

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

ORACLE AMERICA, INC.,)
)
Plaintiff)
)
v.) Civil Action No. 2:12-cv-00550-CNC
LODSYS, LLC, and)
LODSYS GROUP, LLC)
)
Defendants)

**DEFENDANTS LODSYS, LLC'S AND LODSYS GROUP, LLC'S
MEMORANDUM IN SUPPORT OF MOTION TO DISMISS OR, IN THE
ALTERNATIVE, TRANSFER OR STAY**

Pursuant to the first-to-file rule, defendants Lodsyst, LLC and Lodsyst Group, LLC (collectively “Lodsyst”) hereby move, to dismiss or, in the alternative, transfer or stay this action in favor of the first-filed actions in the Eastern District of Texas. In addition, and also in the alternative, pursuant to Rule 12(b)(1) of the Federal Rules of Civil Procedure, Lodsyst moves to dismiss the “Second Claim for Relief” and “Sixth Claim for Relief” of plaintiff Oracle America, Inc.’s (“Oracle”) Complaint for Declaratory Judgment (the “Complaint”) for lack of subject matter jurisdiction. As permitted by Rule 12(b), Lodsyst files this motion in lieu of an answer and without waiving its right to answer the allegations in Oracle’s Complaint and assert any applicable defenses, affirmative defenses, and counterclaims.

I. INTRODUCTION

Nearly a month *before* Oracle filed this declaratory judgment action, Lodsyst filed two patent infringement actions in the Eastern District of Texas against at least four customers of Oracle — *i.e.*, Foster and Smith, Inc. (“F&S”); Epicor Software Corporation (“Epicor”); Recreational Equipment, Inc. (“REI”); and Walgreen Co. (“Walgreen”). The issues on which

Oracle seeks declaratory relief in this *second*-filed action are the same issues that Lodsys raised in the *first*-filed actions against F&S, Epicor, REI, and Walgreen. In fact, Oracle admits in its Complaint that its allegations are based entirely on Lodsys’s “assertion of the Patents-in-Suit” against “Oracle customers” (*see* Complaint at ¶ 12), including “Oracle customers” that were “recently named as defendants in lawsuits brought by Lodsys in the United States District Court for the Eastern District of Texas.” *See id.* at ¶ 13. Accordingly, because “duplicative” and/or “substantially overlapping” issues were first presented to the Eastern District of Texas, this Court should dismiss or, in the alternative, transfer or stay Oracle’s *second*-filed declaratory judgment action based on the first-to-file rule.

Moreover, the Second Claim for Relief and Sixth Claim for Relief of Oracle’s Complaint seek a declaration of non-infringement and invalidity of U.S. Patent No. 7,133,834 (the “‘834 patent”). But those claims fail to present a case or controversy among the parties regarding the ‘834 patent. At the very least, therefore, those claims must be dismissed under Rule 12(b)(1) for lack of declaratory judgment subject matter jurisdiction.

II. STATEMENT OF FACTS

A. Lodsys’s First-Filed Actions

Lodsys is a Texas limited liability company. *See* Complaint at ¶¶ 3-4. Lodsys maintains an office at its headquarters located at 505 East Travis Street, Suite 207, Marshall, Texas. *See id.*

On May 10, 2012 — nearly a month before Oracle filed its *second*-filed declaratory judgment action — Lodsys filed two patent infringement actions in the Eastern District of Texas against several defendants, including F&S, Epicor, REI, and Walgreen. *See* First Declaration of Aaron T. Olejniczak in Support of Defendant Lodsys, LLC’s Motion to Dismiss Or, in the Alternative, Transfer or Stay (the “Olejniczak Decl.”) at Exs. A-B. In those *first*-filed actions, Lodsys alleges that “Epicor manufactures, uses, sells, imports, and/or offers to sell infringing

website(s) with live interactive chat, including but not limited to live interactive chat on www.epicor.com, which infringes at least claim 1 of the ‘078 patent under 35 U.S.C. § 271.” *See id.* at Ex. A (¶ 15). Lodsys also alleges that each of F&S, REI, and Walgreen “manufactures, uses, sells, imports, and/or offers to sell infringing website(s) with live interactive chat, … which infringes at least claim 1 of the ‘078 patent under 35 U.S.C. § 271.” *See id.* at Ex. B (¶¶ 9-11).

