

EXHIBIT A

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

THE PHELAN GROUP, LLC,	§	
<i>Plaintiff,</i>	§	
v.	§	CIVIL ACTION NO. 2:23-CV-00607-JRG
	§	(LEAD CASE)
MERCEDES-BENZ GROUP AG,	§	
<i>Defendant.</i>	§	

THE PHELAN GROUP, LLC,	§	
<i>Plaintiff,</i>	§	
v.	§	CIVIL ACTION NO. 2:23-CV-00606-JRG
	§	(MEMBER CASE)
HONDA MOTOR CO., LTD.,	§	
<i>Defendant.</i>	§	

THE PHELAN GROUP, LLC,	§	
<i>Plaintiff,</i>	§	
v.	§	CIVIL ACTION NO. 2:23-CV-00611-JRG
	§	(MEMBER CASE)
STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY,	§	
<i>Defendant.</i>	§	

MEMORANDUM OPINION AND ORDER

Before the Court is Mercedes-Benz Group AG’s Motion to Transfer to the Northern District of Georgia Pursuant to 28 U.S.C. § 1404(a) (the “Motion”) filed by Defendant Mercedes-Benz Group AG (“Defendant”). (Dkt. No. 26.) In the Motion, Defendant requests that the Court transfer Lead Case No. 2:23-cv-00607-JRG to the Northern District of Georgia. (*Id.* at 1.) Having considered the Motion, the associated briefing, and all documents submitted in support thereof, the Court finds that the Motion should be **GRANTED**.

I. INTRODUCTION

On December 15, 2023, Plaintiff The Phelan Group (“Plaintiff” and with Defendant, the “Parties”) filed suit, accusing Defendant of infringing U.S. Patent Nos. 9,045,101; 9,493,149;

9,908,508; 10,259,465; 10,259,470; 11,352,020; and 11,472,427 (collectively, the “Asserted Patents”). (Dkt. No. 35 ¶¶ 70–132.) Specifically, Plaintiff alleges that “all Mercedes-Benz vehicles with Mercedes ADAS Services and Mercedes Connect Services, as well as all other advanced driver assistance systems and driver authentication systems” infringe the Asserted Patents. (*Id.* ¶¶ 72, 81, 90, 99, 108, 117, 126.) Plaintiff alleges that venue is proper in this District. (*Id.* ¶¶ 25–26.)

Defendant filed this Motion on July 5, 2024. (Dkt. No. 26.) In the Motion, Defendant requests that the Court transfer this case to the Northern District of Georgia. (*Id.* at 1.) Soon thereafter, the Court ordered venue discovery. (Dkt. No. 40.)

II. LEGAL STANDARD

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.” The first inquiry when analyzing a case’s eligibility for § 1404(a) transfer is “whether the judicial district to which transfer is sought would have been a district in which the claim could have been filed.” *In re Volkswagen AG*, 371 F.3d 201, 203 (5th Cir. 2004) (“*Volkswagen I*”).

Once that threshold is met, courts analyze private and public factors relating to the convenience of parties and witnesses as well as the interests of particular venues in hearing the case. *See Humble Oil & Ref. Co. v. Bell Marine Serv., Inc.*, 321 F.2d 53, 56 (5th Cir. 1963). “A motion to transfer venue pursuant to § 1404(a) should be granted if the movant demonstrates that the transferee venue is *clearly more convenient*, taking into consideration” the private and public factors. *In re Radmax, Ltd.*, 720 F.3d 285, 288 (5th Cir. 2013) (emphasis added and cleaned up).

While the plaintiff’s choice of venue is entitled to deference, it is “not an independent factor.” *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 314-15 (5th Cir. 2008) (“*Volkswagen II*”). Rather, the plaintiff’s choice of venue contributes to the defendant’s elevated burden of proving

that the transferee venue is “clearly more convenient” than the transferor venue. *Id.* at 315. Also, though the private and public factors apply to most transfer cases, “they are not necessarily exhaustive or exclusive,” and no single factor is dispositive. *Id.*

III. ANALYSIS

A. The Suit Could Have Been Filed in the Northern District of Georgia

Defendant argues that this case could have been filed in the Northern District of Georgia. (Dkt. No. 26 at 5.) Plaintiff does not dispute such, and the Court agrees with Defendant.

