertiv's technology for all customers. Valtrus' actions and allegations are unambiguously directed to Vertiv's technology and create a live dispute between itself and Valtrus. Accordingly, Vertiv brought this declaratory judgment action to lift that cloud over the use of its technology. This action represents the battlefield on which the larger fight is being fought, while Valtrus seeks to force Vertiv to intervene and fight multiple battles defending individual customers. The Court must deny Valtrus' motion to dismiss for lack of jurisdiction. With respect to Valtrus' alternative relief of transfer to the E.D. Texas, the transfer factors clearly favor remaining in this Court and Valtrus' motion to transfer must similarly be denied.

II. BACKGROUND

Valtrus has engaged on an industry-wide patent assertion campaign expressly based upon Vertiv's technology. Notwithstanding Valtrus' unambiguous infringement assertions placing a cloud over Vertiv's technology in the marketplace and with its customers, Valtrus contends that there is no case or controversy between itself and Vertiv. As discussed in detail below, however, Valtrus actions create a genuine live dispute between itself and Vertiv.

A. Valtrus' Threats of Litigation Against Vertiv Customers Based on Vertiv Products

Earlier this year, Valtrus sent letters to approximately 14 Vertiv customers threatening litigation based on alleged infringement of Valtrus' patents. *See* Exs. 1–14 at APP0001–APP1161.

For instance, in the letter to Vertiv customer, QTS Realty Trust (“QTS”), which is essentially identical to the other letters, Valtrus stated,

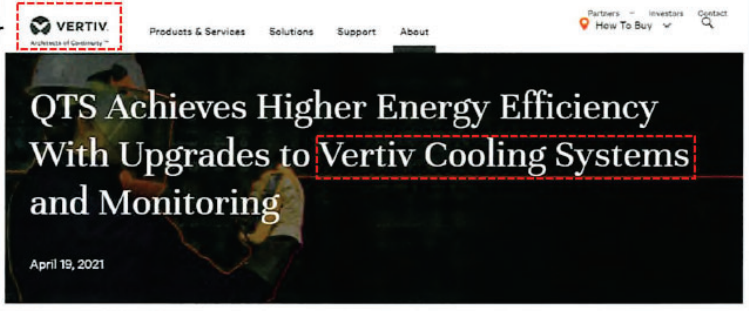
Valtrus has identified numerous data center technologies and systems that infringe one or more patents owned by Valtrus. To this end, Valtrus has initiated patent litigation against Digital Realty Trust and Evoque in the United States District Court for the Eastern District of Texas. The case numbers are 2-24-cv-00139 and 2-24-cv-00142; each involves six patents relating to various data center technologies.

After thorough investigation, Valtrus has identified the following patents practiced by QTS and for which QTS may require a license and/or release:

Ex. 7 at APP0570 (March 22, 2024 letter to QTS,); Dkt. 1 ¶¶ 21–28. Each customer letter includes claim charts expressly relying on Vertiv’s technology—including Vertiv’s “Liebert” branded cooling products and control systems—for every claim element of at least one claim of the Patents-in-Suit.¹ In particular, Valtrus’ claim charts expressly identify “Vertiv” and “Liebert” products, brochures and manuals, and online videos showing use of Vertiv products.

For instance, Valtrus’ letter to QTS includes the following on the ‘179 patent claim chart:

U.S. Patent No. 6,862,179 – Infringement Claim Chart

Claim 1	Exemplary Evidence of Infringement by QTS
<p>[1pre] A method of cooling a plurality of racks in a data center, said method comprising:</p>	<p>QTS’s data centers use a method of cooling a plurality of racks in a data center.</p> <p>For example, QTS uses Vertiv (Liebert) cooling units in the colocation data center. Liebert cooling units are controlled by Liebert’s iCOM Intelligent Communication and Monitoring system.</p> 

¹ The Patents-in-Suit comprise the following patents purportedly owned by Valtrus: U.S. Pat. Nos. 6,718,277 (“the ‘277 Patent”), 6,854,287 (“the ‘287 Patent”); 6,862,179 (“the ‘179 Patent”); 7,031,870 (“the ‘870 Patent”); and 7,339,490 (“the ‘490 Patent”). (Dkt. 1 at 1.) Valtrus has asserted additional patents against several customers which do not implicate Vertiv technology.

Ex. 7 at APP0577 (dashed red box annotations added). As shown in the excerpts below, the remainder of this exemplary claim chart identifies “Vertiv” or “Liebert” for each claim element:


Claim 1 [‘179 patent]	Exemplary Evidence in Valtrus Claim Chart Asserting Infringement by QTS
[1 pre] A method of cooling a plurality of racks in a data center, said method comprising:	“For example, QTS uses <u>Vertiv (Liebert)</u> cooling units in the colocation data center. Liebert cooling units are controlled by <u>Liebert’s iCOM Intelligent Communication and Monitoring system.</u> ”
[1a] activating a cooling device and opening a controllable partition configured to vary a supply of cooling fluid within a zone of said data center, said zone including at least one associated rack of said plurality of racks;	“For example, <u>Liebert’s iCOM Intelligent Communication and Monitoring</u> fluid economizer system activates the flow of chilled water/glycol, and varies cooling capacity by adjusting a motorized ball valve (controllable partition).”
[1b] sensing the temperature of said at least one associated rack;	“For example, QTS uses <u>Liebert</u> cooling units and the <u>Liebert</u> cooling unit control system senses temperatures.”
[1c] determining whether said sensed temperature is within a predetermined temperature range; and	“For example, QTS uses the <u>Liebert iCOM system</u> which is able to identify if the temperature is at the setpoint value, and change the response to the varied flow field based on length of time temperature has deviated, and amount of deviation from setpoint.”
[1d] manipulating said controllable partition to vary said supply of said cooling fluid to said zone in response to said Sensed temperature being outside Said predetermined temperature range.	“QTS uses <u>Liebert’s iCOM system</u> to manipulate the motorized ball valve (controllable partition) from 0% to 100% flow of chilled water/glycol.”

Ex. 7 at APP0577–APP0584 The same applies to Valtrus’ remaining allegations against QTS with respect to the Patents-in-Suit and to Valtrus’ allegations against the other customers who received letters. *See generally* Exs. 1–14 at APP0001–APP1161.

