UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

CRICKET COMMUNICATIONS, INC., Plaintiff, v. HIPCRICKET, INC. Defendant.	Civil No. 07CV1809 JAH(CAB) **ORDER GRANTING DEFENDANT'S MOTION TO TRANSFER VENUE [DOC. # 17]**

INTRODUCTION

Currently pending before this Court is the motion to transfer venue on convenience grounds pursuant to 28 U.S.C. § 1404(a) filed by defendant HipCricket, Inc. ("HipCricket" or "defendant"). The motion has been fully briefed by the parties. After a careful consideration of the pleadings and relevant exhibits submitted, and for the reasons set forth below, this Court GRANTS defendant's motion and transfers this case to the Western District of Washington for all further proceedings.

BACKGROUND

Plaintiff Cricket Communications, Inc. ("Cricket" or "plaintiff") is a Delaware corporation with a business address in San Diego, California who provides wireless services offering "simple, affordable wireless service" to its customers throughout the United States. *See* Doc. # 7 ¶ 2. HipCricket is a marketing consultant firm that specializes in interactive advertising through the use of text messaging whose headquarters are located in Bellevue,

Washington. Id. ¶ 4; Braiker Decl. ¶¶ 2, 3.

Plaintiff filed its original complaint in September 2007 and an amended complaint, the operative pleading here, on November 6, 2007, seeking injunctive relief and damages based on allegations of trademark infringement and unfair competition under the Lanham Act, 15 U.S.C. §§ 1051 *et seq.*, and for trademark infringement, dilution and unfair competition under California law. *See* Doc. # 7 ¶ 1. Defendant filed an answer to the amended complaint on November 21, 2007. After various proceedings were held before the magistrate judge, a pretrial schedule was set, culminating in a pretrial conference currently set before this Court on May 4, 2009. *See* Doc. # 29.

The instant motion was filed on February 8, 2008. Plaintiff filed its opposition to the motion on February 29, 2008 and defendant filed its reply brief on March 10, 2008. This Court subsequently took the motion under submission without oral argument. *See* Doc. # 23; S.D.Cal. CivLR 7.1.d.1.

DISCUSSION

Defendant moves to transfer venue to the Western District of Washington on convenience grounds pursuant to 28 U.S.C. § 1404(a).

1. Legal Standard

A district court may transfer a pending case "to any other district or division where it might have been brought." 28 U.S.C. § 1404(a). The court has broad discretion to "adjudicate motions for transfer according to an 'individualized, case-by-case consideration of convenience and fairness.'" Jones v. GNC Franchising, Inc., 211 F.3d 495, 498-99 (9th Cir. 2000)(quoting Stewart Org. v. Ricoh Corp., 487 U.S. 22, 29 (1988)). The moving party has the burden of demonstrating transfer would be more convenient and better serve the interests of justice. Commodity Futures Trading Comm'n v. Savage, 611 F.2d 270, 279 (1979).

In the Ninth Circuit, ten factors are applied in determining whether to transfer a case on convenience grounds:

> (1) the plaintiffs' choice of forum; (2) the extent to which there is a connection between the plaintiffs' causes of action and this forum; (3) the

> parties' contacts with this forum; (4) the convenience of witnesses; (5) the availability of compulsory process to compel attendance of unwilling non-party witnesses; (6) the ease of access to sources of proof; (7) the existence of administrative difficulties resulting from court congestion; (8) whether there is a 'local interest in having localized controversies decided at home'; (9) whether unnecessary problems in conflicts of laws, or in the application of foreign laws, can be avoided; and (10) the unfairness of imposing jury duty on citizens in a forum unrelated to the action.

Saleh v. Titan Corp., 361 F.Supp.2d 1152, 1157 (S.D.Cal. 2005) (citing Jones, 211 F.3d at 498-99 and Decker Coal Co. v. Commonwealth Edison Co., 805 F.2d 834, 843 (9th Cir. 1986)).