A status conference as already been scheduled in the first-filed actions against F&S, Epicor, REI, and Walgreen. The Eastern District of Texas declared that “[t]he purpose of the status conference will be to assign a claim construction hearing date and a trial setting.” *See id.* at Exs. C-D. In addition, the Eastern District of Texas has already entered orders setting the deadlines for, among other items, infringement contentions and invalidity contentions. *See id.*

B. Lodsys’s Related Actions

In addition to the actions against F&S, Epicor, REI, and Walgreen, Lodsys also filed nine related patent infringement actions in the Eastern District of Texas. Specifically, on February 11, 2011 — more than a year before Oracle filed its declaratory judgment action — Lodsys filed a patent infringement lawsuit against twelve companies in the Eastern District of Texas. *See id.* at Ex. E. On May 31, 2011 — also more than a year before Oracle filed its declaratory judgment action — Lodsys filed a patent infringement lawsuit against seven additional persons and/or companies in the Eastern District of Texas. *See id.* at Ex. F.¹ On June 10, 2011 — nearly a year before Oracle filed its second-filed declaratory judgment action — Lodsys filed a patent infringement action in the Eastern District of Texas against ten additional defendants. *See id.* at Ex. H. On July 5, 2011 — also nearly a year before Oracle filed its declaratory judgment action — Lodsys filed a patent infringement lawsuit against five additional companies in the Eastern

¹ Lodsys filed an amended complaint adding five companies as defendants on July 21, 2011. *See* Olejniczak Decl. at Ex. G.

District of Texas. *See id.* at Ex. I.² On May 10, 2012 — nearly a month before Oracle filed its declaratory judgment action — Lodsys filed five additional patent infringement lawsuits against a total of twenty-two additional companies. *See id.* at Exs. L-P.

All eleven actions in the Eastern District of Texas are pending before the Honorable James Rodney Gilstrap. Docket control orders have already been entered in three of the related actions. *See id.* at Exs. Q-S. In fact, Lodsys has already served its infringement contentions and certain defendants have served their invalidity contentions in those related actions. In addition, the Eastern District of Texas has already scheduled a claim construction hearing (including all related deadlines) and trial. *See id.* The claim construction hearing already scheduled in the Eastern District of Texas will concern the same patents (except the ‘834 patent) and the same commodities (e.g., live chat) at issue in this second-filed action.

C. Oracle’s Second-Filed Action

Oracle is a Delaware corporation. *See* Complaint at ¶ 2. Oracle maintains an office at its headquarters located at 500 Oracle Parkway, Redwood City, California. *See id.*

On June 1, 2012 — nearly a month after Lodsys filed its *first*-filed actions against Oracle’s customers in the Eastern District of Texas — Oracle filed a declaratory judgment action against Lodsys. *See* Complaint for Declaratory Judgment [dkt. no. 1]. In that *second*-filed action, Oracle alleges that “Oracle develops and licenses a suite of e-commerce enhancement software which Oracle provides, typically on a software-as-a-service basis, through servers that Oracle owns or controls (‘Web Commerce Products’).” *Id.* at ¶ 8. Oracle alleges that the “Web Commerce Products, including Oracle Live Help Chat on Demand (‘Chat’) and Oracle Contact on Demand (‘COD’), are products, that enhance the websites of Oracle’s **customers** by providing

² Lodsys Group, LLC was substituted for, or joined with, Lodsys, LLC for all purposes in all of the related actions filed in the Eastern District of Texas prior to January 31, 2012 (*see, e.g.*, Olejniczak Decl. at Ex. J), based on an assignment of the patents. *See id.* at Ex. K.

features such as chat sessions between website visitors and customer service representatives associated with such websites.” *Id.* (emphasis added).