B. Private Interest Factors

The private interest factors include: (i) the relative ease of access to sources of proof; (ii) the availability of compulsory process to secure the attendance of witnesses; (iii) the cost of attendance for willing witnesses; and (iv) all other practical problems that make trial of a case easy, expeditious, and inexpensive. *Volkswagen I*, 371 F.3d at 203 (citing *Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 241 n.6 (1981)).

1. Relative Ease of Access to Sources of Proof

“When the vast majority of the evidence is electronic, and therefore equally accessible in either forum, this factor bears less strongly on the transfer analysis.” *In re TikTok, Inc.*, 85 F.4th 352, 358 (5th Cir. 2023) (cleaned up) (quoting *In re Planned Parenthood Fed’n Am., Inc.*, 52 F.4th 625, 630 (5th Cir. 2022)). Courts should also consider “the location of document custodians and location where documents are created and maintained, which may bear on the ease of retrieval.” *In re Google LLC*, No. 2021-178, 2021 WL 5292267, at *2 (Fed. Cir. Nov. 15, 2021).

Defendant argues that this factor supports transfer. Defendant contends that it “has no documents or evidence in this District because it has no presence in this District at all.” (Dkt. No. 26 at 6.) Instead, “[d]ocuments related to the research, design, development, and functionality of Accused Products are likely held by non-parties,” such as Hughes Telematics n/k/a Verizon

Connect, Inc. (“Verizon Connect”), [REDACTED] (a German entity [REDACTED]), and [REDACTED] (“[REDACTED]” a U.S. entity [REDACTED] [REDACTED]) within the Northern District of Georgia). (*Id.*) According to Defendant, these non-parties are located in the Atlanta, Georgia, and Stuttgart, Germany areas, which are easier to access in the Northern District of Georgia than this District. (*Id.* at 6–7.) Defendant also argues that Plaintiff incorrectly relies upon documents held by its attorneys or located outside of Texas. (Dkt. No. 78 at 2–3.) Finally, Defendant contends that Plaintiff also incorrectly relies upon car dealerships in Texas that sell Mercedes-Benz vehicles and [REDACTED] located in Texas—none of which retain documents relevant to this case. (*Id.* at 3–4.)

Plaintiff responds that this factor favors this District. (Dkt. No. 75 at 5–11.) It contends that “[m]any case documents are located in Texas” with its attorneys, or “in New Mexico, where The Phelan Group was founded, and its party and nonparty witnesses reside.” (*Id.* at 5–6.) Notably, Plaintiff does not identify any of these “case documents” with particularity, nor does it explain their relevance to this case. Plaintiff argues that Defendant designed and developed the accused technology not in Georgia, but instead in Germany. (*Id.* at 6–7.) Plaintiff argues further that Defendant sells vehicles throughout Texas through car dealerships, including within this District—but Plaintiff does not identify any sources of proof held by these dealerships. (*Id.* at 7.) Additionally, Plaintiff belatedly raises several venue discovery deficiencies, such as Defendant’s alleged failures to (1) properly respond to interrogatories, and (2) provide information on out-of-District facilities. (*Id.* at 7–11.)

The Court finds that this factor slightly weighs in favor of transfer. As an initial matter, there are not documents in this District relevant to this factor. Plaintiff does not dispute that there are no development or design documents relating to the accused features located in this District.

