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

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| DIETGOAL INNOVATIONS LLC, | § | |
| | § | |
| Plaintiff, | § | |
| | § | |
| v. | § | Civil Action No. 3:14-CV-00763-K |
| | § | |
| TACO JOHN'S INTERNATIONAL, INC. | § | |
| | § | |
| Defendant. | § | |

**ORDER**

Before the court is Defendant's Motion to Transfer Venue to the District of Wyoming (Doc. No. 55), filed April 11, 2014. After careful consideration of the motion, the record, and the applicable law, the Court **GRANTS** the motion for the following reasons.

## I. Factual and Procedural Background

Plaintiff DietGoal Innovations LLC ("DietGoal") sued Defendant Taco John's International, Inc. ("Taco John's") for patent infringement. DietGoal is the exclusive licensee of U.S. Patent No. 6,585,516 ("'516 Patent"), which relates to a computerized meal planning interface. The '516 Patent includes 18 claims that variously claim systems of computerized meal planning that can influence behavior. DietGoal alleges that Taco John's infringed on the '516 Patent when it included a computerized meal planning interface on its website.

DietGoal initially filed this patent infringement action against Taco John's in the United States District Court for the Eastern District of Texas, Marshall Division. Taco John's filed a motion to dismiss the action for improper venue because no connection existed between Taco John's and the Eastern District of Texas. On February 25, 2014, that court denied the motion to dismiss, and instead transferred the action to this District under 28 U.S.C. § 1406(a), which permits a court to transfer a case to any district in which the suit could have initially been brought. Taco John's now moves this Court transfer the case to the District of Wyoming.

## II. Analysis

Taco John's now contends that for the convenience of the parties and witnesses, and in the interest of justice, this Court should transfer this case to the United States District Court for the District of Wyoming. DietGoal did not respond to the motion to transfer. Under 28 U.S.C. § 1404(a), a court may transfer a case upon a showing that the proposed transferee forum is more convenient, and that such a transfer is in the interest of justice. *In re Radmax, Ltd.*, 720 F.3d 285, 287-88 (5th Cir. 2013).

### A. Applicable Legal Standards

Section 1404(a) provides that "for the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought." 28 U.S.C. § 1404(a). A motion to transfer venue may be granted upon a showing that the transferee venue is clearly more

convenient than the venue chosen by the plaintiff. *In re Nintendo Co.*, 589 F.3d 1194, 1197 (Fed. Cir. 2009); *In re Genentech, Inc.*, 566 F.3d 1338, 1342 (Fed. Cir. 2009); *In re TS Tech USA Corp.*, 551 F.3d 1315, 1319 (Fed. Cir. 2008); *In re Volkswagen of Am., Inc. (Volkswagen II)*, 545 F.3d 304, 315 (5th Cir. 2008) (en banc), *cert. denied*, 555 U.S. 1172 (2009). The plaintiff's choice of venue is not a factor in this analysis, but it does contribute to the defendant's burden in proving that the transferee venue is clearly more convenient than the transferor venue. *Volkswagen II*, 545 F.3d at 314-15.

The initial question in applying the provisions of section 1404(a) is whether the suit could have been brought in the proposed transferee district. *In re Volkswagen AG (Volkswagen I)*, 371 F.3d 201, 203 (5th Cir. 2004). If the potential transferee district is a proper venue, then the court must weigh the relative public and private factors of the current venue against the transferee venue. *Id.* In making such a convenience determination, the court considers several private and public interest factors, none of which are given dispositive weight. *Id.* 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." *Nintendo*, 589 F.3d at 1198; *see Genetech*, 566 F.3d at 1342; *TS Tech.*, 551 F.3d at 1319; *Volkswagen II*, 545 F.3d at 315. 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 in the application of the foreign law." *Id*. Although the letter of section 1404(a) might suggest otherwise, it is well established that "the interest of justice" is an important factor in the transfer analysis. *DataTreasury Corp. v. First Data Corp.*, 243 F. Supp.2d 591, 593-94 (N.D. Tex. 2003) (Kaplan, M.J.) (citing *In re Medrad, Inc.*, 1999 WL 507359, *2 (Fed Cir. 1999)).

**B. Application of the Law to the Facts**

DietGoal is a limited liability company organized in Texas. Although DietGoal is incorporated in Texas, it has no employees in Texas and conducts no business in Texas other than filing numerous lawsuits in the Eastern District of Texas for infringement of the '516 Patent. DietGoal is a citizen of the states of Texas and New York. Also, the sole inventor of the '516 Patent, Oliver Alabaster, resides in Alexandria, Virginia.

Taco John's is headquartered in Cheyenne, Wyoming. Taco John's has three restaurants in Texas, all of which are on military bases and independently owned by a Taco John's franchisee. Taco John's does not have any employees at these locations or anywhere else in Texas.