B. Valtrus’ Lawsuits Relying on Vertiv Technology

Valtrus has also sued several Vertiv customers for infringement based on use of the same Vertiv technology. Those customers include Digital Realty Trust, Inc. (“Digital Realty”), CyrusOne, LLC (“CyrusOne”), Dawn Acquisitions LLC (d/b/a Evoque Data Center Solutions) (“Dawn”) and NTT Data Services, LLC (“NTT”), although only the actions against Digital Realty and CyrusOne remain.²

Like the customer letters, Valtrus’ infringement allegations in the lawsuits rely on Vertiv’s technology for every claim element. For instance, Valtrus’ infringement contentions against Digital Realty start with the following in its ‘287 patent claim chart:

Claim Language	Exemplary Evidence of Infringement by Digital Realty
<p>[1pre] A method for cooling a room configured to house a plurality of computer systems, said method comprising:</p>	<p>The Accused Products use a method for cooling a room configured to house a plurality of computer systems.</p> <p>For example, Digital Realty has used Liebert and Vertiv cooling units in each colocation data center. Liebert cooling units are controlled by Liebert’s iCOM Intelligent Communication and Monitoring system.</p>  <p>https://www.vertiv.com/4a1f0cb/globalassets/products/thermal-management/room-cooling/vertiv-and-digital-realty-case-study.pdf, pp. 1, 3.</p>

² Valtrus dismissed the action against NTT without prejudice and dismissed the action against Dawn with prejudice based on a resolution.

Ex. 15 at APP1164 (dashed red box annotations added). This ‘287 claim chart continues by identifying “Vertiv” or “Liebert” for each remaining claim element.

Claim 1	Exemplary Evidence of Infringement by Digital Realty
[Preamble] A method for cooling a room configured to house a plurality of computer systems, said method comprising:	“For example, Digital Realty uses <u>Vertiv (Liebert)</u> cooling units in each colocation data center. Liebert cooling units are controlled by Liebert’s iCOM Intelligent Communication and Monitoring system.”
[1a] providing a plurality of heat exchanger units configured to receive air from said room and to deliver air to said room;	“For example, Digital Realty uses <u>Liebert</u> cooling units which are heat exchangers that receive air from the room and deliver cool conditioned air to the room by transferring heat from the air to a fluid [https://www.youtube.com/watch?v=OmV1SFy5cEg at 1:43]”
[1b] supplying said plurality of heat exchanger units with cooling fluid from an air conditioning unit;	“For example, Digital Realty uses <u>Liebert’s</u> cooling units which have an evaporator. Refrigerant cooling fluid flows through heat exchanger coils in evaporator. [https://www.vertiv.com/49f1fd/globalassets/products/thermal-management/room-cooling/liebertdse-sales-brochure-sl-18927_00.pdf]” “Digital Realty uses <u>Liebert</u> cooling units which have a chilled water control valve. Chilled water cooling fluid flows through heat exchanger coils in evaporator. [https://vertiv.com/491dda/globalassets/products/thermal-management/room-cooling/liebert-cw-brochure.pdf]”
[1c] cooling said received air through heat exchange with the cooling fluid in the plurality of heat exchanger units;	“For example, Digital Realty uses <u>Liebert</u> cooling units to cool fluid (refrigerant) through the coil. The cooling fluid through the coil is chilled water/glycol. Liebert cooling units receive the “return air” from the room and deliver cool conditioned “supply air” to the room, by transferring heat from the air to the cooling fluid within the coil. [https://www.vertiv.com/4afe7d/globalassets/products/thermal-management/room-cooling/liebertdse-80-165kw-23-43-tons-downflow-system-design-manual.pdf , pp. 3, 6.]”
[1d] sensing temperatures at one or more locations in said room;	“For example, Digital Realty uses <u>Liebert</u> cooling units and the Liebert cooling unit control system senses temperatures at the supply sensor, remote sensor, or return sensor locations. [https://www.vertiv.com/49b8b2/globalassets/shared/liebert-icom-user-manual_sl-31075.pdf , p. 45.]”

<p>[1e] controlling at least one of the temperature of said cooling fluid and said air delivery by said plurality of heat exchanger units to said room in response to said sensed temperatures at said one or more locations; and</p>	<p>“For example, Digital Realty uses <u>Liebert</u> cooling units which have temperate sensors that control fan speed in response to sensed temperatures. [https://www.vertiv.com/49b8b2/globalassets/shared/liebert-icom-user-manual_sl-31075.pdf, p. 45.]” “The <u>Liebert</u> cooling unit controls activates the flow of chilled water/glycol, and varies cooling capacity by adjusting a motorized ball valve. [https://www.vertiv.com/49b8b2/globalassets/shared/liebert-icom-user-manual_sl-31075.pdf, p. 110.]”</p>
<p>[1f] wherein the step of controlling said air delivery by said plurality of heat exchanger units comprises individually manipulating a mass flow rate of the cooling fluid supplied to each of the plurality of heat exchanger units.</p>	<p>“For example, Digital Realty uses <u>Liebert</u> cooling units which have Teamwork mode. Teamwork mode evaluates changes in the air temperature of the inlet, outlet, or supply temperature of the heat dissipating devices and adjusts one or more cooling units controls to provide the required cooling capacity. [https://www.vertiv.com/49b8b2/globalassets/shared/liebert-icom-user-manual_sl-31075.pdf, pp. 99 and 102.]” “The <u>Liebert</u> cooling units also have standby mode. Standby mode evaluates changes in the air temperature of the inlet, outlet, or supply temperature of the heat dissipating devices and actives/de-actives one or more cooling units to provide the required cooling capacity. [https://www.vertiv.com/49b8b2/globalassets/shared/liebert-icom-user-manual_sl-31075.pdf, p. 103.]”</p>

Ex. 15 at APP1164–APP1196. The same applies to Valtrus’ remaining allegations against Digital Realty and to Valtrus’ allegations against CyrusOne. *See generally* Exs. 15–24 at APP1162–APP1763 (infringement contentions claim charts asserted against Digital Realty and claim charts appended to complaint against CyrusOne).