Instead, Plaintiff attempts to identify Texas-based facilities located in Texas but outside of this District. However, Plaintiff does not show how these facilities contain sources of proof relevant to this case—based on the evidence presented to the Court, [REDACTED]

[REDACTED]. Plaintiff has failed to show how any of these facilities could have sources of proof relevant to this case. Finally, the Court rejects Plaintiff’s argument that “[m]any case documents are located” in the Eastern District of Texas “in the possession of the longstanding corporate attorney and litigation attorneys of Plaintiff” because Plaintiff fails to identify these alleged documents or explain how they may be relevant to this case. In fact, Plaintiff fails to provide any factual bases to support its contention that documents are in this District. The Court therefore finds that relevant documents are not maintained in this District.¹

To the contrary, the Court finds that relevant documents are more easily accessible in the Northern District of Georgia. As Defendant explains, Plaintiff’s Second Amended Complaint defines the Accused Products and Methods in this case as those implementing “ADAS Services” and “Mercedes Me Connect/Mbrace Services”:

Defendant makes, uses, sells, offers for sale, distributes, and/or imports vehicles and components of vehicles that have systems and methods for driver authentication and monitoring and controlling vehicle usage as either a standard and/or optional feature, including (but not limited to) Mercedes advanced driver assist systems (including but not limited to *Intelligent Drive*, *Driver Assistance*

¹ The Court further rejects Plaintiff’s attempt to rely upon Texas car dealerships to argue that this District is more convenient than the Northern District of Georgia. (Dkt. No. 75 at 7–9.) Plaintiff fails to identify documents or sources of proof from these dealerships that are relevant to this case.

Package & Driver Assistance Package Plus, and/or Drive Pilot, collectively “ADAS Services”) and Mercedes Me Connect/Mbrace Services (“Connect Services”). These vehicles include (but are not limited to) the 2019 Mercedes-Benz GLC. The Mercedes-Benz vehicles that come equipped with, for example, Mercedes ADAS Services and Mercedes Connect Services, utilize, without authorization or license, the inventions disclosed in the Patents-in-Suit. *The Accused Products and Methods in this case encompass all Mercedes-Benz vehicles with Mercedes ADAS Services and Mercedes Connect Services, as well as all other advanced driver assistance systems and driver authentication systems that operate in a materially similar manner.*

(Dkt. No. 35 ¶ 44 (emphasis added).) Mercedes mbrace was “designed and developed” by Verizon Connect in Alpharetta, Georgia, within the Northern District of Georgia. Plaintiff also fails to dispute that [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

While Plaintiff claims that there are documents and witnesses located in other parts of the country that favor this District, the Court disagrees. First, the Court disagrees that sources of proof located in New Mexico favor this District. As stated previously, Plaintiff fails to identify with particularity relevant sources of proof in New Mexico, and it also fails to identify any relevant *physical* sources of proof. Assuming (to the extent they exist) the New Mexico sources of proof are electronic, they favor neither district. Second, the [REDACTED] [REDACTED]—which similarly favors neither district.

Finally, Plaintiff’s late-breaking venue discovery complaints are irrelevant. If Plaintiff believed that Defendant failed to adequately respond to discovery requests, Plaintiff should have moved to compel more fulsome responses. Plaintiff cannot lie behind the log, claim insufficient discovery for the first time in a response brief, and expect relief from this Court.

On balance, the Court finds that this factor slightly favors the Northern District of Georgia because “the current district lacks any evidence relating to the case.” *In re TikTok, Inc.*, 85 F.4th at 358. However, because neither party raises the location of physical evidence, and “the vast majority of the evidence is electronic, and therefore equally accessible in either forum, this factor bears less strongly on the transfer analysis.” *Id.* (cleaned up).

2. The Availability of Compulsory Process

The availability of compulsory process or subpoena power to secure the attendance of unwilling witnesses “receives less weight when it has not been alleged or shown that any witness would be unwilling to testify.” *Planned Parenthood*, 52 F.4th at 630–31 (citations omitted). Here, Plaintiff and Defendant fail to show or even allege that any witnesses would be *unwilling* to testify in this case. (Dkt. Nos. 26 at 7–8, 75 at 11, 78 at 1–2.) As another Court in this District has found, this factor is neutral where “neither party asserts that any non-party witness is unwilling to attend trial.” *R2 Sols. LLC v. Databricks Inc.*, No. 4:23-CV-01147, 2024 WL 4932719, at *4 (E.D. Tex. Dec. 2, 2024). Indeed, the Fifth Circuit has stated that it “cannot say that the district court committed a clear abuse of discretion in holding that this factor is neutral when petitioners have failed to identify any unwilling non-party witness.” *TikTok*, 85 F.4th at 361. Accordingly, the Court also finds that this factor is neutral.