2. Analysis

Defendant contends that the relevant factors here weigh heavily in favor of transferring this case to the Western District of Washington.

a. Plaintiff's Choice of Forum and Connection between the Action and the Forum

Defendant initially contends that plaintiff's choice of forum is the only factor that weighs in favor of having the instant case tried in this District. *See* Doc. # 17-2 at 3-4. In opposition, however, plaintiff claims that its choice of forum must be given great deference, particularly where the plaintiff resides within the forum district, as here. Doc. # 19 at 3 (citing Decker Coal Co., 805 F.2d at 843; O'Brien v. Goldstar Technology, Inc., 812 F.Supp. 383, 386 (W.D.N.Y. 1993)). Plaintiff notes defendant markets and sells its services in the Southern California area and has clients in San Diego[1] as well as other Southern California locations, requiring defendant's executives to "regularly travel to California." Id. at 4-5. Thus, plaintiff contends its choice of venue is reasonable and

[1] Plaintiff explains that defendant has one client, Clear Channel Communications, that is located in San Diego, noting that there was a recent misunderstanding between Clear Channel and HipCricket during a promotional campaign that involved the inclusion of Cricket customers. *See* Doc. # 19 at 4-5. However, as defendant points out, this misunderstanding has no bearing on the issues presented in the instant complaint and, therefore, is not relevant to the determination of whether convenience dictates transfer of this case to Washington. *See* Doc. # 20 at 4-5. Similarly, plaintiff contends a concert promotion that took place in Los Angeles provides a source of information relevant to the issues in this case, *see* Doc. # 19 at 8, but, as defendant notes, "San Diego is not Los Angeles" and, thus, "a concert promotion that took place in Los Angeles is not evidence of a connection between the alleged trademark infringement and this judicial District." Doc. # 20 at 4 (emphasis omitted). This Court agrees with defendant and, therefore, declines to consider these incidents in determining the propriety of transfer.

proper and, as such, its choice of venue should be given great deference.

Defendant, in response, argues that the general rule requiring giving great deference to a plaintiff's choice of forum "is not applicable where the forum that the plaintiff has chosen has no significant contact with the alleged wrongful conduct other than the fact that the plaintiff resides there." Doc. # 20 at 3 (citing Farmer v. Ford Motor Co., 2007 WL 4224612 *2-3 (N.D.Cal.); Dorfman v. Jackson, 2005 WL 2176900 *8 (N.D.Cal.); Black v. JCPenny Life Ins. Co., 2002 WL 523568 *3 (N.D.Cal.)). Defendant contends that plaintiff does not allege in the instant complaint, or provide evidence in its opposing brief, of a connection with this District to the allegations contained in the instant complaint. Id. Defendant points out that plaintiff focuses on defendant's efforts to promote its business and clientele in Southern California but the efforts focused upon involve clients that are mostly located in Los Angeles, with the sole exception of that single San Diego client. Id. at 3-4. Defendant, thus, argues that "there is no legal doctrine of 'regional venue'" and HipCricket's one client in San Diego, "a large, sophicated company who does business with both Cricket and HipCricket and is neither 'confused' nor likely to be confused that these two parties are affiliated" provides no support for a connection between the issues in this case and this District. Id. at 4. Therefore, this Court finds that plaintiff's choice of forum is not so reasonable and proper as to require this Court to give the choice great deference in determining whether transfer on convenience grounds is appropriate.

b. Convenience of Witnesses, Ease of Access to Sources of Proof, Ability to Compel Witness Testimony, and Cost of Obtaining Attendance of Willing Witnesses

Defendant contends that transfer is appropriate because most of the evidence and witnesses, and especially the third party witnesses whose attendance may need to be compelled by court intervention, are located in Washington. Doc. # 17-2 at 4-7. Defendant explains that its headquarters are in Washington and the "primary issue" in this case centers on "whether HipCricket's use of the HIPCRICKET mark is likely to create confusion concerning the source of the services offered by HipCricket," thus

requiring an examination of "the similarity of goods and services offered by the parties; the markets and channels of trade in which the parties sell their goods and services; the sophistication of the alleged infringer's potential clients; and the defendant's intent in choosing the allegedly infringing name." Id. at 4-5 (citing AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348 (9th Cir, 1979)). In addition, defendant claims its intent in choosing the www.hipcricket.com domain name will also be at issue. Id. at 5. Defendant points out that "[t]here is no real dispute concerning the products and services Cricket sells, or the market in which it sells them." Id.