* * * *

Based on these express allegations placing Vertiv’s technology at issue and its indemnity obligations (discussed *infra*), Vertiv moved to intervene to allow it to defend against Valtrus’ allegations of infringement against Vertiv’s technology. In response to Vertiv’s intervention motion, Valtrus made clear that those matters are limited to addressing infringement against only the specific customers in those actions. (*Valtrus Innov. Ltd. v. Dawn Acquisitions LLC* (LEAD

CASE), No. 2:2024-cv-00142-JRG, Dkt. 48 at 2 (asserting that “Vertiv is limited to answering the claims Valtrus has brought in this case, which are only that the existing Defendants directly infringe the Asserted Patents.”). Accordingly, the lawsuits against the individual customer Defendants do not provide a forum for more broadly determining that Vertiv’s technology falls outside the scope of Valtrus’ patents. Notably, due to Valtrus recent election to file new, and essentially identical, cases against Digital Realty and CyrusOne, the customer lawsuits remain at their infancy as the parties (including Vertiv as Intervenor) submit their proposed Discovery Order and Docket Control Order on August 29, 2024.³

C. Vertiv’s Customers Request Indemnification

Because Vertiv’s infringement allegations expressly identify Vertiv’s technology, Vertiv’s customers have requested indemnification from Vertiv according to the contractual obligations between Vertiv and its customers. As set forth in the Complaint, Vertiv supports its customers because it “stands by its products [] through indemnity agreements. Dkt. 1 ¶ 7; *see also* ¶ 67 (Vertiv “is contractually bound to indemnify and defend customers against patent infringement claims related to the use of Vertiv products pursuant to various contracts and sales agreements.”).

Valtrus argues Vertiv’s indemnification obligations are “speculative and vague.” Dkt. 14 at 2. Not so.⁴ Vertiv’s contracts with its customers expressly require that Vertiv indemnify and defend its customers whom Valtrus has sued or whom Valtrus has included in its letter-writing

³ *Valtrus Innov., et al. v. CyrusOne, LLC*, No. 2:2024cv00534, Dkt. 1 and *Valtrus Innov., et al. v. Digital Realty Trust, Inc.*, No. 2:2024-cv-00535, Dkt. 1. Valtrus filed these new cases including an additional plaintiff, Key Patent Innovations, as purportedly owning rights in the Patents-in-Suit.

⁴ At the time of this motion, Valtrus already knew the express terms of Vertiv’s contractual indemnity obligations to Digital Realty and CyrusOne because Vertiv submitted those contractual provisions in connection with its motions to intervene in the lead cases of those actions. *Valtrus Innov., Ltd. v. Dawn Acquisitions LLC et al.*, No. 2:2024-cv-00142-JRG (Lead Case), Dkt. 41-2 (Digital Realty contractual provisions); *Valtrus Innov., Ltd. v. NTT Data Services, LLC, et al.*, No. 2:2024-cv-00361-JRG (Lead Case), Dkt. 24-2 (CyrusOne contractual provisions).

writing campaign. As set forth in the attached Declaration of Eric Broxterman, Vertiv provides the specific contractual provisions requiring that that it defend and indemnify its customers in connection with the patent infringement allegations raised by Vertiv. *See generally* Broxterman Decl. at APP1768–APP1781. According to those provisions, Vertiv has the right to select counsel, direct and control the defense of the claims directed to Vertiv technology and generally control settlement negotiations. *Id.* ¶¶ 6, 9, 17, 21, 25, 32, 35 Unsurprisingly, Vertiv’s customers have pursued those contractual rights and demand that Vertiv indemnify and defend the claims directed to Vertiv’s technology. *Id.* ¶¶ 11, 15, 19, 23, 30.

D. Valtrus’ Contacts with the Northern District of Texas

Notably, Valtrus is no stranger to this District. In 2022, Valtrus filed a patent infringement suit here against Google directed to a different set of patents purportedly owned by Valtrus. *Valtrus Innov. Ltd. v. Google LLC*, No. 3:22-cv-00066-N (J. Godbey), Dkt. 1. Valtrus has conceded that most of the documents are electronic and do not present any burden challenges and, as set forth in the Complaint, Valtrus’ licensing entity located in Frisco, Texas is substantially closer to the Northern District courthouse in Dallas than the Eastern District courthouse in Marshall.

III. ARGUMENT

A. Vertiv Established that Declaratory Judgment Jurisdiction Exists In This Matter.

There is little doubt that a “case of actual controversy with [the Court’s] jurisdiction” exists between Vertiv and Valtrus. 28 U.S.C. §2201. Vertiv’s complaint establishes that “the facts alleged, under all the circumstances, show that there is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.” *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 127 (2007).

In addition to the pleaded facts in the complaint, the Court may consider relevant additional information, including undisputed facts or the Court’s resolution of pertinent disputed facts. *See Brown v. Peterson*, No. 7:03 CV 0205, 2006 WL 349805, at *4 (N.D. Tex. Feb. 3, 2006) (“In ruling on a motion to dismiss for lack of subject matter jurisdiction, a court may evaluate the complaint alone, the complaint supplemented by undisputed facts evidenced in the record, or the complaint supplemented by undisputed facts plus the court’s resolution of disputed facts.”); *see also Cline v. Colvin*, No. 3:25-CV-2715-K (BF), 2016 WL 4467657, at *2 (N.D. Tex. Aug. 2, 2016), *report and recommendation adopted*, No. 3:15-CV-2715-K, 2016 WL 4429468 (N.D. Tex. Aug. 22, 2016) (same); *Mitek Sys., Inc. v. United Servs. Auto. Ass’n*, 34 F. 4th 1334, 1341 (Fed. Cir. 2022) (applying Fifth Circuit precedent to the “nonpatent-specific issue” such as the facts which may be considered under a Rule 12(b)(1) analysis).

B. The Court Has Subject Matter Jurisdiction Over the Controversy Valtrus Created with Vertiv by Alleging that Vertiv’s Customers Directly Infringe

Valtrus’ has made clear that its real dispute is with Vertiv, as the supplier of the accused technology. Unsurprisingly, courts routinely find declaratory judgment jurisdiction between a patent owner and the supplier of the accused technology. *See, e.g., Arris Group v. British Telecommunications PLC*, 639 F.3d 1368, 1381 (Fed. Cir. 2011); *see also Excentus Corp. v. Codepro Innovations, LLC*, No. 3:12-CV-01988-P, 2013 WL 12126218, at *6 (N.D. Tex. Feb. 5, 2013) (citing *Arris* and stating, “Plaintiff has standing by virtue of acting as a supplier.”); *SafeNet, Inc. v. Uniloc USA, Inc.*, No. 6:15-CV-97-RWS-KNM, 2015 WL 10793747 (E.D. Tex. Aug. 19, 2015), *report and recommendation adopted*, No. 6:15-CV-97-RWS-KNM, 2015 WL 7272196, at *10 (E.D. Tex. Nov. 17, 2015) (“For Uniloc to say that it has no controversy with SafeNet, when [SafeNet’s product] forms a central basis of its infringement theory in the Customer Suits, is disingenuous.”).