3. The Cost of Attendance for Willing Witnesses

The Fifth Circuit “uses a ‘100-mile threshold’ in assessing this factor.” *TikTok, Inc.*, 85 F.4th at 361. “When the distance between an existing venue for trial . . . and a proposed venue under § 1404(a) is more than 100 miles, the factor of inconvenience to the witnesses increases in direct relationship to the additional distance to be traveled.” *Id.* (quoting *Volkswagen II*, 545 F.3d at 317). This factor “attempts to internalize and minimize those costs by favoring the venue that is

more convenient from the perspective of willing witnesses.” *In re Clarke*, 94 F.4th 502, 514 (5th Cir. 2024).

Defendant argues that the Verizon Connect and [REDACTED] [REDACTED] [REDACTED] the Accused Products, and that “nearly all” of Verizon Connect’s and [REDACTED] relevant employees are within 100 miles of Atlanta, Georgia. (Dkt. No. 26 at 9.) In contrast, Defendant states that no relevant witnesses reside in this District. (*Id.*) Defendant argues that it would clearly be more convenient for witnesses located in Atlanta, Georgia and Stuttgart, Germany to attend trial in the Northern District of Georgia than Marshall, Texas because such witnesses’ travel times and distance traveled will be much shorter. (*Id.* at 9–10.)

Plaintiff responds that Defendant’s “witnesses are in Germany” and Plaintiff is “located in neighboring New Mexico.” (Dkt. No. 75 at 11–12.) Plaintiff also argues that this district is more convenient for its witnesses—namely, Mr. Phelan, Mr. Ryan Herbon (allegedly a “joint developer on early prototype products”), and Plaintiff’s prosecution law firm, Ortiz & Lopz PLLC. (*Id.* at 12.)

This factor favors transfer. Regarding Defendant’s German witnesses, the Federal Circuit has found that traveling from Asia to California “would greatly reduce the time and inconvenience of travel” as opposed to traveling from Asia to Texas. *In re Samsung Elecs. Co., Ltd.*, No. 2023-146, 2023 WL 8642711, at *2 (Fed. Cir. Dec. 14, 2023). Similarly, traveling to the Northern District of Georgia rather than this District from Germany would reduce the travel time and inconvenience for German witnesses. Indeed, Plaintiff fails to rebut Defendant’s argument that “Atlanta has the only nonstop flights between Stuttgart and the United States, saving Stuttgart-based witnesses about thirty hours of travel time roundtrip and expensive airfare relative to the

Eastern District of Texas.” (Dkt. No. 26 at 9–10 (emphasis removed).) Additionally, the Northern District of Georgia is clearly more convenient for willing party and third-party witnesses located in the Atlanta, Georgia area. Plaintiff does not identify any relevant witnesses in this District.

Plaintiff fails to persuade the Court that the Northern District of Georgia is not clearly more convenient. First, Mr. Phelan’s² Sante Fe, New Mexico residence and his prosecution counsel’s place of business in Albuquerque favor neither venue, as the differences in travel time from these locations to this Court and the Northern District of Georgia are not significant. Second, Mr. Herbon was *not* listed in Plaintiff’s disclosures as a potential witness, contrary to Plaintiff’s misleading citation.³

In summary, the Court finds that this factor favors transfer because (1) Defendant identified relevant witnesses located in the Northern District of Georgia, (2) under controlling law, it would be more convenient for German witnesses to travel to the Northern District of Georgia than this District, and (3) Plaintiff has failed to adequately demonstrate that this District would be more convenient for any witnesses.

