

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION**

MDSP TECHNOLOGIES LLC,

Plaintiff,

v.

TOMTOM NORTH AMERICA, INC.,

Defendant.

Civil Action No. 6:23-cv-00260-ADA

DEFENDANT'S MOTION TO DISMISS

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Defendant TomTom North America, Inc. (“TomTom” or “Defendant”) moves to dismiss Plaintiff MDSP Technologies LLC’s (“MDSP” or “Plaintiff”) Complaint for Patent Infringement (Dkt. 1 herein the “Complaint”) for improper venue under Fed. R. Civ. P. 12(b)(3) and 28 U.S.C. § 1400(b). Therefore, Defendant respectfully asks the Court to dismiss the Complaint.

I. BACKGROUND

TomTom is a California corporation with its headquarters located at 21 Lafayette St Lebanon, New Hampshire 03766 and offices in Farmington Hills, MI, and San Jose, CA. (See Exhibit A, Declaration of Eszter Pattantyus ¶ 3; hereinafter referred to as “Pattantyus Decl.”))

On April 12, 2023 MDSP served the Complaint on TomTom alleging infringement of two patents: U.S. Pat. No. 9,239,376 (“the ‘376 patent”); and U.S. Pat. No. 10,371,806 (“the ‘806 patent”). (Complaint ¶ 12, 14.) Count I of the Complaint states a claim for direct infringement of the ‘376 patent. (Complaint ¶ 19.) Count II of the Complaint states a claim for direct infringement of the ‘806 patent. (Complaint ¶ 26.) MDSP identifies the allegedly infringing article as “TomTom’s Doppler aided navigation systems[,]” providing an internet address for the Uconnect 5” Radio Nav which is offered as original equipment in Fiat-Chrysler of America vehicles. (Complaint ¶ 17.)

MDSP also alleges that venue is proper in the Western District of Texas, claiming TomTom “has committed or induced acts of infringement . . . in this District” and “has regular and established places of business throughout this District, including at least at 1201 Barbara Jordan Blvd, Austin, Texas 78723.” (Complaint ¶ 11.) However, TomTom does not own or operate any business at 1201 Barbara Jordan Blvd, Austin, Texas 78723 nor does TomTom own or operate any regular and established places of business in the Western District of Texas or the State of Texas. (Pattantyus Decl. ¶¶ 4-7.)

Furthermore, TomTom has no employees or other agents in the Western District of Texas

conducting its business; TomTom has no employees or agents assisting in production, storage, transport, or exchange of goods or services carrying out the business of TomTom in the Western District of Texas. (*Id.* at ¶ 8.) TomTom pays no property taxes of any kind in the Western District of Texas or the State of Texas. (*Id.* at ¶ 6.)

Defendant TomTom now submits this motion to dismiss for improper venue.

II. LEGAL STANDARD

Where a plaintiff brings claims for patent infringement, they “bear the burden of establishing proper venue” under 28 U.S.C. § 1400(b). *In re ZTE (USA) Inc.*, 890 F.3d 1008, 1013 (Fed. Cir. 2018); *see also Optic153 LLC v. Thorlabs Inc.*, Civil Action No. 6:19-CV-00667-ADA, 2020 LEXIS 108167 at *1 (W.D. Tex. June 19, 2020) (same). A plaintiff similarly bears “the burden of sustaining venue” under the general venue statute, 28 U.S.C. § 1391. *Broadway Nat’l Bank v. Plano Encryption Techs., LLC*, 173 F. Supp. 3d 469, 473 (W.D. Tex. 2016). “Venue must be proper for each claim that a plaintiff brings against a defendant.” *Guajardo v. State Bar of Tex.*, 803 F. App’x 750, 755 (5th Cir. 2020).

III. ARGUMENT

A. MDSP has Failed to Establish that Venue under 28 U.S.C. § 1400(b) is Proper in this District.

The Western District of Texas is not an appropriate venue for this suit under 28 U.S.C. §1400(b), and pursuant to Federal Rule of Civil Procedure 12(b)(3) should be dismissed for improper venue. Patent infringement matters may be brought “in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business”, neither of which applies here. 28 U.S.C. § 1400(b).