Courts recognize that Vertiv’s substantial legal interest in addressing these claims to defend its other customer not yet sued by Vertiv further supports jurisdiction. *See, e.g., Perfect Corp. v. Lennon Image Techs., LLC*, No. 6:22-CV-01164-ADA-DTG, 2023 WL 8041010, at *3 (W.D. Tex. Nov. 20, 2023) (rejecting patent owner’s argument that defending the customer actions sufficiently protects the supplier and stating, “this suit provides Plaintiff an opportunity to defend its other customers as well.”).

Ignoring well-settled law, Valtrus first contends that because it asserted infringement “largely based on method claims” against Vertiv’s customers, those claims cannot give rise to an implicit claim of *direct* infringement against Vertiv.⁵ Dkt. 14 at 6. But that misses the point, as there is no dispute Valtrus’ assertions give rise to an implicit claim of *indirect* infringement against Vertiv. Indeed, in a case cited by Valtrus on other grounds but ignored for this principle, the Federal Circuit in *Arris* confirmed that a manufacturer satisfied the declaratory judgment jurisdictional standards based on implicit allegations of indirect infringement against the manufacturer where the patent owner only asserted direct infringement against the customers. Like Valtrus here, the patent owner in *Arris* alleged a lack of subject matter jurisdiction because it only directed allegations of infringement against the customer and not the manufacturer. *Arris*, 639 F.3d at 1373. The Federal Circuit held:

when the holder of a patent with method claims accuses the supplier’s customers of direct infringement based on their use of the supplier’s product in the performance of the claimed method, an implicit assertion of indirect infringement by a supplier may arise.

Id. at 1375–76. (emphasis added)

⁵ Valtrus is similarly wrong that there is no case or controversy because a subset of the patents have expired. *See, e.g., SafeNet, Inc. v. Uniloc USA, Inc.*, No. 6:15-CV-97-RWS-KNM, 2015 WL 10793747 at *9 (E.D. Tex. Aug. 19, 2015) (noting expiration “does not automatically preclude an actual controversy and divest the Court of jurisdiction over the declaratory judgment action”).

The Court in *Arris* focused on the patent owner's clear identification of the supplier's products performing numerous method steps of the asserted claims and, notwithstanding the absence of an express accusation against the manufacturer, the Court still found declaratory judgment jurisdiction. *Id.* at 1379.

Here, Valtrus could not have been more explicit in its communications to Vertiv's customers that the alleged infringement stems from Vertiv's technology. Valtrus' infringement assertions make no reference to any customer component, nor does it invoke any operation of the customer equipment. Instead, Valtrus' infringement claims rest solely on the customer's use of Vertiv equipment and Vertiv's manuals and brochures which direct the customer how to use it. *See id.* at 1377; Exs. 15–24 at APP1162–APP1763.

Valtrus' lone support for its argument is *Mitek Sys., Inc. v. United Servs. Auto. Ass'n*, 34 F.4th 1334 (Fed. Cir. 2022), which Valtrus contends requires that Vertiv “establish at least a reasonable potential that Valtrus could bring direct infringement claims against it.” Dkt. 14 at 6. However, *Mitek* does not stand for this proposition and the facts of that case demonstrate its inapplicability here. In *Mitek*, the manufacturer waited until the *third day of trial* between the patent owner and its customer before filing its declaratory judgment action, thereby suggesting that the supplier could not have felt apprehension of suit waiting until that time to seek declaratory relief. *Id.* at 1338. The Court further noted that following facts suggested a lack of subject-matter jurisdiction: (i) the supplier failed to expressly identify any contractual indemnification obligations, and (ii) the infringement evidence adduced at the trial indicated that the infringement claims relied on substantial customization by the customers. No such evidence is present here as Vertiv has moved quickly to file this Complaint before the customer suits have meaningfully progressed and, as *discussed* infra, Vertiv's indemnity obligations are set forth in each of its

customers agreements and Valtrus has never alleged (and could not allege) that its infringement theories involve any modification of Vertiv's technology by its customers.

As the central issue is whether Vertiv reasonably apprehends suit by Valtrus, it is notable that Valtrus is not offering a covenant not to sue or a stipulation that Vertiv's products are not a part of a theory of induced infringement. Valtrus is further not stating that it does not intend to sue additional Vertiv customers in the future or that it will not sue Vertiv in the future. "[A] patentee's refusal to give assurances that it will not enforce its patent is relevant to the determination [of declaratory judgment standing]." *Arris*, 639 F.3d at 1381 (citing *Prasco, LLC v. Medicis Pharm. Corp.*, 537 F.3d 1329, 1341 (Fed. Cir. 2008) (further citation omitted)). Considering Valtrus' history of litigation in this District and the Eastern District, Valtrus' choice to maintain the option to sue Vertiv speaks to the ongoing controversy.

1. The '490 Patent Creates a Controversy Over Vertiv's Sensors

With respect to Valtrus' assertions of the system claims in the '490 patent, Valtrus contends that it "has never directed any threat of litigation or infringement against Vertiv and has given Vertiv no reason to believe that it will ever be sued for infringement of that patent." Dkt. 14 at 7. Valtrus solely relies on *Allied Mineral Products, Inc. v. Osmi, Inc.* for the proposition that its lack of direct communications with Vertiv results in no case or controversy between them. Dkt. 14 at 7 (citing 870 F.3d 1337 (Fed. Cir. 2017)). That reliance is misplaced.

In *Allied Mineral*, the patent owner wrote letters to customers/alleged infringers of a Mexican patent. The supplier sought a declaratory judgment on the related United States patent even though the patent owner "has no history of litigating its patents in the United States. In light of this precedent, the district court correctly held that it lacked jurisdiction to hear the case." *Allied Mineral*, 870 F.3d at 1340.

The dispositive issue in *Allied Mineral* was not the lack of direct communications between patent owner and the supplier, rather, it was that the totality of the circumstances gave no reason to believe the patent owner would sue on a U.S. patent in U.S. courts. The same cannot be said for Valtrus, as Valtrus has sued four Vertiv customers already in U.S. federal courts, explicitly referenced its litigation in its letters to Vertiv’s clients, and has separately brought an infringement suit *in this Court* against Google directed to unrelated patents allegedly owned by Valtrus.

In fact, the *Allied Mineral* Court distinguished *Arris* because a manufacturer has standing to bring a declaratory judgment action in circumstances mirroring the present action:

[T]here is a controversy between the patentee and the manufacturer as to the manufacturer’s liability for induced or contributory infringement based on acts of direct infringement by the customers.

The *Arris* patentee accused a customer of infringing claims of four U.S. patents in which a manufacturer’s product functioned as a material component. We held that the allegations of direct infringement of U.S. patents against the manufacturer’s customers were an implicit allegation of indirect infringement against the manufacturer. This gave the district court jurisdiction over the manufacturer’s declaratory judgment action.