4. All Other Practical Problems

Defendant argues that this factor weighs in favor of transfer because “the case is still in its infancy” and at the time the Motion had been filed, the Parties had “not yet begun discovery.” (Dkt. No. 26 at 10–11.) Plaintiff argues that this factor weighs against transfer because judicial economy favors this District. (Dkt. No. 75 at 12–14.) As Plaintiff states, the Court has consolidated

² According to initial disclosures served in a different case, Mr. Phelan is the sole inventor of the Asserted Patents and CEO and President of The Phelan Group, LLC. (Dkt. No. 75-3 at 5.) Plaintiff fails to address why it relies upon its initial and additional disclosures made in an unrelated case rather than this case.

³ The Court further notes that while Plaintiff alleges that Mr. Herbon “can address inventorship, conception, and rebut Defendant’s defense of inequitable conduct,” he is not listed on the face of the Asserted Patents as a co-inventor. More importantly, Plaintiff fails to even provide Mr. Herbon’s place of residence, making it impossible for the Court to determine whether the Northern District of Georgia is more convenient for Mr. Herbon (to the extent he is even relevant) than this District.

this case with two others that share common Asserted Patents. (*Id.* at 12–13.) Plaintiff contends that transferring this case would result in “overlapping issues being simultaneously adjudicated in different districts.” (*Id.* at 13.)

The Court finds that this factor weighs against transfer. Plaintiff is correct: at least some Asserted Patents are asserted against the defendants in the above-captioned cases. This Court has set a single *Markman* hearing and a single pretrial conference for the consolidated cases to promote judicial efficiency and avoid inconsistent results between the cases. If the Court transfers this case, this efficiency will be lost and there will be a significant risk of inconsistent results. However, the Federal Circuit has instructed that this factor should not “be over-weighed if [the consolidated cases] are also subject of motions to transfer.” *See Google*, 2021 WL 5292267, at *3.⁴

C. Public-Interest Factors

The public factors include: (i) the administrative difficulties flowing from court congestion; (ii) the local interest in having localized interests decided at home; (iii) the familiarity of the forum with the law that will govern the case; and (iv) the avoidance of unnecessary problems of conflict of laws or in the application of foreign law. *Volkswagen I*, 371 F.3d at 203 (citing *Piper Aircraft*, 454 U.S. at 241 n.6).

1. Administrative Difficulties Flowing from Court Congestion

This factor focuses on “docket efficiency.” *Planned Parenthood*, 52 F.4th at 631. This factor normally weighs against transfer when the “case appears to be timely proceeding to trial.” *Id.*

Defendant argues that this factor is neutral because this District and the Northern District

⁴ In these consolidated cases, Honda Motor Co., Ltd. has filed Defendant’s Motion to Transfer Under 28 U.S.C. § 1404(a). (Case No. 2:23-cv-00606-JRG, Dkt. No. 31.) The Court, in a contemporaneously filed Order, finds that the Honda case should also be transferred.

of Georgia “are currently performing better than the average among districts.” (Dkt. No. 26 at 11–12.) Plaintiff responds that time-to-trial statistics indicate that this District gets to trial much more quickly than the Northern District of Georgia. (Dkt. No. 75 at 14.)

The Court finds that this factor slightly weighs against transfer. At the time Defendant filed the Motion, this case was smoothly proceeding to trial. However, while Plaintiff is correct that the time-to-trial statistics favor this District, Plaintiff “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.” *In re Google LLC*, 58 F.4th 1379, 1383 (Fed. Cir. 2023).⁵

2. The Local Interest in Having Localized Interests Decided at Home

This factor analyzes the “factual connection” that a case has with the transferee and transferor venues. *Volkswagen I*, 371 F.3d at 206. Local interests that could apply to any judicial district or division in the United States are disregarded in favor of particularized local interests. *In re TS Tech USA Corp.*, 551 F.3d 1315, 1321 (Fed. Cir. 2008); *Volkswagen II*, 545 F.3d at 318.