Before considering the private and public interest factors, as well as the question of whether a transfer is in the interest of justice, the Court must determine the threshold issue of whether this case could have originally been brought in the District of

Wyoming. Any proposed transferee court must have subject matter jurisdiction and personal jurisdiction over the defendant. There is no question that the District of Wyoming has subject matter jurisdiction over DietGoal's patent claims under 28 U.S.C.§§ 1331 and 1338(a). There is personal jurisdiction in the District of Wyoming over Taco John's because its headquarters resides in Cheyenne, Wyoming, which is in the District of Wyoming. In patent cases, venue is proper where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business. 28 U.S.C. § 1400(b). Having found that the case could have originally been brought in Wyoming, the Court must now evaluate the potential transfer against the private and public interest factors to determine whether a transfer is appropriate.

1. Private Interest Factors

The first private factor is the relative ease of access to sources of proof. "In patent infringement cases, the bulk of the relevant evidence usually comes from the accused infringer. Consequently, the place where the defendant's documents are kept weighs in favor of transfer to that location." *Genetech*, 566 F.3d at 1345 (quoting *Neil Bros. Ltd. v. World Wide Lines, Inc.*, 425 F. Supp.2d 325, 330 (E.D.N.Y. 2006)). Taco John's has presented that the majority of the relevant documentary evidence is located in the District of Wyoming. The documents of Lawrence & Schiller, the non-party developer of the allegedly infringing aspect of Taco John's website, are located in South Dakota,

which is much closer to the District of Wyoming than this District. Although the technological convenience of e-discovery may diminish concerns associated with the location of evidence, it does not negate the significance of or eliminate consideration of this factor in a section 1404(a) transfer analysis. *Radmax*, 720 F.3d at 288; *see also Volkswagen II,* 545 F.3d at 316 (stating that the standard is "relative ease of access, not absolute ease of access" and finding this factor weighed in favor of transfer to a venue where documents were physically kept). Also, there is no known documentary evidence that originated in the Northern District of Texas. Because the majority of the relevant documentary evidence is located in Wyoming and no evidence originated in this District, the first factor of relative ease of access to sources of proof favors transfer.

Next, the Court considers the availability of compulsory process or subpoena power to secure the attendance of unwilling witnesses. *Gulf Oil Corp. v. Gilbert*, 330 U.S. 501, 508-09 (1947); *Volkswagen II*, 545 F.3d at 315. Under recently amended Federal Rule of Civil Procedure 45, federal courts may enforce subpoenas issued to any witness for trial, hearing or deposition within 100 miles of the place in which that witness resides, works, or regularly transacts business in person, or for a trial, anywhere within the state in which the witness works, resides, or regularly transacts business in person, provided that witness does not incur substantial expense. FED. R. CIV. P. 45(c)(1)(A)-(B).

A venue that has absolute subpoena power for both deposition and trial is favored

over one that does not. *Thomas Swan & Co. Ltd. v. Finisar Corp.*, 2014 WL 47343, *3 (E.D. Tex. 2014) (quoting *Volkswagen II*, 545 F.3d at 316). The court gives more weight to specifically identified witnesses, and less weight to vague assertions that witnesses are likely to be found in a particular forum. *U.S. Ethernet Innovations, LLC v. Samsung Electronics Co. Ltd.*, 2013 WL 1363613, *3 (E.D. Tex. 2013). Current employees of a party are considered to be willing witnesses whose testimony can be presented without reliance upon subpoena power, and their locations are not persuasive in the court's analysis for this factor. *Rosemond v. United Airlines, Inc.*, Civ. Action No. H-13-2190, 2014 WL 1338690, *3 (S.D. Tex. 2014); *Net Navigation Systems, LLC v. Cisco Systems, Inc.*, Cause No. 4:11-CV-660, 2012 WL 7827544, *4 (E.D. Tex. 2012).

Neither this Court nor the District of Wyoming has the ability to command any currently identified non-party witnesses to attend this trial because each non-party witness is more than 100 miles from either venue. Even though the witnesses from Lawrence & Schiller in South Dakota and Nebraska are somewhat closer to the District of Wyoming than this District, they are more than 100 miles from either venue. The inventor of the '516 patent, who resides in Alexandria, Virginia, is also over 100 miles from either venue. Meanwhile, DietGoal has not identified any non-party witnesses within 100 miles of this Court. Thus, the Court finds the availability of compulsory process to be neutral.

The Court must also consider the cost of attendance for willing witnesses, which

is "probably the single most important factor in the transfer analysis." *Genetech*, 566 F.3d at 1343. The inconvenience to witnesses increases with the additional distance to be traveled, including additional travel time, meal, lodging expenses, and time away from their regular employment. *Volkswagen I*, 371 F.3d at 205. The court must also consider the personal costs associated with being away from work, family, and community. *In re Acer America Corp.*, 626 F.3d 1252, 1255 (Fed. Cir. 2010), *cert denied*, 131 S.Ct. 2447 (2011) (citing *Volkswagen II*, 545 F.3d at 317).