MDSP asserts claims for *patent infringement*, and 28 U.S.C. § 1400(b) “constitute[s] the exclusive provision controlling venue in patent infringement proceedings.” *TC Heartland LLC v.*

Kraft Foods Grp. Brands LLC, 137 S. Ct. 1514, 1518 (2017) (internal quotation marks omitted). MDSP makes a mere cursory assertion that “[v]enue is proper in this Court under 28 U.S.C. § 1400(b) based on information set forth herein, which is hereby repeated and incorporated by reference.” (Complaint ¶ 11.) MDSP further attempts to support its assertion with “information and belief” that TomTom has “committed or induced acts of infringement, and/or advertise, market, sell, and/or offer to sell products, including infringing products, in this District[,]” and claims that TomTom has “regular and established places of business throughout this District, including at least at 1201 Barbara Jordan Blvd, Austin, Texas 78723.” (*Id.*)

As MDSP’s complaint asserts, “Defendant is a California corporation with a principal address of 11 Lafayette St Lebanon, New Hampshire 03766-1445[,]” and thus MDSP does not even contend that TomTom “resides” in the Western District of Texas. (Complaint ¶ 2); *see TC Heartland LLC*, 137 S. Ct. at 1517 (“We therefore hold that a domestic corporation ‘resides’ only in its State of incorporation for purposes of the patent venue statute”). In fact, TomTom is incorporated in California and is headquartered at 21 Lafayette St Lebanon, New Hampshire 03766-1445 and not in this district. (Pattantus Decl. ¶ 3.) As such, for venue to be proper, MDSP must show *both* that TomTom “committed acts of infringement” in this District *and* that TomTom “has a regular and established place of business” in this District. MDSP has failed to show either, much less both.

1. MDSP has Failed to show TomTom has a Regular and Established Place of Business in this District.

First, MDSP has not alleged any facts that TomTom has a regular and established place of business within the meaning of 28 U.S.C. § 1400(b) in this District. Accordingly, the complaint should be dismissed.

A “regular and established place of business” must be: (1) “a physical place in the district”; (2) “regular and established”; and (3) “the place of the defendant.” *In re Cray*, 871 F.3d 1355, 1360 (Fed. Cir. 2017). Furthermore, the place must be a physical place, not merely a virtual space or electronic communications between persons in the District. *Id.* at 1362. MDSP alleges none of these facts, and its failure to do so alone justifies dismissal of the complaint. *See Westech Aerosol Corp. v. 3M Co.*, 927 F.3d 1378, 1382 (Fed. Cir. 2019) (affirming motion to dismiss for improper venue in a patent infringement suit because the plaintiff “wholly failed to allege facts showing [defendant] had a regular and established place of business” in the judicial district). More Specifically, MDSP makes no effort, and indeed cannot show facts that could establish that TomTom meets the “regular and established” and “the place of the defendant” prongs of the *In re Cray* test.

MDSP makes a bald assertion that TomTom “has regular and established places of business (“TomTom Service Repair Centers”) throughout this District,” alleging that TomTom maintains a regular established place of business “at least at 1201 Barbara Jordan Blvd, Austin, Texas 78723.” (Complaint ¶ 2.) In support of its contentions MDSP cites to “<https://www.service-centerlocator.com/tomtom/texas/tomtom-austin-texas.htm>,” a website purporting to provide a list of these “TomTom Service Repair Centers.” (*Id.*)

However, TomTom does not own, operate, or otherwise control the business locations identified at <https://www.service-center-locator.com/tomtom/texas/tomtom-austin-texas.htm>. (Pattantus Decl. ¶¶ 5-7.) A review of <https://www.service-center-locator.com/tomtom/texas/tomtom-austin-texas.htm> reveals that the address, “1201 Barbara Jordan Blvd, Austin, Texas 78723,” which MDSP claims is one of TomTom’s regular and established places of business, is labeled as a Best Buy. (*See* [4](https://www.service-</p></div><div data-bbox=)

centerlocator.com/tomtom/texas/tomtom-austin-texas.htm.) The other so called “TomTom service centers” are a mix of various third-party retailers (many of which are no longer in business), including Wal-Mart, Fry's Electronics, Office Depot, Radio Shack, and Sears *inter alia*. (*Id.*). But none of these locations are places of the defendant, TomTom.

MDSP's theory that third-party retailers may serve as TomTom's regular and established places of business under 28 U.S.C. § 1400(b) has been routinely rejected by the Federal Circuit. In *In re Volkswagen Grp. Of Am., Inc.*, the court found that the “regular and established place of business” prong of § 1400(b) was not met when the defendant lent trademarks to the third-party, used the third-party as an exclusive retailer of the defendant's articles, and otherwise influenced the third-party in a franchisee-franchisor relationship. *In re Volkswagen Grp. Of Am., Inc.*, No. 2022-1008, 28 F.4th 1203, 2022 U.S. App. LEXIS 6094, at *8 (Fed. Cir. Mar. 9, 2022) (holding that even automotive “dealerships located in the Western District do not constitute regular and established places of business of [the respective automobile manufacturers] under § 1400(b)” and that a plaintiff must show such third-party locations have the required “regular, physical presence of an employee or other agent of the defendant conducting the defendant's business at the alleged ‘place of business’” (citing *In re Google LLC*, 949 F.3d 1338, 1345 (Fed. Cir. 2020))).

