UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

DESIGN PALLETS, INC.,

Plaintiff,

v. **Case No: 6:12-cv-669-Orl-22TBS**

SHANDON VALLEY TRANSPORT SOLUTIONS USA, LLC, ADAM M. PENER, COLIN D. CLARK, STEPHEN C. DAVIS and DAVID W. FELL,

Defendants.

_____/

ORDER

This cause comes before the Court on Defendant Shandon Valley Transport Solutions USA, LLC's ("Defendant SVTS") Motion to Transfer Venue to District of Colorado and Supporting Memorandum of Law (Doc. No. 44), filed May 31, 2012, and Plaintiff Design Pallets, Inc.'s ("DPI") response thereto (Doc. No. 68), filed June 14, 2012.

I. FORUM SELECTION CLAUSE

A preliminary issue in this case is the forum selection clause in the Exclusive License and Distribution Agreement. (Doc. No. 1 at pp. 43-44). The clause states:

> This Agreement shall be construed in accordance with and governed by the laws of the State of Florida. Each party hereby irrevocably: (1) agrees that any suit, action, or other legal proceeding arising out of this Agreement or out of any of the transactions contemplated hereby or thereby, may be brought in Florida state court or United States federal court located in the middle district of Florida; (2) consents to the jurisdiction of each such court in any such suit, action, or legal proceeding; and (3) waives any objection which such party may have to the laying of venue of any such suit, action, or legal proceeding in any of such courts.

(*Id.*).

Defendant SVTS argues that this forum selection clause is permissive rather than mandatory, and thus, this action may be brought in other fora. (Doc. No. 44 at pp. 5-7). DPI counters that irrespective of whether the Court construes the forum selection clause as permissive or mandatory, Defendant SVTS agreed not to challenge venue in Florida if the suit was brought in Florida. (Doc. No. 68 at p. 3).

Under Florida law, when a court interprets a contract, a court "should give effect to the plain and ordinary meaning of its terms." *Golf Scoring Sys. Unlimited, Inc. v. Remedio*, 877 So. 2d 827, 829 (Fla. 4th DCA 2004) (per curiam) (citations omitted). As well, permissive forum selection clauses may provide alternatives to a statutorily provided venue and may not preclude a plaintiff from filing suit in a forum different from the one identified in an agreement. *See Mgmt. Computer Controls, Inc. v. Charles Perry Constr., Inc.*, 743 So. 2d 627, 631 (Fla. 1st DCA 1999). Thus, such clauses merely constitute consent to the jurisdiction and venue in the named forum but do not confer upon such forum the distinction as the exclusive jurisdiction and venue. *See Remedio*, 877 So. 2d at 829. As well, generally, permissive clauses lack words of exclusivity. *Id.* (citation omitted).

In contrast, a mandatory forum selection clause provides that litigation must be initiated in a specified forum. *Id.* (citation omitted). Importantly, a clause lacking words of exclusivity will be considered permissive, and thus, when parties use words such as "may" instead of "shall" in a clause, the clause is more than likely a permissive one. *Shoppes Ltd. P'ship v. Conn*, 829 So. 2d 356, 358 (Fla. 5th DCA 2002) (citation omitted).

Reviewing the forum selection clause at issue, the Court finds that the clause is permissive because a party may bring an action in any forum and is not limited to a Florida forum, as

evidenced by the use of the word "may."[1] Notwithstanding, once a party selects a venue, the other party may not object to the venue as improper because, based on the terms of the agreement, the party consented to the venue. The Eleventh Circuit has described this type of a forum selection clause as a hybrid, in which a clause provides for permissive jurisdiction in one forum that, once chosen, becomes mandatory upon the party sued. *See Ocwen Orlando Holdings Corp. v. Harvard Prop. Trust LLC,* 526 F.3d 1379, 1380 (11th Cir. 2008).