Id. at 1341 (citing from *Arris*, 639 F.3d at 1375).

2. Suppliers May Both Intervene In Specific Customer Suits and Seek Declaratory Judgment Relief

Valtrus suggests that Vertiv’s intervention in the Eastern District customer suits weigh against this Court exercising jurisdiction.⁶ Dkt. 14 at 12–13 (Valtrus arguing the customer suits provide a “suitable avenue” for resolving the dispute in this case”). However, rather than follow Valtrus’ assertions courts faced with factually similar situations refuse to decline jurisdiction. For

⁶ Valtrus’ cannot rely on post-filing conduct, such as Vertiv’s intervention in the Eastern District. See *Med. Components, Inc. v. Osiris Med., Inc.*, 226 F. Supp. 3d 753, 760 (W.D. Tex. 2016) (a patent declaratory judgment plaintiff must establish a “case or actual controversy ... requirement was satisfied at the time the complaint was filed—post-filing conduct is not relevant”) (citing *Vantage Trailers, Inc. v. Beall Corp.*, 567 F.3d 745, 748 (5th Cir. 2009)).

instance, in *Adobe Systems, Inc. v. Select Retrieval LLC*, 2014 WL 497441 (S.D. Cal. 2014), the Court refused to decline jurisdiction even though the supplier had intervened in earlier-filed customer actions:

In this case, the Court finds the parties in this action and the First Delaware Action are neither the same nor substantially similar. It is undisputed that Adobe is not a party to the First Delaware Action, as Adobe's role in that case is limited to defending its customers against Select Retrieval's allegations of individual infringement as to each of those customers.

Id. at *4.

[A]lthough the customers' interests are not inconsistent with Adobe's, they are not adequate representatives of Adobe's position in the larger fight being waged nationwide between it and Select Retrieval.” (*Id.* at 7.) In short, this action represents the battlefield on which that “larger fight” is being fought. . . . Based on the foregoing, the Court concludes the facts of this case do not warrant declining jurisdiction under the first-to-file rule.

Id. at *5.

The same analysis applies here. The customer suits in the Eastern District are limited to determining “allegations of individual infringement as to each of those customers.” *Id.* at *4. Having argued that the scope of those suits is limited to the individual customers (*see supra*, Sec. II.B.), Valtrus cannot now suggest that those cases are the proper forum to resolve the entirety of the issues it has initiated by sending its letters to numerous other Vertiv customers. Like in the *Adobe* case, this declaratory judgment action “represents the battlefield on which that ‘larger fight’ is being fought”, and the Court should not decline to exercise jurisdiction. *Id.* at *5.; *see also Perfect Corp.*, 2023 WL 8041010, at *3 (“this [declaratory judgment] suit provides Plaintiff an opportunity to defend its other customers as well.”).

C. Vertiv’s Indemnity Obligations to Its Customers Also Establish a Controversy

“Where a patent holder accuses customers of direct infringement based on the sale or use of a supplier’s equipment, the supplier has standing to commence a declaratory judgement action

if the supplier is obligated to indemnify its customers from infringement liability.” *Arris*, 639 F. 3d at 1375 (cleaned up). That is exactly the case here; and Vertiv’s indemnity obligations—as plead and known to Valtrus, and as additionally shown here—are sufficient to support this declaratory judgment action.

Valtrus implies that all of the controversy between Vertiv and Valtrus can be settled in the two pending Eastern District actions against CyrusOne and Digital Realty, in which Vertiv has intervened. Dkt. 14 at 11. This is not true. Vertiv’s declaratory judgment action is broader in scope than just those two cases and addresses Valtrus’ campaign of threats against many additional Vertiv customers as shown by both the agreements and letters discussed herein. Those customers cannot all be sued in the Eastern District, so dismissing this declaratory judgment action will result in more strain on judicial resources, not less.

1. Vertiv Properly Plead Its Indemnity Obligations

Vertiv properly plead its indemnity obligations, because, taken as true, the fact that there are indemnity obligations are sufficient to state a claim. *See Ashcroft v. Iqbal*, 556 U. S. 662, 678 (2009). Vertiv’s indemnity pleading was not limited to the current Eastern District defendants and was sufficient to put Valtrus on notice that Vertiv was standing behind its products for its customers based on its contractual indemnity obligations. For example, the Complaint includes the following:

- “One way that Vertiv stands by its products is through indemnity agreements.” Dkt. 1 ¶ 7.
- As part of highly valuing its customer relationships, Vertiv has notified customers that have been sued that it will indemnify them from Valtrus’ patent infringement allegations related to the use of Vertiv products and services. *Id.* ¶ 33.

- Vertiv values its customer relationships and is contractually bound to indemnify and defend customers against patent infringement claims related to the use of Vertiv products pursuant to various contract and sales agreements. *Id.* ¶ 67.

These allegations were sufficiently plead based on the factual existence of the indemnity obligations to customers against patent infringement allegations such as those made by Valtrus.

2. Vertiv’s Customer Indemnity Agreements were Known to Valtrus at the Time It Filed its Brief

Valtrus made a factual challenge to the existence of Vertiv’s indemnity agreements with its customers, but Valtrus already had proof of those agreements at the time Valtrus filed its Motion to Dismiss. Vertiv included its agreements with both Digital Realty and with CyrusOne in connection with the intervention motions in those cases. *See supra* n.5. In particular, Vertiv highlighted the indemnity provisions in those agreements which set forth Vertiv’s obligations to defend and indemnify those customers here. Vertiv also provided the sworn testimony from Vertiv’s in-house counsel stating that both Digital Realty and Cyrus One had demanded that Vertiv fulfill its contractual indemnity obligations. *See Valtrus Innov., Ltd. v. Dawn Acquisitions LLC et al.*, No. 2:2024-cv-00142-JRG (Lead Case), Dkt. 41-1 (Digital Realty); *Valtrus Innov., Ltd. v. NTT Data Services, LLC, et al.*, No. 2:2024-cv-00361-JRG (Lead Case), Dkt. 24-1 (CyrusOne). Accordingly, Valtrus’ assertion that there is no proof of Vertiv’s indemnity obligations is untrue.

3. Vertiv’s Additional Evidence of Indemnity Agreements

Because Valtrus has made a factual attack on Vertiv’s indemnity obligation, Vertiv also presents additional evidence for the Court’s consideration. *See Brown v. Peterson*, No. 7:03-CV-0205, 2006 WL 349805, at *4 (N.D. Tex. Feb. 3, 2006) (“a court may evaluate the complaint[,] . . . undisputed facts[,] plus the court’s resolution of disputed facts”) (discussed *supra* § III.A).