The facts of this case present an even weaker argument than those in *In re Volkswagen*. Here, TomTom has not lent its trademarks or used the third-party (Best Buy) as an exclusive retailer as was the case in *In re Volkswagen Grp. Of Am., Inc.*, which failed to satisfy the “regular and established place of business” prong of § 1400(b). In fact, MDSP has not proffered any evidence or even mere allegations that TomTom required “regular, physical presence of an employee or other agent of the defendant conducting the defendant's business at the alleged ‘place

of business.” *Id.*¹ In fact, TomTom has no physical presence, such as a storefront, physical facility, owned or leased, or rented office space, in the Western District of Texas. (Pattantus Decl. ¶ 6.) TomTom stores no physical literature, documents, stock, displays, samples, or products in the Western District of Texas or the State of Texas. (*Id.* at ¶ 8.) Furthermore, TomTom does not own, lease, operate, manage, or otherwise exercise possession or control over offices or distributors in the Western District of Texas. (*Id.* at ¶¶ 6-7.)

Accordingly, at least for these reasons, MDSP had failed to establish that TomTom has regular and established places of business in this District and the complaint should be dismissed for improper venue.

2. MDSP has Failed to show TomTom Committed Acts of Infringement in this District

Second MDSP has not shown that TomTom has committed acts of infringement in this District as required by 28 U.S.C. § 1400(b). Accordingly, the complaint should be dismissed.

Infringement occurs when a party “makes, uses, offers to sell, or sells any patented invention” without authority. 35 U.S.C. § 271(a). To be an offer for sale, an accused infringer must have “communicated a ‘manifestation of willingness to enter into a bargain, so made as to justify another person in understanding that his assent to that bargain is invited and will conclude it.’” *Rotec Indus., Inc. v. Mitsubishi Corp.*, 215 F.3d 1246, 1257 (Fed. Cir. 2000) (citing *Restatement*

¹ An agency relationship is not sufficient to create venue. For example, “the relationship of manufacturer and soliciting agent, without more (e.g., payment of office expenses, maintaining stocks of merchandise in the forum district, consummated sales in the forum district), does not render the business of the solicitor a ‘regular and established place of business’ of the manufacturer.” *McGah*, 166 F. Supp. at 666. Similarly, “[t]he mere fact that defendant hires a sales representative who in turn rents offices to sell defendant’s products is insufficient,” even when the sales representative advertises defendant’s products and processes complaints for the defendant. *Brevel Prod. Corp.*, 202 F. Supp. at 826-27.

(*Second*) of *Contracts* § 24 (1979)). Further, even where an accused infringer “ships the allegedly infringing products into the State[,]” the Supreme Court has found this to be insufficient to provide the basis for proper venue. *TC Heartland*, 137 S. Ct. at 1517. Similarly, mere allegations that a defendant has committed acts of infringement in this District cannot provide the basis for proper venue. *Optic153*, 2020 LEXIS 108167, at *3 (The court found Plaintiff’s arguments that “an allegation of infringement itself is sufficient to establish venue” were unpersuasive in granting Defendant’s motion to dismiss for improper venue.)

MDSP’s complaint only alleges, upon information and belief, verbatim recitations of the elements of patent infringement and provides no basis upon which to infer TomTom has committed acts of infringement within this District. MDSP’s simply asserts that TomTom is “soliciting business from the residents of” this District and “providing infringing products and services to the residents of” this District without providing any basis in fact. (Complaint ¶ 7.)

TomTom does not solicit business from, sell, or provide TomTom’s hardware products, including, Doppler aided navigation systems, directly to consumers in the Western District of Texas through its own local presence. (Pattantus Decl. ¶ 9.) TomTom sells and distributes its hardware products online and to third-party retailers and manufacturers who resell and/or incorporate TomTom’s products into their own products. (*Id.*) As discussed above this is insufficient to establish venue is proper in this District.

Accordingly, MDSP had failed to establish that TomTom has committed acts of infringement in this District and the complaint should be dismissed for improper venue.

IV. CONCLUSION

MDSP has failed to establish that venue is proper in this district under 28 U.S.C. § 1400(b). TomTom does not reside in this district, does not maintain regular and established places of business in this District, nor has TomTom committed acts of infringement in this District. For

the foregoing reasons, TomTom respectfully requests that the Complaint be dismissed in its entirety.

Respectfully submitted,

Date: June 16, 2023

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CERTIFICATE OF SERVICE

This is to certify that on this 16th day of June 2023, a true and correct copy of the foregoing Motion to Dismiss was filed electronically and served by mail on anyone unable to accept electronic filing. Notice of this filing will be sent by e-mail to all parties by operation of the court's electronic filing system or by mail to anyone unable to accept electronic filing as indicated on the Notice of Electronic Filing. Parties may access this filing through the court's CM/ECF System.

June 16, 2023

/s/Mark D. Siegmund
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