II. FIRST-FILED RULE

Regardless of a party's consent to a venue, the Court may still transfer the action because justice so requires. *See i9 Sports Corp. v. Cannova,* No. 8-10-cv-803-T-33GW, 2010 WL 4595666, at *3 (M.D Fla. Nov. 3, 2010 ("Even with the presence of a binding forum selection clause, the Court should still consider the convenience of the parties and witnesses and the interest of justice." (citation omitted)); *cf. Russell Corp. v. Am. Home Assurance Co.*, 264 F.3d 1040, 1047-48 (11th Cir. 2001) ("[P]rivate parties cannot bargain away the power of a federal court to order the dismissal or transfer of a case based upon *forum non conveniens* grounds."); *id.* ("Regardless of what a party bargains away, it may not waive the public's interest; the court must still weigh the public interest involved." (citation omitted)); *see also* 28 U.S.C. § 1404(a) ("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 or to any district or division to which all parties have consented.").

[1] It is of note that Judge Herbert L. Stern, III, addressing litigation between these same parties in Colorado, found this forum selection clause to be ambiguous on its face because of its mix of permissive and exclusive language. *See* Court Order Re: Defendant's Motion to Dismiss, *Shandon Valley Transport Solutions USA, LLC v. Design Pallets, Inc.*, Case No. 2011-cv-8782 (Colo. Dist. Ct. June 7, 2012); *Shandon Valley Transport Solutions USA, LLC v. Design Pallets, Inc.*, 1:12-cv-1900, ECF No. 11 (D. Colo. July 23, 2012). Although this Court interprets the forum selection clause differently, both courts agree that Colorado is the appropriate forum to resolve the issues between these parties.

In the present action, Defendant SVTS brought to the Court's attention that DPI removed to the United States District Court for the District of Colorado the pending Colorado state court action between the parties ("the Colorado Action"). (Doc. No. 84). The Colorado Action commenced on December 28, 2011 when Defendant SVTS filed its complaint against DPI in Colorado state court, asserting that DPI breached the Exclusive License and Distribution Agreement. (*Id.* at ¶ 2).[2] Defendant SVTS also moved to amend its Colorado Action to assert Colorado state securities claims against DPI's president and vice-president. (*Id.* at ¶ 7). The action before this Court ("the Florida Action") did not commence until May 2, 2012. (Doc. No. 1).

On July 23, 2012, DPI and its president and vice-president removed the Colorado Action to the United States District Court for the District of Colorado. (*Id.* at ¶ 8). Prior to this removal, DPI filed a Counterclaim and Third Party Complaint in the Colorado Action that mirrors almost exactly the Complaint before this Court. In fact, the Background and General Allegations section of the Florida Action's Complaint is repeated practically verbatim in the Colorado Action's Counterclaim. *Compare* (Doc. No. 1), *with Shandon Valley Transport Solutions, USA, LLC v. Design Pallets, Inc.*, 1:12-cv-1900, ECF No. 14 (D. Colo. July 23, 2012).[3] Because the Florida Action and the Colorado Action involve the same parties and a significant overlap of issues, the Court must address whether the first-filed rule should be applied to this case.[4]

---

[2] The Court was first made aware of the Colorado action in DPI's Complaint. (*See* Doc. No. 1 at ¶ 45). However, until now, neither party provided the level of detail as to the chronology of the Colorado Action that is now before the Court.

[3] The Colorado Action's Counterclaim and Third Party Complaint was originally filed in the Colorado state court on June 21, 2012. DPI failed to bring this fact to the Court's attention.