Moreover, Oracle alleges that “[t]hrough communications and conduct, Lodsys has repeatedly threatened numerous Oracle **customers** with assertion of the Patents-in-Suit against Oracle’s Web Commerce Products.” *Id.* at ¶ 12 (emphasis added). Oracle also specifically alleges that “[s]ome of the threatened Oracle **customers**, including Walgreen Co., Recreational Equipment, Inc. and Epicor, Inc. were recently named as defendants in lawsuits brought by Lodsys in the United States District Court for the Eastern District of Texas.” *Id.* at ¶ 13 (emphasis added).³

In its Complaint, Oracle seeks a declaratory judgment regarding four patents — the ‘834 patent, U.S. Patent No. 5,999,908 (the “‘908 patent”), U.S. Patent No. 7,222,078 (the “‘078 patent”), and U.S. Patent No. 7,620,565 (the “‘565 patent”). *See id.* at ¶¶ 22-53. In particular, Oracle’s First Claim for Relief, Second Claim for Relief, Third Claim for Relief, and Fourth Claim for Relief of the Complaint seek a declaratory judgment that Oracle does not infringe the ‘908 patent, the ‘834 patent, the ‘078 patent, and the ‘565 patent, respectively. *See id.* at ¶¶ 22-25, 26-29, 30-33, and 34-37. And Oracle’s Fifth Claim for Relief, Sixth Claim for Relief, Seventh Claim for Relief, and Eighth Claim for Relief of the Complaint seek a declaratory judgment of invalidity of the ‘908 patent, the ‘834 patent, the ‘078 patent, and the ‘565 patent, respectively. *See id.* at ¶¶ 38-41, 42-45, 46-49, 50-53.

In contending there is an actual controversy between the parties sufficient to furnish this Court with declaratory judgment subject matter jurisdiction, Oracle alleges generally that Lodsys

³ Oracle also notes that RightNow Technologies, Inc. (“RightNow”) is an “Oracle subsidiary.” Complaint at ¶ 13. Nearly a year before Oracle filed this declaratory judgment action, Lodsys filed a patent infringement action in the Eastern District of Texas against a customer of RightNow (*i.e.*, Sam’s West, Inc.). *See Olejniczak Decl.* at Ex. H.

has lodged accusations of infringement of the patents against a number of Oracle's customers. *See id.* at ¶¶ 12-14. But Oracle has not alleged that Lodsys has made specific allegations of infringement of the '834 patent against an Oracle customer based on that customer's use of a Oracle product. At most, Oracle merely alleges that the "Re" heading in Lodsys's letters include the '834 patent. *See id.* at ¶ 12.

III. ARGUMENT

Under the first-to-file rule, "[w]hen a federal suit is duplicative of a parallel action already pending in another federal court, the suit may be stayed, transferred or dismissed in the interest of wise judicial administration." *Eragen Biosciences, Inc. v. Nucleic Acids Licensing, LLC*, 447 F. Supp. 2d 930, 940 (W.D. Wis. 2006). "The first-to-file rule at once eliminates duplicative litigation and adheres to 'the inherently fair concept that the party who commenced the first suit should generally be the party to attain its choice of venue.'" *Barrington Group, Ltd. v. Genesys Software Sys., Inc.*, 239 F. Supp. 2d 870, 873 (E.D. Wis. 2003).

"In patent infringement actions the Federal Circuit has strongly endorsed the first-to-file doctrine." *Trading Technologies Int'l, Inc. v. CQG, Inc.*, No. 05 C 4811, 2005 WL 3601936, *2 (N.D. Ill. Oct. 31, 2005) (citing *Genentech, Inc. v. Eli Lilly & Co.*, 998 F.2d 931 (Fed. Cir. 1993)). While courts may grant exceptions to the first-to-file rule in special situations, "[r]estraint of the first-filed suit is made only to prevent wrong or injustice." *Kahn v. General Motors Corp.*, 889 F.2d 1078, 1081 (Fed. Cir. 1989).