There is no dispute that Vertiv has indemnity obligations to its customers, including those customers targeted by Vertiv who have not been sued. As shown in the attached Declaration of E. Broxterman (APP1768–APP1781), Vertiv has presented redacted versions of agreements with the following entities evidencing Vertiv’s indemnity obligations with at least these additional nine customers who have yet to be sued: Cologix, Inc. (Broxterman Decl. ¶¶ 5–6); Zayo Group, LLC (“DataBank”) (*id.* ¶¶8-9); EdgeConneX Holdings, LLC (“EdgeConneX”) (*id.* ¶¶ 12–13); Flexential Corp. (“Flexential”) (*id.* ¶¶ 16–17); Iron Mountain Data Centers, LLC (“Iron Mountain”) (*id.* ¶¶ 20–21); NTT Global Sourcing, Inc. (*id.* ¶¶ 24–25); Quality Technology Services (“QTS”) (*id.* ¶¶ 27–28); SDS Technology Services LLC (“Stream Data”) (*id.* ¶¶ 31–32); and TierPoint, LLC (*id.* ¶¶ 34–35).

In addition to the customers Valtrus previously sued, at least the following entities have already pursued their contractual obligations from Vertiv and demanded that Vertiv provide indemnity and defense with regard to Valtrus’ allegations based on the use of Vertiv’s products: DataBank (*id.* ¶ 11); EdgeConneX (*id.* ¶15); Flexential (*id.* ¶ 19); Iron Mountain (*id.* ¶ 23); and QTS (*id.* ¶ 30).

Valtrus cannot contend that Vertiv’s indemnity obligations are limited to the suits in the Eastern District as Vertiv has also obtained letters that Valtrus sent to at least these Vertiv customers: Cologix, DataBank, EdgeConneX, Flexential, Iron Mountain, NTT, QTS, Stream Data, TRG, and TierPoint. Exs. 1–9, 14 at APP0001–APP0790, APP1089–APP1161. As shown by Vertiv’s indemnity obligations, Vertiv has financial and contractual obligations implicated by Valtrus’ ongoing threats to these customers.

4. Valtrus’ Legal Authority is Inapposite

Valtrus reliance on *Finisar Corp. v. Capella Photonics, Inc* is misplaced. Dkt. 14 at 10–11 (citing 2021 WL 810227 (N.D.Cal. 2021)). *Finstar* did not address a patentee threatening

additional customers, as Valtrus has done. Instead, the customers already in suit had indemnity upon which they sought to rely to file suit in an additional venue. Vertiv has indemnity obligations to additional customers who have already received letters from Valtrus alleging the use of Vertiv products is an act of infringement. Those customers are not currently parties to any lawsuit and Vertiv and the customers should not have to wait for Valtrus to sue them to ask for Vertiv to intervene in the forum that Valtrus has chosen. Instead, Vertiv has chosen this forum to make a stand on behalf of all of its customers who have been threatened with litigation for using its products.

Valtrus' reliance on *Microsoft Corp. v. Datatarn, Inc.* is also misplaced. Dkt. 14 at 10–11 (citing 755 F.3d 899, 904 (Fed. Cir. 2014)). While the court found the plaintiff lacked declaratory judgment jurisdiction, it was because the patent owner in that case had indicated that it did not intend to sue the declaratory judgment plaintiffs. *Id.* at 906. Additionally, the declaratory judgment plaintiffs “concede[d] that no [customer indemnity] obligation exists.” That is not the case here. Valtrus has never promised not to sue Vertiv, and Vertiv does have indemnity obligations to its customers.

Valtrus also cites to *Intellectual Property Development, Inc. v. TCI Cablevision of Cal. Inc.* for the broad proposition that allegations of indemnity are not sufficient to create jurisdiction, in contrast to the statement in the *Arris* case (a case to which Valtrus cites in its brief). 248 F.3d 1333, 1341–42 (Fed. Cir. 2001); Dkt. 14 at 11. *Intellectual Property Development*, however, concerned parties that had previously dismissed a case based on a statement of non-liability from the plaintiff. The defendant could not reasonably apprehend that it would face suit after the non-liability statement. “Therefore, the district court correctly determined that it lacked jurisdiction *despite* TCI-California’s indemnity concerns” *Id.* at 1342 (emphasis added). The lack of jurisdiction was

based on the non-liability obligation *despite* that jurisdiction would have otherwise arisen from the indemnity obligation. *Id.*

D. Transfer to the Eastern District Under § 1404(a) is Inappropriate

In considering whether to transfer venue under 28 U.S.C. § 1404(a), courts are required to “give great weight to the plaintiff’s choice of forum and then weigh the convenience of both parties.” *HollyAnne Corp. v. TFT, Inc.*, 199 F.3d 1304, 1307 n.2 (Fed. Cir. 1999). Because Vertiv chose this district, Valtrus “must show good cause” to transfer venue to the Eastern District. *In re Chamber of Com. of United States of Am.*, 105 F.4th 297, 303 (5th Cir. 2024) (granting writ of mandamus and directing the North District of Texas to vacate its transfer order). “At minimum, [Valtrus must] clearly demonstrate that its chosen venue is *clearly more convenient*. . . . It is [Valtrus’] burden—and [Valtrus’] alone—to adduce evidence and arguments that clearly establish good cause.” *Id.* at 304 (internal citations omitted) (emphasis added); *see also Enovsys LLC v. T-Mobile USA, Inc.*, No. 2:21-CV-00368-JRG, 2022 WL 2161028 (E.D. Tex. June 14, 2022) (denying motion to transfer venue and explaining that the “elevated burden to show that the transferee forum is ‘clearly more convenient’ reflects the respect owed to the plaintiff’s choice of forum.”).

In determining whether Valtrus has “‘clearly demonstrated’ good cause, courts must consider four private-interest factors and four public-interest factors” *In re Chamber of Com. of United States of Am.*, 105 F.4th 297, 304 (5th Cir. 2024). In particular:

The private interest factors are: (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.

The public interest factors are: (1) the administrative difficulties flowing from court congestion; (2) the local interest in having localized interests decided at home; (3) the familiarity of the forum with the law that will govern the case; and (4) the avoidance of unnecessary problems of conflict of laws [or in] the application of

foreign law.

Id. As explained below, none of the private or public interest factors favor transfer, as required.

Thus, Valtrus has fallen well short of meeting its burden.