Defendant identifies at least six HipCricket employees who are expected to testify concerning "the nature of the service HipCricket provides, the market in which HipCricket sells its services, the clients to whom HipCricket's services are offered, how HipCricket goes about marketing its services, and HipCricket's intent in choosing its name and domain name," issues defendant contends are "the primary issues on which discovery and trial will focus." Id. at 5-6; Spirra Decl. ¶¶ 2, 3. HipCricket claims its advertising agency, which is located in Washington, along with Washington "SMS aggregators who assist in implementing HipCricket's promotions, and who can explain the technical aspects of how [its] mass text messaging on cross-carrier platforms works" are expected to testify. Doc. # 17-2 at 6; Braiker Decl. ¶¶ 6, 11. HipCricket also claims several of its Washington clients "will testify [about] the materials and information they received from HipCricket, the manner in which HipCricket solicited their business, and the care the clients necessarily exercised in choosing a company to provide an inexpensive interactive text message marketing campaign ensured there was no likelihood of confusion as to the source of the services they purchased from HipCricket." Doc. # 17-2 at 6; Braiker Decl. ¶ 10.

Plaintiff, in opposition, contends that defendant merely seeks to shift the inconvenience of trying this case in this District to plaintiff because plaintiff also has numerous party witnesses, all employees of plaintiff, located in this District who are expected to testify and various clients of defendant who are located in Southern California may be required to participate in a survey or testify about possible confusion between the

two companies at bar. *See* Doc. # 19 at 6-9. Plaintiff also contends that defendant has failed to meet its burden of demonstrating inconvenience by failing to specifically identify prospective non-party witness testimony in more than a conclusory fashion. Id. at 9.

In reply, defendant points out that plaintiff's assertions concerning the number of witnesses that reside in San Diego lack evidentiary support. Doc. # 20 at 5-6. Defendant notes that, although plaintiff mentions various employees as potential witnesses, plaintiff fails to explain the relevance of these employees' testimony to the issues in this case that revolve around defendant's employees' conduct. Id. at 6. Defendant further notes that plaintiff's reference to non-party witnesses, all clients of defendant, provides no aid to plaintiff because the sole client mentioned that is located in this District is not alleged to have been "confused" by the affiliation between Cricket and HipCricket and the remaining clients referred to are located in Los Angeles. Id. Thus, defendant contends that plaintiff has failed to demonstrate these non-parties are likely to be witnesses in this case. Id.

Conversely, defendant claims it has provided sufficient evidence to support a finding that there are numerous "party and non-party witnesses located in the Western District of Washington who are expected to provide critical testimony on material issues in this case." Id. Defendant explains that the conduct plaintiff alleges is wrongful concerns defendant's marketing and promotional decisions and, therefore, the relevant testimony will be from defendant's employees as well as defendant's advertising agency's employees and defendant's clients who are located in Washington where defendant markets its services. Id. at 6-7.

This Court agrees with defendant. The issues in this case involve defendant's alleged wrongful use of plaintiff's trademark. *See* Compl. ¶¶ 9-43. Defendant's actions concerning that alleged use, therefore, will be the primary focus of inquiry in this case. Defendant's employees, advertising agency and the majority of its clients are located in the Western District of Washington. *See* Spirra Decl. ¶¶ 2-3; Braiker Decl. ¶¶ 4-5, 10-11. The sole San Diego client plaintiff refers to does not, in this Court's view, appear to possess relevant information that might need to be elicited to resolve the issues in this

case. *See* Doc. # 19 at 4. Thus, this Court finds that the only San Diego witnesses possessing any relevant information are employees of plaintiff and that testimony, concerning damages, is not central to the trademark issues at the crux of this dispute. Accordingly, this Court finds that a consideration of the convenience of party and non-party witnesses, the ability to compel attendance of non-party witnesses and the cost involved in obtaining the attendance of non-party witnesses[2] tips the scales in favor of transfer to Washington.