[4] The Court may take judicial notice of the Colorado Action as requested by Defendant SVTS (Doc. No. 84). *See* Fed. R. Evid. 201 (stating that the court may take judicial notice of a fact that is not subject to reasonable dispute because it "can be accurately and readily determined from sources whose accuracy cannot reasonably be questioned"); *cf. Universal Express, Inc. v. SEC,*

The Eleventh Circuit has held that "[w]here two actions involving overlapping issues and parties are pending in two federal courts, there is a strong presumption across the federal circuits that favors the forum of the first-filed suit under the first-filed rule." *Manuel v. Convergys Corp.*, 430 F.3d 1132, 1135 (11th Cir. 2005) (citations omitted); *see Merial Ltd. v. Cipla Ltd.*, 681 F.3d 1283, 1299 (Fed. Cir. 2012) ("The 'first-to-file' rule is a doctrine of federal comity, intended to avoid conflicting decisions and promote judicial efficiency, that generally favors pursuing only the first-filed action when multiple lawsuits involving the same claims are filed in different jurisdictions." (citations omitted)). As well, the party objecting to the jurisdiction in the first-filed forum carries the burden of proving "compelling circumstances" to warrant an exception to the first-filed rule. *Manuel*, 430 F.3d at 1335.

When determining whether to apply the first-filed rule, the Court must consider: "(1) the chronology of the two actions, (2) the similarity of the parties, and (3) the similarity of the issues." *Actsoft, Inc. v. Alcohol Monitoring Sys., Inc.*, No. 8:08-cv-628-T-23-EAJ, 2008 WL 2266254, at *1 (M.D. Fla. June 3, 2008) (citations omitted).

With respect to the chronology of these actions, the Colorado Action commenced on December 28, 2011. In the Colorado Action, the Colorado courts already have addressed a motion to dismiss based on the forum selection clause and the parties already have filed an answer, a counterclaim, and a third party complaint. In contrast, the Florida Action commenced on May 2, 2012, and this Court has yet to rule on the pending motions to dismiss. Therefore, the chronology of these actions favors transfer to Colorado.

---

177 F. App'x 52, 53 (11th Cir. 2006) (per curiam) (finding that a district court may consider public records without converting a motion to dismiss into a motion for summary judgment).

Regarding the similarity of the parties, the parties are the exact same with the exception that DPI's president and vice-president may be included as individual parties in the Colorado Action. Thus, again, this factor favors transfer to Colorado.

Finally, as to the similarity of issues, the issues in the Colorado Action and Florida Action are almost identical. In fact, as stated previously, the Background and General Allegations section of the Florida Action's Complaint is repeated practically verbatim in the Colorado Action's Counterclaim. *Compare* (Doc. No. 1), *with Shandon Valley Transport Solutions, USA, LLC v. Design Pallets, Inc.*, 1:12-cv-1900, ECF No. 14 (D. Colo. July 23, 2012). The only exception is that DPI did not raise a patent infringement claim in its Counterclaim in the Colorado Action because the Counterclaim was initially filed in state court. *See* 28 U.S.C. § 1338(a) ("No State court shall have jurisdiction over any claim for relief arising under any Act of Congress relating to patents, plant variety protection, or copyrights.").

Therefore, the Court finds that no compelling circumstance warrants an exception to the well-established first-filed rule. For example, the Colorado Action does not evidence an effort by Defendant SVTS to file in anticipation of the Florida Action. *See Manuel*, 430 F.3d at 1135 ("Even if a court finds that a filing is anticipatory, this consideration does not transmogrify into an obligatory rule mandating dismissal." (citation omitted)).[5] The Court does not find compelling equitable factors that tilt against following the first-filed rule. Moreover, by transferring the Florida Action to the District of Colorado, this Court will conserve judicial resources and preclude the possibility of conflicting judgments, a possibility that is evident from the face of the filings in each action. As well, by transferring the Florida Action, the Court

[5] For its argument that the Colorado Action was an anticipatory suit, DPI relies on foreign, unpublished opinions. The Court does not find these opinions or DPI's accompanying argument to be persuasive. As well, the Court finds the cases cited by DPI to be distinguishable on their facts. Moreover, an anticipatory suit is merely one equitable factor for a court to consider.