As discussed below, this action should be dismissed or, in the alternative, transferred or stayed because Lodsys filed the first actions in the Eastern District of Texas. Allowing this action to proceed in this Court, therefore, would unnecessarily fragment related cases, waste judicial resources and risk inconsistent claim constructions. In the alternative, at the very least

the Second Claim for Relief and Sixth Claim for Relief of Oracle's Complaint should be dismissed for lack of subject matter jurisdiction.

A. This Action Should be Dismissed Or, in the Alternative, Transferred or Stayed Because Lodsys Filed the First Actions in the Eastern District of Texas.

"When two or more patent infringement suits are commenced and each suit involves the same or similar parties and issues, courts will normally grant priority to the first-filed suit and enjoin or stay subsequent suits in order to avoid duplicative litigation and inefficient use of judicial resources." *Alloc, Inc. v. Unilin Decor N.V.*, No. 02-C-1266, 2005 WL 3448060, *2 (E.D. Wis. Dec. 15, 2005). "To properly apply the first-to-file rule, the district court need only find that substantial overlap is likely between its case and a pending case in another federal court that was filed previously." *Luckett v. Peco Foods, Inc.*, No. 3:07-CV-85-KS-MTP, 2008 WL 534760, *3 (S.D. Miss. Feb. 22, 2008).

"District courts are accorded 'a great deal of latitude and discretion' in determining whether one action is duplicative of another, but generally, a suit is duplicative if the "claims, parties, and available relief do not significantly differ between the two actions." *Serlin v. Arthur Andersen & Co.*, 3 F.3d 221, 233 (7th Cir.1993). "Acting within its discretion, a court may stay an action in deference to an earlier lawsuit even if the parties and issues are not identical." *Hill v. Chase Bank, NA*, No. 2:07-CV-82-RLM, 2008 WL 1882735 (N.D. Ind. Apr. 24, 2008). And claims are considered "duplicative" or "substantially overlap" if they "arise out of essentially the same core of operative facts." *Doyle v. Fairman*, No. 96 C 2574, 1996 WL 312096, at *2 (N.D. Ill. June 7, 1996).

Here, there can be no serious dispute that the issues in Lodsys's *first*-filed actions against F&S, Epicor, REI, and Walgreen and Oracle's *second*-filed declaratory judgment action are "duplicative" or "substantially overlap." All of those actions involve the validity of Lodsys's patents and whether F&S's, Epicor's, REI's, and Walgreen's websites with live chat infringe

Lodsys's patents. There is also no dispute that F&S, Epicor, REI, and Walgreen are Oracle customers. In fact, Oracle admits in its Complaint that its allegations are based on Lodsys's "assertion of the Patents-in-Suit" against "Oracle customers" (*see* Complaint at ¶ 12), including "Oracle customers" that were "recently named as defendants in lawsuits brought by Lodsys in the United States District Court for the Eastern District of Texas." *See id.* at ¶ 13. Accordingly, this action should be dismissed or, in the alternative, transferred or stayed, because Lodsys filed the first actions in the Eastern District of Texas. *See Eragen Biosciences, Inc.*, 447 F. Supp. 2d at 940 ("Under the rule, when related cases are pending before two federal courts, the court in which the case was last filed may refuse to hear it if the issues raised by the cases substantially overlap").

Moreover, the fact that Lodsys's *first*-filed actions were against F&S, Epicor, REI, and Walgreen (rather than Oracle) does not preclude application of the first-to-file rule. In fact, courts have "found no requirement that the parties in the concurrent actions be the same in order for the first-to-file rule to apply;" rather, the "'subject matter' requirement of the first-to-file rule is satisfied in patent infringement matters where the actions in question involve the same patent and the same allegedly infringing product, though not necessarily the same parties." *Shire U.S., Inc. v. Johnson Matthey, Inc.*, 543 F. Supp. 2d 404, 408 (E.D. Pa. 2008); *see also Save Power Ltd. v. Syntek Fin. Corp.*, 121 F.3d 947, 950 (5th Cir. 1997) (rejecting argument that the two actions must involve "identical" parties).