1. The Private Interest Factors Disfavor Transfer

a. The Relative Ease of Access to Sources of Proof Factor Disfavors Transfer

“In considering the relative ease of access to proof, a court looks to where documentary evidence, such as documents and physical evidence, is stored.” *SVV Tech. Innovations, Inc. v. Micro-Star Int’l Co.*, No. 6:22-CV-511-ADA, 2023 WL 2775166, at *5 (W.D. Tex. Apr. 4, 2023) (internal citations omitted) (denying transfer). ““In patent infringement cases, the bulk of the relevant evidence usually comes from the accused infringer.”” *Id.* (citing *In re Apple Inc.*, 979 F.3d 1332, 1340 (Fed. Cir. 2020)). Because this case concerns the noninfringement of Vertiv products, the bulk of the relevant evidence comes from Ohio, Vertiv’s principal place of business, rather than the Eastern District. Dkt. 1 ¶ 5. Thus, the relative ease of access to the bulk of the evidence in this case is inconsequential.

Valtrus argues to the extent it has relevant documents, they “would be with its licensing agent” in Frisco, Texas. Dkt. 14 at 17. While Frisco is technically in the Eastern District, Valtrus overlooks that Frisco is less than 30 miles from the federal courthouse in Dallas but 170 miles from the federal courthouse in Marshall, where the Eastern District cases are pending. *See* Ex. 25 at APP1765; *see also Purdy v. Munden*, 356 F. Supp. 2d 658, 660 (E.D. Tex. 2005) (noting that a witness is “closer to the federal courthouse in Dallas than Marshall” when considering transfer). Further, to the extent there is overlapping discovery between the Eastern District cases and present case, Valtrus admits that “most of the document production in those cases is expected to be electronic.” *Id.* at 18. Courts “in the Fifth Circuit [have] found that access to documents that are

available electronically provides little benefit in determining whether a particular venue is more convenient than another.” *Traxcell Techs., LLC v. Verizon Wireless Pers. Commc'ns, LP*, No. 6:20-CV-01175-ADA, 2022 WL 1127222, at *2 (W.D. Tex. Feb. 1, 2022) (denying motion to transfer to the Eastern District where plaintiff had cases pending for infringement of the same or related patents).⁷

Finally, it is Valtrus’ burden to clearly demonstrate[]—that those marginal gains [in convenience] will actually materialize in the transferee venue.” *In re Chamber of Com. of United States of Am.*, 105 F.4th 297, 304 (5th Cir. 2024). Valtrus has not met its burden of identifying physical evidence that is both relevant to this case and more conveniently accessed in the Eastern District. Moreover, Valtrus has previously filed infringement suits in the Northern District (*see* Dkt. 1 ¶ 15), including one suit filed only a matter of weeks ago (*see Valtrus Innovations Limited et al v. Google LLC*, Civil Action No. 3-24-cv-01795 (N.D. Tex.) (filed July 12, 2024)). Valtrus “cannot avail itself of the [Northern] District’s courts when it sues them, only to complain less than one year later that the [Northern] District is an inconvenient venue in a subsequent suit.” *Sanofi-Aventis Deutschland GmbH v. Novo Nordisk, Inc.*, 614 F. Supp. 2d 772, 780 (E.D. Tex. 2009).

Valtrus also argues, without explanation, that a transfer would avoid the need to serve third party subpoenas on customers. Dkt. 14 at 18 (Valtrus claiming a subpoena “problem does not

⁷ Valtrus contends that Vertiv’s intervention weighs in favor of transfer in relation to this and other § 1404 factors. Dkt. 14 at 17, 18, 21. However, Vertiv moved to intervene two months after the Complaint in this lawsuit, and Valtrus’ own cited authority makes clear that motions to transfer venue are to be decided based on “the situation which existed when suit was instituted.” *In re EMC Corp.*, 501 F. App’x 973, 976 (Fed. Cir. 2013); *see also DSS Tech. Mgmt., Inc. v. Apple, Inc.*, 2014 WL 6847569, at *4 (E.D. Tex. Nov. 7, 2014) (“[T]his Court does not have any experience with the patents-in-suit. While a lawsuit against a different defendant has since been filed, motions to transfer venue are to be decided based on ‘the situation which existed when suit was instituted.’”) (internal citations omitted).

exist” in the Eastern District). Valtrus is incorrect. Any potentially relevant customer would be a third party to this lawsuit. Thus, even assuming *arguendo* document discovery from customers is needed, third-party subpoenas will also be needed, regardless of the venue.

Because the only relevant evidence identified by Valtrus is more easily accessed in the Northern District than the Eastern District, this factor disfavors transfer.

b. Vertiv and Valtrus Agree That the Availability of Compulsory Process to Secure the Attendance of Witnesses Factor is Neutral

Valtrus admits that the availability of compulsory process factor is neutral. Dkt. 14 at 18–19. Vertiv agrees. Thus, there is no dispute that this factor is neutral.

c. The Cost of Attendance For Willing Witnesses Factor Disfavors Transfer

“In order to show that the cost of attendance to willing witnesses weighs in favor of transfer, a movant must provide specific information about the witnesses, their locations, and their proposed testimony.” *Moore v. Unit Texas Drilling, LLC*, No. 3:08-CV-2080-N, 2009 WL 10704741, at *3 (N.D. Tex. Nov. 17, 2009) (denying motion to transfer). “Without particular information, courts cannot weigh relative cost of attendance to each witness and the centrality of each’s testimony.” *Id.* Valtrus has not identified any willing witnesses or their proposed testimony. As such, Valtrus has failed to meet its burden of proof that “marginal gains [in convenience] will actually materialize in the transferee venue.” *In re Chamber of Com. of United States of Am.*, 105 F.4th 297, 304 (5th Cir. 2024). Therefore, the cost of attendance for willing witnesses factor is neutral at best.