allows the District of Colorado to determine whether both actions should proceed. *See Mann Mfg., Inc. v. Hortex, Inc.*, 439 F.2d 403, 408 (5th Cir. 1971); *see also Merial Ltd.*, 681 F.3d at 1299 ("Under the first-to-file rule, a district court may choose to stay, transfer, or dismiss a duplicative later-filed action, although there are exceptions and the rule is not rigidly or mechanically applied—'an ample degree of discretion, appropriate for disciplined and experienced judges, must be left to the lower courts.'" (citation omitted)); *Cadle Co. v. Whataburger of Alice, Inc.*, 174 F.3d 599, 606 (5th Cir. 1999) ("Thus, once the district court found that the issues might substantially overlap, the proper course of action was for the court to transfer the case to the [first filed] court to determine which case should, in the interests of sound judicial administration and judicial economy, proceed.").

III. 28 U.S.C. § 1404(a) ANALYSIS[6]

Because the Court finds, based on the first-filed rule, that the Florida Action should be transferred to the District of Colorado, it need not consider whether a transfer is appropriate under 28 U.S.C. § 1404(a). *See Bankers Ins. Co. v. DLJ Mortg. Capital, Inc.*, No. 8:10-cv-419-T-27EAJ, 2012 WL 515879, at *4 (M.D. Fla. Jan. 26, 2012). However, in an abundance of caution, the Court will analyze that issue. Section 1404(a) provides that "[f]or the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought or to any district or division to which all parties have consented." 28 U.S.C. § 1404(a).

Based on the record before the Court, it is clear that Defendant SVTS has carried its burden of showing transfer under § 1404(a) to be proper under these unique circumstances, in which a

[6] The Court notes that there are pending motions to dismiss for lack of personal jurisdiction; however, the Court need not have personal jurisdiction over Defendants when considering a motion to transfer under § 1404(a). *See Ultra Prod., Inc. v. Antec, Inc.*, 6:08-cv-503-ORL-35DAB, 2009 U.S. Dist. LEXIS 97498, at *13 (M.D. Fla. Aug. 27, 2009).

parallel action is ongoing in Colorado and there is a hybrid forum selection clause. *See Trinity Christian Ctr. of Santa Ana, Inc. v. New Frontier Media, Inc.*, 761 F. Supp. 2d 1322, 1326 (M.D. Fla. 2010) ("'[T]he burden is on the movant to establish that the suggested forum is more convenient.' *In re Ricoh Corp.*, 870 F.2d 570, 573 (11th Cir. 1989)").[7]

A. *Section 1404(a) Analysis When There Is A Hybrid Clause*

The Eleventh Circuit has held that a plaintiff's choice of forum should not be disturbed unless it is clearly outweighed by other considerations—such as the enforcement of the clause "would be unreasonable and unjust, or that the clause was invalid for such reasons as fraud or overreaching." *Robinson v. Giarmarco & Bill, P.C.*, 74 F.3d 253, 260 (11th Cir. 1996) (citation omitted); *i9 Sports Corp.*, 2010 WL 4595666, at *1 (citing *Bremen v. Zapata Off-Shore Co.*, 407 U.S. 1, 15 (1972)). Therefore, to determine whether the Court should disturb the forum selection clause, it must analyze Defendant SVTS' motion based on the § 1404(a) factors set forth by the Eleventh Circuit:

> Section 1404 factors include (1) the convenience of the witnesses; (2) the location of relevant documents and the relative ease of access to sources of proof; (3) the convenience of the parties; (4) the locus of operative facts; (5) the availability of process to compel the attendance of unwilling witnesses; (6) the relative means of the parties; (7) a forum's familiarity with the governing law; (8) the weight accorded a plaintiff's choice of forum; and (9) trial efficiency and the interests of justice, based on the totality of the circumstances.

[7] The Court notes that DPI's response to Defendant SVTS' § 1404(a) motion is quite conclusory, citing for support only two unpublished opinions with respect to the § 1404(a) argument section. In DPI's separate response to the Court's Order requiring a response addressing the first filed rule, DPI attempts to assert at length its § 1404(a) arguments. The Court refuses to recognize such a veiled attempt at an unsolicited second bite at the apple.