Defendant argues that Plaintiff’s “Complaint reveals no events uniquely localized to this District.” (Dkt. No. 26 at 12–13.) According to Defendant, this makes sense, as the [REDACTED] [REDACTED] in the Northern District of Georgia and Germany.” (Dkt. No. 26 at 13.) Accordingly, Defendant argues that the Northern District of Georgia has a greater localized interest. (*Id.*) In response, Plaintiff argues that there are dealerships in the State of Texas and this District, thereby giving this District “a

⁵ Plaintiff argues that *Google* does not apply here because “[i]n that case, unlike here (*see, e.g.*, FAC at 29; Exhibit 1 [Plaintiff’s initial disclosures]), there was no evidence of any activity in the relevant market by Plaintiff.” (Dkt. No. 68 at 14.) Plaintiff cannot rely upon *allegations* to argue that there is *evidence* of competition between Plaintiff and Defendant in the relevant market.

substantial interest in adjudicating patent claims implicating products sold in the District.” (Dkt. No. 75 at 15.)

The Court finds that this factor weighs in favor of transfer. Defendant is correct that development work for the allegedly infringing features occurred in the Northern District of Georgia. [REDACTED] and Verizon Connect maintain offices in the Northern District of Georgia and potential jurors “have a greater interest in adjudicating the rights of businesses that have a material physical presence in their immediate community.” *Viking Techs., LLC v. Assurant, Inc.*, No. 2:20-CV-00357-JRG, 2021 WL 3520756, at *6 (E.D. Tex. June 21, 2021). The Court rejects Defendant’s argument that this factor weighs against transfer due to car dealerships in this District because they are a “completely diffuse interest [that] cannot affect the local-interest determination.” *Clarke*, 94 F.4th at 510.

3. The Remaining Public Interest Factors

Defendant states that these factors are neutral. (Dkt. No. 26 at 14.) Plaintiff argues that this Court has “significantly more experience adjudicating patent cases” than the courts of the Northern District of Georgia. (Dkt. No. 75 at 15.) Therefore, Plaintiff argues that these factors weigh against transfer.

The Court agrees with Defendant that these factors are neutral. These factors do “not weigh in favor of transfer when both districts are equally capable of applying the relevant law.” *TikTok*, 85 F.4th at 365 (citation and internal quotes omitted). The Northern District of Georgia is certainly capable of applying the relevant patent laws to this case.

IV. CONCLUSION

In view of the foregoing factors, the Court must determine whether the Northern District of Georgia is “clearly more convenient” than the Eastern District of Texas. The Fifth Circuit has been careful to emphasize that district courts should not merely engage in a “raw counting”

exercise which tallies up the factors favoring transfer and the factors militating against transfer. *In re Radmax*, 720 F.3d at 290 n.8 (“We do not suggest—nor has this court held—that a raw counting of the factors in each side, weighing each the same and deciding transfer only on the resulting ‘score,’ is the proper methodology.”). Instead, the Court must make factual determinations to ascertain the degree of actual convenience, if any, and whether such rises to the level of “clearly more convenient.” While this Court does not hold that “clearly more convenient” is equal to “clear and convincing,” a movant must show materially more than a mere preponderance of convenience, lest the standard have no real or practical meaning. When carefully applying the convenience factors and the related factual arguments in each unique case, courts should be careful not to lose sight of the plaintiff’s choice of forum and its historical significance in our jurisprudence. *Volkswagen II*, 545 F.3d at 315 (“[W]hen the transferee venue is not clearly more convenient than the venue chosen by the plaintiff, the plaintiff’s choice should be respected.”).

Having found that three factors weigh neutrally, two factors weigh in favor of transfer, one factor weighs slightly in favor of transfer, one factor weights slightly against transfer, and the remaining factor weighs against transfer, the Court concludes that the Northern District of Georgia is a “clearly more convenient” forum for this dispute. The Court reaches this conclusion by considering the weight of the specific factors and facts of this case. Having done so, the Court is of the opinion that the Motion (Dkt. No. 26) should be and hereby is **GRANTED**.

The parties are directed to jointly prepare a redacted version of this Order for public viewing and to file the same on the Court’s docket as an attachment to a Notice of Redaction within five (5) business days of entry of this Order.

So ORDERED and SIGNED this 14th day of February, 2025.



RODNEY GILSTRAP
UNITED STATES DISTRICT JUDGE