Further, Valtrus identified only two locations of willing witnesses—Ohio and Dublin, Ireland. Dkt. 14 at 19. As alleged in Vertiv’s Complaint, the Dallas-Fort Worth International Airport has direct flights from Dublin, Ireland. Dkt. 1 ¶¶ 10, 45. Because the Northern District’s Dallas courthouse is 153 miles closer to the Dallas-Fort Worth International Airport than the

Eastern District’s Marshall courthouse, it will be more convenient for Valtrus’ witnesses to travel to the Northern District courthouse. *See* Ex. 26 at APP1767; *Purdy v. Munden*, 356 F. Supp. 2d 658, 660 (E.D. Tex. 2005) (“The sixth witness resides in the . . . Eastern District of Texas, but his residence is closer to the federal courthouse in Dallas than Marshall. Thus, it would be more convenient for the . . . witnesses to testify in Dallas than Marshall.”). Based on the significantly shorter drive, the cost of attendance for willing witnesses is lower for the Northern District. *See* Ex. 26 at APP1767. Also, it would be more convenient for Valtrus’ “licensing agent” in Frisco, Texas to testify in the Northern District. *See* Ex. 25 at APP1765 (showing a 28 minute drive from Valtrus’ licensing agent to the Northern District’s Dallas courthouse and a two hour and thirty-four minute drive from Valtrus’ licensing agent to the Eastern District’s Marshall courthouse). As such, this factor disfavors transfer.

d. All Other Practical Problems That Make Trial of a Case Easy, Expeditious, and Inexpensive Factor is Neutral

The fourth private-interest factor involves consideration of “all other practical problems that make trial of a case easy, expeditious and inexpensive.” *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 315 (5th Cir. 2008). For this factor Valtrus refers to “overlapping issues . . . already pending” in the Eastern District cases and urges the Court to avoid adjudicating a lawsuit that may be “intertwined.” Dkt. 14, 20–22.

First, assuming *arguendo* some overlap exists with the Eastern District cases, Valtrus does not explain if or how transfer will make trial will easier, faster, or less expensive in the Eastern District. Nor could it. With or without transfer, duplicative litigation is “unavoidable” as the Eastern District cases will proceed on a separate procedural schedule with separate Markman and trial proceedings. Valtrus does not argue otherwise. *Delphi Corp. v. Auto. Techs. Int’l, Inc.*, No.

08-CV-11048, 2008 WL 2941116, at *6 (E.D. Mich. July 25, 2008) (denying transfer where duplicative litigation was “unavoidable”).

Valtrus also overlooks that the relief sought in the present action—which would apply to *all* Vertiv customers—is broader than the relief sought in the Eastern District—which would apply to two Vertiv customers. *See e.g., Adobe Sys. Inc. v. Select Retrieval, LLC*, No. 3:12-CV-2342-GPC-WMC, 2014 WL 497441, at *4 (S.D. Cal. Feb. 6, 2014) (noting that customer lawsuits “pertain only to the allegedly infringing acts by ... customers” while manufacturer lawsuit “will resolve the broader issue of whether [the manufacturer’s] technology may be used to infringe ... at all). *Delphi*, 2008 WL 2941116 at *5 (noting a customer lawsuit was “piecemeal” while a manufacturer’s declaratory judgement lawsuit was “global”).

For these reasons, Valtrus’ reliance on *In re Volkswagen of America, Inc.*, is misplaced. Dkt. 14, 20 (citing 566 F.3d 1349, 1551 (Fed. Cir. 2009)). *Volkswagen* concerned a patentee who sued dozens of car manufacturers, including Volkswagen, in a first district. Volkswagen subsequently filed a Declaratory Judgement action in a second district seeking narrow relief only applicable to Volkswagen (inapplicable to the dozens of others named in the first district). While the DJ action was ultimately transferred to the first district, the issues in Volkswagen’s DJ action were much narrower than those of the original lawsuit – as they only concerned Volkswagen.

Besides, to the extent the co-pendency of the Eastern District lawsuits favors transfer, Valtrus’ cited authority makes clear that such a finding would weigh only “slightly.” *In re Apple, Inc.*, 979 F.3d 1332, 1344 (Fed. Cir. 2020); *In re EMC Corp.*, 501 F. App’x 973, 976 (Fed. Cir. 2013) (noting “having the same judge handle multiple suits involving the same patents” was a minor factor that did not “dominate the transfer inquiry”).

2. The Public Interest Factors are Neutral

a. The Court Congestion Factor is Neutral

The Federal Circuit has recently held that where a party “is not engaged in product competition in the marketplace and is not threatened in the market in a way that, in other patent cases, might add urgency to case resolution and give some significance to the time-to-trial difference,” the court congestion factor “is neutral.” *In re Google LLC*, 58 F.4th 1379, 1383 (Fed. Cir. 2023). As explained in Vertiv’s Complaint, “Valtrus does not make, use, or offer for sale any products in the United States.” Dkt. 1 ¶ 12. Because Valtrus “is not engaged in the manufacture or sale of products that practice the asserted patents” and has not suggested that “its position in the market is being threatened,” the Federal Circuit’s precedent does “not regard the relative speed with which this case might be brought to trial in the two districts to be of particular significance.” *In re Juniper Networks, Inc.*, 14 F.4th 1313, 1322 (Fed. Cir. 2021); *see also Datamet LLC v. Dropbox Inc.*, No. 6:22-CV-01142-OLG-DTG, 2023 WL 7741313, at *8 (W.D. Tex. Nov. 14, 2023) (denying motion to transfer and finding the court congestion factor neutral because the parties are not competitors). Thus, the court congestion factor is neutral.

b. The Remaining Public Interest Factors Favor this District

Valtrus argues the remaining three public interest factors are neutral. Dkt. 14 at 22. With regard to this District’s interest, Valtrus overlooks that at least two of the relevant Vertiv customers, NTT and Cologix, have data centers in this District but not in the Eastern District. <https://services.global.ntt/en-us/services-and-products/global-data-centers/global-locations/americas> (listing NTT’s Texas data center in Dallas); <https://cologix.com/data-centers/> (same). Therefore, the local interest factor favors this District.

Dated: September 3, 2024

Respectfully submitted,

Daniel J. Schwartz

/s/ William E. Davis, III

William E. Davis, III

Texas Bar No. 24047416

DAVIS FIRM PC

213 N. Fredonia Street, Suite 230

Longview, TX 75601

Tel.: (903) 230-9090

bdavis@davisfirm.com

Timothy P. Maloney

Daniel J. Schwartz (*pro hac vice*)

Allison Strong (*pro hac vice*)

NIXON PEABODY LLP

70 West Madison, Suite 5200

Chicago, IL 60602

Tel.: (312) 97704400

tmaloney@nixonpeabody.com

djschwartz@nixonpeabody.com

astrong@nixonpeabody.com

Nicole Sims (TX Bar No. 24051343)

NIXON PEABODY LLP

799 9th Street NW, Suite 500

Washington, DC 20001-5327

Tel: (202)585-8337

nsims@nixonpeabody.com

*Admitted to practice in Texas; supervised by a member of the firm who is admitted to the DC Bar.

Attorneys for Plaintiff Vertiv Corporation

CERTIFICATE OF SERVICE

I hereby certify that on September 3, 2024 the within document was filed with the Clerk of the Court using CM/ECF which will send notification of such filing to the attorneys of record in this case.

/s/ Daniel J. Schwartz _____