Manuel v. Convergys Corp., 430 F.3d 1132, 1135 n.1 (11th Cir. 2005) (citation omitted).[8] Again, Defendant SVTS bears the burden of establishing that the District of Colorado, the suggested forum, is more convenient. *See In re Ricoh Corp.*, 870 F.2d at 573.

B. *Whether the Action Could Have Been Brought in Colorado*

First, the Court must determine whether this action could have been brought in the District of Colorado. Since Defendant SVTS resides in Colorado, the action for patent infringement could have been brought there. *See* 28 U.S.C. § 1400(b); (Doc. No. 44 (noting that Defendant SVTS is a Colorado limited liability company with its principal place of business in Colorado)); *see also Proven Winners N. Am., LLC v. Cascade Greenhouse*, No. 2:06-cv-428-FtM-29DNF, 2007 WL 1655387, at *2 (M.D. Fla. June 6, 2007) ("In patent cases, the preferred forum is the defendant's place of business as that usually constitutes the center of gravity of the alleged patent infringement." (citation omitted)). As to the state law claims, parallel claims have already been filed by DPI against all the Defendants in DPI's Counterclaim and Third Party Complaint in the Colorado Action. *See Shandon Valley Transport Solutions, USA, LLC v. Design Pallets, Inc.*, 1:12-cv-1900, ECF No. 14 (D. Colo. July 23, 2012).

C. *Convenience of the Witnesses*

The convenience of non-party witnesses is an important consideration in the transfer analysis. *See Trinity Christian Ctr. of Santa Ana, Inc.*, 761 F. Supp. 2d at 1327 (citing 15 Wright, Miller & Cooper, *Federal Practice & Procedure*: Civil 3d § 3851). However, the significance of this factor diminishes if the witnesses alleged to reside in another district are employees of a party whose presence can be obtained at trial by that party. *Id*. Indeed, "it is not so much the convenience of witnesses but the possibility of having their testimony at the trial

[8] When reviewing a district court's ruling on a motion to transfer venue pursuant to § 1404(a), the Federal Circuit applies the law of the regional circuit. *In re EMC Corp.*, 677 F.3d 1351, 1354 (Fed. Cir. 2012) (noting that transfer motions are governed by regional circuit law).

that is important." *Mason v. Smithkline Beecham Clinical Labs.*, 146 F. Supp. 2d 1355, 1361-62 (S.D. Fla. 2001). When the court weighs the convenience of witnesses, it "does not merely tally the number of witnesses who reside in the current forum in comparison to the number located in the proposed transferee forum. Instead, the court must qualitatively evaluate the materiality of the testimony that the witnesses may provide." *Gonzalez v. Pirelli Tire, LLC*, No. 07-80453-CIV, 2008 WL 516847, at *2 (S.D. Fla. Feb. 22, 2008) (citations and internal quotations omitted).

Defendant SVTS argues that its employees, allegedly key witnesses regarding the claimed infringing products and services, reside in Colorado. (Doc. No. 44 at p. 11). However, this argument is not very strong. *See Trinity Christian Ctr. of Santa Ana, Inc.*, 761 F. Supp. 2d at 1327. As well, Defendant SVTS broadly states that other key witnesses with knowledge of Defendant SVTS' research, design, and testing are in nearby western states, emphasizing that Defendant SVTS promotes, markets, and sells its Green Ox pallets to clients and potential clients (without identifying them) in states west of the Mississippi River. (Doc. No. 44 at p. 11).

DPI counters that all the designs, research, and testing for the underlying patents were produced or conducted in Florida. (Doc. No. 68 at p. 6). As well, DPI notes that it has a number of witnesses who reside in Florida, but it fails to identify which of these are employees. Further, DPI, similar to Defendant SVTS, lists various non-party witnesses but fails to mention in which states or what region of the country these witnesses reside and the overall substance of their testimonies. (*Id.* at p. 7).