c. Local Interest and Application of Foreign Laws

Although defendant concedes that this case is "not entirely localized" in one place, Doc. # 17-2 at 7, defendant asserts that there is a local interest in having this case tried in the Western District of Washington because plaintiff seeks to enjoin defendant, a resident of that District, from engaging in certain conduct that would primarily occur there. Id. at 8-9. Defendant contends that "[i]f conduct is going to be restricted or regulated by an injunction, it is far more appropriate that the Court that is responsible for issuing the restrictions and ensuring compliance with the injunction be located where the conduct it is regulating is taking place." Id.

Plaintiff does not address this contention in opposition. Instead, plaintiff contends that the Western District of Washington would necessarily be required to apply California law due to plaintiff's inclusion of California trademark and unfair competition causes of action. Doc. # 19 at 11. Plaintiff argues this "weighs heavily against transfer, because in general, courts favor adjudication of diversity actions by the court that sits in the state whose laws will govern the case." Id. (citing Van Dusen v. Barrack, 376 U.S. 612, 645 (1964)).

[2] Although the parties each believe that the factor concerning ease of access to sources of proof favors their respective position, *see* Doc. # 17-2 at 6, Doc. # 19 at 9-10, this Court deems this factor as favoring neither party due to the relative ease of transporting documents electronically. This Court agrees with plaintiff that "modern technology has virtually made this element irrelevant." Doc. # 19 at 10. Therefore, this Court declines to address this factor further.

Defendant contends this argument is specious[3] because plaintiff's state claims are preempted by its federal claims. Doc. # 20 at 7-8. Defendant agrees with plaintiff that California and federal trademark law can co-exist but not if California law conflicts with the federal law, as is the case here. Id. at 8. Defendant also contends that plaintiff's arguments regarding the Washington court's application of California law do not aid plaintiff because Washington judges "are fully capable of reading and applying the applicable California cases and statutes." Id. at 9.

Although this Court declines to determine whether plaintiff's state law claims are preempted at this juncture of the proceedings, this Court finds the remainder of defendant's arguments persuasive. This Court agrees with defendant that local interest favors having the same court that issues an injunction regulate and enforce it and that Washington judges are equally capable of applying California law as those judges that reside in California. Therefore, these factors weigh in favor of transfer.

CONCLUSION AND ORDER

Based on the foregoing, this Court finds that the majority of the relevant factors heavily favor transfer of this case to the Western District of Washington. *See* Jones, 211 F.3d at 498-99; Decker Coal, 805 F.2d at 843; Saleh, 361 F.Supp.2d at 1157. Therefore, this Court finds that defendant has met its burden of demonstrating transfer of this case to the Western District of Washington would be more convenient and better serve the interests of justice. Commodity Futures Trading, 611 F.2d at 279. Accordingly, IT IS HEREBY ORDERED that:

1. Defendant's motion to transfer venue pursuant to 28 U.S.C. § 1404(a) [doc. # 17] is **GRANTED**; and

//

//

[3] Although defendants suggests that plaintiff "inserted [the state law claims] into the Complaint precisely for the purpose of trying to defend an indefensible venue choice," Doc. # 20 at 7-8, defendants provide no evidence to support this accusation. This Court's review of the record reflects no evidence to support such a dilatory motive for filing the instant case in this District and, therefore, does not address this issue further.

2. The Clerk of Court is directed to transfer this case to the Western District of Washington for all further proceedings. Any pending dates before this Court are VACATED, to be rescheduled before the appropriate judge in the Western District of Washington after transfer is completed.

Dated: June 2, 2008

JOHN A. HOUSTON
United States District Judge