Taco John's, headquartered in the District of Wyoming, managed the development and operation of the accused infringing website through Lawrence & Schiller in the District of Wyoming and in nearby Colorado. Taco John's has identified seven of its nine relevant party witnesses as being located in the District of Wyoming. The two additional relevant party witnesses are located in Colorado. The witnesses located in the District of Wyoming and Colorado would each be burdened with travel of over 800 miles each way to testify in this District. There would be significantly less travel for the witnesses by transferring this case to the District of Wyoming. The majority of employees at Lawrence & Schiller who will serve as non-party witnesses reside closer to the District of Wyoming than this District. These non-party witnesses, located in Sioux Falls, South Dakota, would be burdened with travel of 841 miles each way to testify in this District. Further, Taco John's has no employees or other witnesses with knowledge of the allegedly infringing aspects of the website who are located in

Texas. Although DietGoal is organized in Texas, the record establishes its only managing members reside in New York. DietGoal has no other known employees and does not appear to have any witnesses that reside in Texas. Travel for DietGoal's possible witnesses is no more inconvenient in Wyoming than it currently is in this District. The Court finds that the factor of the convenience of the witnesses favors transfer to the District of Wyoming.

The final private interest factor is "all other practical problems that make trial of a case easy, expeditious, and inexpensive." *Volkswagen II*, 545 F.3d at 315. The existence of multiple lawsuits in one particular venue involving the same issues is one consideration that may make trial easy, expeditious, and inexpensive. *Spirit Airlines, Inc. v. Ass'n of Flight Attendants*, Civ. Action No. 3:13-CV-4651-D, 2014 U.S. Dist. LEXIS 18683, *15 (N.D. Tex. 2014) (Fitzwater, C.J.). Courts have found that "existence of multiple lawsuits involving the same issues is a paramount consideration when determining whether a transfer is in the interest of justice." *In re Volkswagen of Am., Inc.*, 566 F.3d 1349, 1351 (Fed. Cir. 2009). This is the only case involving the same infringement issues regarding the Taco John's website in the Northern District of Texas. Also, several of the actions that DietGoal has filed in the Eastern District of Texas have now been transferred to multiple districts throughout the country. The Court finds this factor as neutral.

2. Public Interest Factors

Having evaluated the private interest factors, the Court must now apply the public interest factors to the relevant facts. The first public interest factor is administrative difficulties flowing from court congestion. *Nintendo*, 589 F.3d at 1198. Taco John's asserts that the District of Wyoming is less congested than this District. Taco John's also provides data showing that the average time to trial in the District of Wyoming is approximately five months shorter than it is in this District. While it may, on average, take a shorter time for a case to reach trial in the District of Wyoming, the Court does not view this factor as a "race between the courts." Each case is unique, and whether or not the case would progress more rapidly here or in the District of Wyoming is largely a matter of speculation. Both courts have an average case disposition time of less than three years, meeting the standards of the Administrative Office of the United States Courts. Therefore, the Court cannot describe its docket as "congested" for purposes of a section 1404(a) venue transfer analysis. *See Genetech*, 566 F.3d at 1347. The Court finds this factor as neutral.

Next, the Court must evaluate whether there is a local interest in deciding local issues at home. *Volkswagen II*, 545 F.3d at 315. A local interest is demonstrated by a relevant factual connection between the events and the venue. *Leblanc v. C.R. England, Inc.*, 961 F.Supp. 2d 819, 832 (N.D. Tex. 2013) (Boyle, J.). There is a relevant factual connection between these events and the District of Wyoming. Most of the decisions

regarding the accused infringing website were made at Taco John's headquarters which is located in the District of Wyoming. The District of Wyoming is the venue where many of the witnesses and most of the evidence concerning the alleged infringement are located. There is no legitimate local interest with respect to the alleged infringement in this District because neither Taco John's or DietGoal have ties here related to the patent infringement issue. The Court finds the local interest factor favors transfer.

The last two components of the public interest analysis involve the respective court's familiarity with federal patent law, and whether there are any potential conflicts of law that would arise. Taco John's did not identify any potential conflicts of law between the two districts, and the Court is aware of none. Taco John's does not state that there is a difference in the respective courts' familiarity with federal patent law. The Court also does not foresee any conflicts of law between the two districts, and believes either court is capable of adjudicating a federal patent dispute. Both the third and fourth public interest factors are neutral.

In conclusion, the Court has considered the private factors, and finds that the relative ease of access to sources of proof and the costs of attendance for willing witnesses both favor transfer. The private interest factors of availability of compulsory process for non-willing witnesses and "all other practical problems that make trial of a case easy, expeditious, and inexpensive," are neutral. *Volkswagen II*, 545 F.3d at 315. In evaluating the public interest, the factors of administrative difficulty flowing from court

congestion, the respective courts' familiarity with applicable law, and potential conflicts of law are all neutral. The public interest factor of local interest in deciding local controversies at home favors transfer. Having considered all of the private and public interest factors and the relative convenience of the parties and witnesses, the Court has determined that, viewed in their totality, these factors favor transfer and further, that such a transfer would be in the overall interest of justice.

## III. Conclusion

Because the Court finds the private and public interest factors and the relative convenience of the parties and witnesses weigh in favor of transfer, the Court **grants** Taco John's Motion to Transfer Venue to the District of Wyoming. This case is hereby transferred to the United States District Court for the District of Wyoming.

**SO ORDERED.**

Signed July 15th, 2014.

Ed Kinkeade

ED KINKEADE
UNITED STATES DISTRICT JUDGE