Although Defendant SVTS does not provide overwhelming evidence regarding the convenience of witnesses, the Court notes that because of the parallel proceeding already ongoing in the District of Colorado, the same witnesses in the Florida Action will already be in Colorado for the earlier filed Colorado Action. It appears more convenient for non-party

witnesses from various states, particularly in the western portion of the United States, to travel to only one venue. As Defendant SVTS filed first in Colorado, DPI is bound, under the terms of the Exclusive License and Distribution Agreement, to litigate in Colorado.

Moreover, as the infringing activities occurred in Colorado and predominantly in the western part of the United States, the Court notes that there may be non-party witnesses who may testify to the alleged infringement. Therefore, the convenience for the non-party witnesses favors transfer to Colorado.

D. *Location of Relevant Documents and 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 the location." *In re Genentech*, 566 F.3d at 1345 (quoting *Neil Bros. Ltd. v. World Wide Lines, Inc.*, 425 F. Supp. 2d 325, 329 (E.D. N.Y. 2006)). However, "the significance of this factor is reduced because technological advancements in electronic document imaging and retrieval minimize the burden of document production." *Trinity*, 761 F. Supp. 2d at 1327.

Defendant SVTS asserts that its facilities, its physical documents, and pallet samples related to design, development, and testing of the Green Ox products are located in the District of Colorado. (Doc. No. 44 at p. 13). As well, Defendant SVTS argues that because its promotion and sales are in western states, additional physical documents and products and electronic documents are highly likely to be found in the western portion of the United States. (*Id.*); (*see also* Doc. No. 1 at p. 29 (noting that under the Exclusive License and Distribution Agreement, Defendant SVTS' proposed distribution territory covered California, Texas, Arizona, Colorado, New Mexico, and the country of Mexico)).

DPI counters that "virtually all of the documentary evidence is on electronic media" which can be easily transferred to Florida. (Doc. No. 68 at p. 7).

Again, the Court notes that the previously filed Colorado Action involves many of the same underlying issues that will involve practically the exact same evidence as the issues in the Florida Action. As the evidence will already be presented in Colorado, the Court again finds that this factor favors transfer to Colorado.

E. *Convenience of the Parties*

If a transfer "merely shifts the inconvenience from one party to another," then the Court should not disturb the plaintiff's choice of forum. *Eye Care Int'l, Inc. v. Underhill*, 119 F. Supp. 2d 1313, 1319 (M.D. Fla. 2000). Defendant SVTS reiterates that none of the Defendants resides in Florida and that many of its current and prospective clients, without identifying them, reside in the western portion of the United States. (Doc. No. 44 at p. 14). Again, Defendant SVTS does not provide detail as to these clients and their locations beyond a general statement that some reside in the western portion of the United States.

DPI argues that transferring the Florida Action to the District of Colorado merely shifts the inconvenience from Defendant SVTS to DPI, as someone will have to travel in either case. However, DPI neglects to mention that it already is litigating the majority of its claims in its Counterclaim and Third Party Complaint in the Colorado Action. Therefore, DPI is already traveling to Colorado to resolve many of the same overlapping issues raised in the Florida Action. Moreover, a Colorado court has already denied DPI's effort to dismiss that action based on the forum selection clause. *See supra* note 1. Thus, this factor slightly favors transfer to Colorado.

F. *Locus of Operative Facts*

In patent infringement actions, the locus of operative facts is usually where the accused products are designed and developed. *Carroll v. Texas Instruments, Inc.*, No. 2:11cv1037-MHT, 2012 WL 1533785, at *7 (M.D. Ala. May 1, 2012); *Polyform A.G.P. Inc. v. Airlite Plastics Co.*, No. 4:10-cv-43 (CDL), 2010 WL 4068603, at *5 (M.D. Ga. Oct. 15, 2010). In comparison, at least one district court has held that the locus of operative facts concerning allegations of willful infringement exists in the district where the alleged infringing activity occurred, such as where the marketing and sales decisions were made. *See Microspherix LLC v. Biocompatibles, Inc.*, No. 9:11-cv-80813, 2012 WL 243764, at *4-5 (S.D. Fla. Jan. 25, 2012) (finding that the locus of operative facts regarding a claim for willful infringement was in the district where the parties held licensing negotiations, since the defendant attended those negotiations yet allegedly continued to willfully infringe the patent afterwards).