In fact, courts have repeatedly applied the first-to-file rule in relationships analogous to F&S's, Epicor's, REI's, Walgreen's and Oracle's relationship. *See e.g., Microchip Tech., Inc. v. United Module Corp.*, No. CV-10-04241-LHK, 2011 WL 2669627, at *3 (N.D. Cal. July 7, 2011) (transferring manufacturer's declaratory judgment action to forum of pre-existing suit against related entities and customers); *Horton Archery, LLC v. Am. Hunting Innovations, LLC*,

No. 5:09CV1604, 2010 WL 395572, *2 (N.D. Ohio Jan. 27, 2010) (“The first-to-file rule does not require that the issues and parties in the two actions be identical.”); *Interactive Fitness Holdings, LLC, v. Icon Health & Fitness, Inc.*, No. 10-CV-04628-LHK, 2011 WL 1302633, *3 (N.D. Cal. Apr. 5, 2011) (“If the Utah action and the instant case were to proceed in both courts, duplicative and potentially inconsistent claim construction and infringement analyses would inevitably result. The first-to-file rule exists to prevent this situation, and the Court finds that it is properly applicable here.”).

Shire is particularly instructive. There, Johnson Matthey (the holder of a pharmaceutical patent) filed an infringement action in the Eastern District of Texas against Noven, a manufacturer. A month later, Shire (the distributor of Noven’s product) filed a declaratory judgment action for non-infringement in the Eastern District of Pennsylvania. Johnson Matthey then amended its complaint in Texas to add Shire as a defendant, and moved to dismiss the Pennsylvania declaratory judgment action. 543 F. Supp. 2d at 406. The court held that the first-to-file rule should apply against Shire, even though it was not originally a party to the Texas action, because the Texas action was the first to raise the relevant issues:

However, the timing of the addition of Shire as a party to the Texas suit is not material to the determination of which action was first-filed. **Rather, as previously noted, the substantive touchstone of the first-to-file inquiry is subject matter.** As such, because the Texas court obtained possession of the subject of this dispute on June 19, 2007, nearly a month before this Court obtained possession of the same, the first-to-file rule compels dismissal of the instant declaratory judgment action in favor of the Texas Action, unless some exception to the rule applies.

Id. at 409-10 (emphasis added).

Similarly here, Oracle was not named as a party in Lodsys’s *first*-filed actions against F&S, Epicor, REI, and Walgreen, however, F&S, Epicor, REI, and Walgreen are customers of Oracle and live chat is among the “suite” of Oracle’ “Web Commerce Products.” *See* Complaint

at ¶ 8. Accordingly, this action should be dismissed or, in the alternative, stayed or transferred, because the issue of whether Oracle’s customers infringe Lodsys’s patents was first raised in the Eastern District of Texas. *See Pierce Mfg. Inc. v. First In Inc.*, 10-C-393, 2010 WL 2854258, *3 (E.D. Wis. July 19, 2010) (“Under the ‘first to file’ rule, questions about the propriety of a claim or defense, or about proper venue, are left to the court who has received the case first.”).

B. Allowing This Action to Proceed Would Unnecessarily Fragment Related Actions, Waste Judicial Resources, and Risk Inconsistent Claim Constructions.

“As between federal district courts … the general principle is to avoid duplicative litigation.” *Colorado River Water Conservation Dist. v. U. S.*, 424 U.S. 800, 817 (1976). Indeed, the Federal Circuit has found that in patent cases “judicial economy plays a paramount role in trying to maintain an orderly, effective, administration of justice and having one trial court decide all of these claims clearly furthers that objective.” *In re Google Inc.*, 412 F. App’x. 295, 296, 2011 WL 772875 (Fed. Cir. Mar. 4, 2011). To that end, the first-to-file rule seeks “to maximize judicial economy and minimize embarrassing inconsistencies by prophylactically refusing to hear a case raising issues that might substantially duplicate those raised by a case pending in another court.” *Cadle Co. v. Whataburger of Alice, Inc.*, 174 F.3d 599, 604 (5th Cir. 1999).