In the present case, the parties negotiated the agreement through correspondence between Colorado and Florida and held meetings in Florida and Oklahoma. (*See generally* Doc. No. 1). Marketing and sales by Defendant SVTS originated from Colorado. This is a unique case because Defendant SVTS claims it designed and developed its Green Ox pallets in Colorado, but DPI asserts that these designs were based on DPI's patents developed in Florida, which Defendant SVTS allegedly had license to use under the Exclusive License and Distribution Agreement. *But see Proven Winners N. Am.*, 2007 WL 1655387, at *2 (noting that where a patent claim is at issue, the "center of gravity" ought to be as close as possible to "the milieu of the infringing device and the hub of activity centered around its production" (citation omitted)); *id.* ("In patent cases, the preferred forum is the defendant's place of business as that usually constitutes the center of gravity of the alleged patent infringement." (citation omitted)).

As to the fraudulent inducement claim and civil conspiracy claim, the underlying actions for these claims occurred in Colorado, Oklahoma, and Florida. (*See generally* Doc. No. 1). With

respect to the breaches of the Exclusive License and Distribution Agreement, the actions underlying the alleged breaches occurred in Colorado and Florida. Additionally, the negotiations between the parties occurred in Florida and via email originating from Colorado. Therefore, the Court concludes the locus of operative facts is neutral but tilts slightly toward transfer to Colorado with respect to the patent infringement claim. The Court also notes that parallel non-patent infringement claims have been raised in DPI's Counterclaim and Third Party Complaint in the Colorado Action. Therefore, the Court finds this factor neutral.

G. *Availability of Process to Compel Attendance of Unwilling Witnesses*

With respect to witnesses for whom the court could not compel attendance at trial, the movant bears the burden of showing the importance of those witnesses' testimony and whether those witnesses would be unwilling to testify of their own accord. *Mason*, 146 F. Supp. 2d at 1361-62. Additionally, the Court also considers whether the movant could effectively present the testimony of a witness unwilling to attend the trial by way of deposition. *See Trafalgar Capital Specialized Inv. Fund v. Hartman*, --- F. Supp. 2d ----, 2012 WL 2579932, at *11 (S.D. Fla. June 22, 2012).

Defendant SVTS states that some key non-party witnesses, such as its clients, potential clients, and production vendors are not within either judicial district. (Doc. No. 44 at p. 15). However, Defendant SVTS does not provide any further elaboration and thus fails to carry its burden on this point. DPI does not address this factor. The Court finds this factor neutral.

H. *Relative Means of the Parties*

Defendant SVTS argues that the parties have equal means. (Doc. No. 44 at p. 16). DPI argues because Defendant SVTS claims it has raised $4 million in investments, Defendant SVTS can better bear the expense of litigating in Florida. (Doc. No. 68 at p. 7). The Court finds this factor to be neutral as both parties can litigate in either forum.

I. *The Forum's Familiarity with Governing Law*

Both the District of Colorado and the Middle District of Florida are equally familiar with the law of the Federal Circuit as it relates to the patent infringement claim. As to the other claims raised in the Florida Action, the District of Colorado would have to apply Florida choice of law rules. *Surgical Outcome Support, Inc. v. Plus Consulting, LLC*, No. 08-80495-CIV, 2008 WL 2950151, at *4 (S.D. Fla. July 31, 2008) (reiterating that when a case arising in diversity is transferred from one forum to another, the transferor court's choice of law rules apply to the transferee court). However, the Court notes that parallel claims are raised under Colorado law in DPI's Counterclaim and Third Party Complaint in the Colorado Action. Therefore, this factor only tilts slightly in DPI's favor.