Here, if this action is allowed to proceed, the Eastern District of Texas will simultaneously adjudicate nearly identical issues in Lodsys’s *first*-filed actions against F&S, Epicor, REI, and Walgreen. The Eastern District of Texas will also adjudicate nearly identical issues in Lodsys’s other nine related actions, which were also filed before Oracle’s declaratory judgment action, and which concern live chat and the same patents (except the ‘834 patent). But dismissing or, in the alternative, staying or transferring this action eliminates the evils that the first-to-file rule seeks to avoid: unnecessarily fragmented related actions, wasted judicial resources, and the risk of inconsistent claim constructions. *See Askin v. Quaker Oats Co.*, No. 11 CV 111, 2011 WL 5008524, *4 (N.D. Ill. Oct. 20, 2011) (“the first-to-file rule exists to prevent duplicative litigation and to minimize waste”); *Trafficast, Inc. v. Pritchard*, No. 05-C-557-S,

2005 WL 3002267, *3 (W.D. Wis. Nov. 7, 2005) (“There is no question the possibility of inconsistent judgments is present here.”); *see also In re Volkswagen of Am., Inc.*, 566 F.3d 1349, 1351 (Fed. Cir. 2009) (“In this case, the existence of multiple lawsuits involving the same issues is a paramount consideration when determining whether a transfer is in the interest of justice.... Although these cases may not involve precisely the same issues, there will be significant overlap and a familiarity with the patents could preserve time and resources.”).

C. At the Very Least, the Court Should Dismiss the Second Claim for Relief and Sixth Claim for Relief of Oracle’s Complaint For Lack of Subject Matter Jurisdiction.

As discussed above, this entire action should be dismissed or, in the alternative, transferred or stayed because Lodsys filed the first actions in the Eastern District of Texas. In the alternative, the Court should dismiss the Second Claim for Relief and Sixth Claim for Relief of Oracle’s Complaint, because Oracle has failed to present the requisite case or controversy between the parties with respect to the ‘834 patent.

For the Court to have subject matter jurisdiction to award declaratory relief, there must be “a case of actual controversy” among the parties. *See, e.g.*, 28 U.S.C. § 2201(a); *MedImmune, Inc. v. Genentech, Inc.*, 127 S. Ct. 764, 770-71 (2007). In particular, “the question in each case is whether 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.” *Id.* at 771 (quoting *Md. Cas. Co. v. Pac. Coal & Oil Co.*, 61 S. Ct. 510, 512 (1941)). A party seeking a declaratory judgment bears the burden of showing there is an actual case or controversy adequate to support jurisdiction. *See Benitec Australia, Ltd. v. Nucleonics, Inc.*, 495 F.3d 1340, 1344 (Fed. Cir. 2007) (“The burden is on the party claiming declaratory judgment jurisdiction to establish that such jurisdiction existed at the time the claim for declaratory relief was filed and that it has continued since.”); *see also*

Applera Corp. v. Michigan Diagnostics, LLC, 594 F. Supp. 2d 150, 158 (D. Mass. 2009);
Furminator, Inc. v. Ontel Prods. Corp., 246 F.R.D. 579, 584-85 (E.D. Mo. 2007).

Here, the Second Claim for Relief and Sixth Claim for Relief of Oracle's Complaint seek a declaratory judgment regarding non-infringement and invalidity of the '834 patent. *See* Complaint at ¶¶ 26-29, 42-45. But Oracle has not met its burden of showing there is an actual case or controversy between Oracle and Lodsys regarding that particular patent. Instead, Oracle has alleged generally and imprecisely that Lodsys has lodged accusations of infringement of the patents against a number of Oracle's customers, including vague allegations that Lodsys has allegedly sent letters that merely reference the '834 patent in the "Re" heading. *Id.* at ¶ 12. Tellingly however, Oracle has not alleged that Lodsys has made any specific allegations of infringement of the '834 patent against a Oracle customer, let alone specifically asserted infringement of the '834 patent based on that customer's use of a Oracle product.

Oracle's allegations are not sufficient to create an actual case or controversy between the parties regarding the '834 patent. For example, in *Applera Corporation*, Applied Biosystems, the owner of sixty-two patents, sent letters to Michigan Diagnostics, in which Applied Biosystems (1) advised of its extensive patent portfolio; (2) listed the sixty-two patents; (3) urged Michigan Diagnostics to review those patents; (4) notified Michigan Diagnostics that it may be infringing Applied Biosystems' patents; and (5) suggested that the parties enter into licensing discussions. *See* 594 F. Supp. 2d at 158-59. After the parties' further discussions regarding the patents, Applied Biosystems sued Michigan Diagnostics for infringement of seven of the sixty-two patents. *See id.* at 159-60. Michigan Diagnostics counterclaimed for declaratory judgment of non-infringement as to all sixty-two Applied Biosystems patents. *See id.* at 155. But since Applied Biosystems had not made any specific allegations of infringement beyond the seven

patents upon which it sued, the court dismissed Michigan Diagnostics' declaratory judgment counterclaim as to all but those seven patents. *See id.* at 160.

The court in *Applera Corporation* held that it was "far from clear" from the parties' interactions "that any dispute actually exists as to the fifty-five patents [and that a]s to them it may be fairly said that Michigan Diagnostics is essentially seeking an advisory opinion." *Id.*; see also *SanDisk Corp. v. Audio MPEG, Inc.*, C06-02655 RMW, 2007 WL 30598, *4 (N.D. Cal. Jan. 3, 2007) ("The letter makes no specific assertion that any of the nine patents-in-suit here were being infringed or that infringement action would be brought as to the nine patents-in-suit. SanDisk's emphasis that the notice accused all of its MP3 products and made general references to the need for a patent license is not adequate to show that there was an objectively reasonable apprehension of suit as to the specific nine patents at issue."); *Research Elecs. & Devices Co. v. Neptune Meter Co.*, 156 F. Supp. 484, 485 (S.D.N.Y. 1957) ("The law is sufficiently clear that the mere act of calling a competitor's attention to his alleged infringement of a specific patent does not by itself call into contest the infringement of other patents, and as to these other patents no justiciable controversy exists.").

More is needed to create declaratory judgment jurisdiction — namely a patent owner must make specific, particularized assertions of infringement, which are not present here regarding the '834 patent. *See Applera*, 594 F. Supp. 2d at 160 ("The problem that arises when the other side does not sue ... is not a problem, or at least not the same problem, when the other side has not made any particularized suggestion of infringement and may never sue. [The patent owner] broadly, and with some palpable bravura, suggested a review of its entire patent portfolio, but it did not make any specific allegations of infringement except within its pleading in this lawsuit.") (internal quotation omitted); *Furminator, Inc.*, 246 F.R.D. at 589-90 (dismissing declaratory judgment counterclaims as to plaintiff's patents that plaintiff had not

explicitly indicated defendant was infringing, since “there is no evidence plaintiff has made a demand to the defendants that identifies how any new product infringes *specific* claims of any of plaintiff’s patents … there is no evidence in this case that plaintiff has *explicitly identified* the patents it believes the defendants are infringing, the *relevant claims* of those patents, or the *relevant product* that it alleges infringes those patents”) (emphasis added); *Black & Decker Inc. v. Robert Bosch Tool Corp.*, 371 F. Supp. 2d 965, 968-69 (N.D. Ill. 2005) (“Courts have found that no actual controversy existed regarding patent claims that the patentee did not assert, even when the patentee was asserting other claims *from that same patent.*”) (emphasis added).

Because Oracle has failed to meet its burden of showing a sufficient case or controversy for declaratory relief jurisdiction regarding the ‘834 patent, Oracle’s Second Claim for Relief and Sixth Claim for Relief regarding that patent should therefore be dismissed under Rule 12(b)(1).

IV. CONCLUSION

For all of the above reasons, Lodsys respectfully requests that the Court dismiss or, in the alternative, transfer or stay this action in favor of the first-filed actions in the Eastern District of Texas. In the alternative, Lodsys respectfully requests that the Court dismiss the Second Claim for Relief and Sixth Claim for Relief of Oracle’s Complaint for lack of subject matter jurisdiction.

Respectfully Submitted this 27th day of July, 2012.

s/Aaron T. Olejniczak

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