J. *Weight Accorded a Plaintiff's Choice of Forum*

As previously stated, DPI's choice of forum should not be disturbed unless it is clearly outweighed by other considerations—such as the enforcement of the clause "would be unreasonable and unjust, or that the clause was invalid for such reasons as fraud or overreaching." *Robinson*, 74 F.3d at 260; *i9 Sports Corp.*, 2010 WL 4595666, at *1. The forum selection clause at bar is a hybrid one; in other words, it is a permissive clause that becomes mandatory once the plaintiff selects the forum. Accepting this finding, one can conclude that the same principle applies to Defendant SVTS' selection of the Colorado forum in the Colorado Action that it filed prior to DPI's filing of the Florida Action. As well, DPI had raised almost the exact same claims, with the exception of the patent infringement claim,[9] in its Counterclaim and

[9] To reiterate, DPI did not raise a patent infringement claim in its counterclaim in the Colorado Action because the counterclaim was initially filed in state court. *See* 28 U.S.C. § 1338(a) ("No State court shall have jurisdiction over any claim for relief arising under any Act of Congress relating to patents, plant variety protection, or copyrights.").

Third Party Complaint in the Colorado Action. Thus, DPI's choice of forum is diminished, particularly in light of the foregoing analysis.

K. *Trial Efficiency and the Interests of Justice*

As the Court has previously explained in its first-filed rule analysis, transferring this action to the District of Colorado promotes efficiency and justice because the first suit that was filed involves a significant overlap of issues and still is pending in the District of Colorado. While the inventors of the patent reside in Florida, the local interest in this case is higher in the District of Colorado.

DPI argues that at the time of its response, sixty-six e-filings have occurred in the Florida Action. (Doc. No. 68 at p. 7). However, the Court notes, again, that in the Colorado Action, which commenced on December 28, 2011, the Colorado courts already have addressed a motion to dismiss based on the forum selection clause and the parties have filed an answer, a counterclaim, and a third party complaint. In contrast, the Florida Action commenced on May 2, 2012, and the Court has yet to rule on the pending motions to dismiss. Therefore, the chronology of these actions favors transfer to the District of Colorado. *See Intellectual Ventures I LLC v. Checkpoint Software Techs. Ltd.*, 797 F. Supp. 2d 472, 477 (D. Del. 2011) ("A motion to transfer may also be granted if there is a related case which has been first filed or otherwise is the more appropriate vehicle to litigate the issues between the parties." (citations omitted)); *Ricoh Co. v. Honeywell, Inc.*, 817 F. Supp. 473, 487 (D.N.J. 1993) ("Where related lawsuits exists, 'it is in the interests of justice to permit suits involving the same parties and issues to proceed before one court and not simultaneously before two tribunals.'" (citations omitted). Therefore, this factor favors transfer.

L. *Conclusion of § 1404(a) Analysis*

In sum, based on the exceptional circumstances of this case, in particular the earlier Colorado Action and the hybrid forum selection clause, the Court finds that Defendant SVTS has carried its burden of showing transfer under § 1404(a) to be proper.

IV. CONCLUSION

Based on the foregoing, it is **ORDERED** as follows:

1. Defendant SVTS' Motion to Transfer Venue to District of Colorado and Supporting Memorandum of Law (Doc. No. 44), filed May 31, 2012, is **GRANTED**.
2. The Clerk **SHALL TRANSFER** this case to the United States District Court for the District of Colorado.
3. The Clerk **IS DIRECTED TO CLOSE** this case.

DONE and **ORDERED** in Orlando, Florida on August 2, 2012.

ANNE C. CONWAY
United States District Judge

Copies furnished to:

Counsel of Record
Unrepresented Parties