

Brock Hornby. Fairchild seeks declarations that it does not infringe the '275 patent, it does not owe royalties to Third Dimension under a license agreement entered into on or around February 5, 2001 ("the Agreement"), and there has not been breach or termination of the Agreement. Fairchild also seeks a preliminary injunction prohibiting termination of the Agreement. Third Dimension subsequently brought this action on May 17, 2008 at 12:00 a.m. C.T. against Fairchild in the Eastern District of Texas for breach of the Agreement and infringement of the '275 patent.

Fairchild moves to transfer this case to the District of Maine. Third Dimension moves to consolidate with the Infineon case (Docket No. 20).

APPLICABLE LAW

When overlapping suits are filed in multiple federal courts, each court must decide whether to keep the case or whether interests of judicial economy favor transferring the case to a sister court so all issues can be resolved in the same forum. *See Tex. Instruments, Inc. v. Micron Semiconductor*, 815 F. Supp. 994, 997-98 (E.D. Tex. 1993). "The general rule favors the forum of the first-filed action" as the forum for resolving all the issues in dispute. *Genetech v. Eli Lilly & Co.*, 998 F.2d 931, 937 (Fed. Cir. 1993). Courts use "'absolute time,' (as opposed to 'time zone' time) . . . to determine which petition is filed first." *Mead Corp. v. Stuart Hall Co., Inc.*, 676 F. Supp. 1446, 1453 (S.D. Ohio 1987) (interpreting 5th Circuit case law); *see Southland Mower Co. v. U.S. Consumer Prod. Safety Comm'n*, 600 F.2d 12 (5th Cir 1979).

In deciding whether to apply the first-filed rule, courts examine two issues: (1) whether the actions are so duplicative, or involve such substantially similar issues, that one court should decide both actions and (2) which court should hear the case. *Tex. Instruments*, 815 F. Supp. at 997. Actions satisfy the first consideration when they involve closely related questions, common subject

matter, or substantially overlapping core issues. *Id.* Cases are not required to be identical to be duplicative, but overlap of evidentiary and factual issues is relevant. *Superior Sav. Ass'n v. Bank of Dallas*, 705 F. Supp. 326, 328-29 (N.D. Tex. 1989).

ANALYSIS

The parties agree that there are substantially similar issues between this case and the Maine case. The cases share similar facts and legal issues: both involve the same parties, the same agreement, and the '275 patent. The substantial overlap factor favors transfer of this case to the District of Maine.

Judicial economy and the Maine court's interest in hearing this case also favor transfer. The Maine court has already issued a temporary restraining order; an answer has been filed; the case has reached the discovery stage; and the court has set the case for trial on June 1, 2009. If this Court proceeds without transfer to the District of Maine, the same issues addressed by the Maine court will be needlessly reconsidered. Also, Maine has an interest in preserving consistent judgments for its citizens. If the Maine court does not decide this case and the Maine case together, then Fairchild may be subject to differing decisions in different venues.

Third Dimension argues that the Maine case should be denied first-filed status because it filed an earlier case against Infineon involving the same patent as this case. Judicial efficiency favors transfer to the District of Maine over maintaining and consolidating the case in this Court. While this case and the Infineon case involve the same patent, that is the extent of the similarity. The parallels between this case and the Maine case are more substantial. Furthermore, the Infineon case is in its early stages. The defendant has not filed an answer, and the parties have not met for a status conference. Transferring this case to the District of Maine would preserve judicial resources

to a greater extent than would be preserved if this Court retained and consolidated this case with the Infineon case.

Third Dimension also cites to *Power Mosfet Tech. v. Siemens AG*, No. 2:99-CV-168-DF (E.D. Tex. Aug. 27, 1999), suggesting that the prior findings in that case, which relate to the '275 patent, favor maintaining this case before this Court. However, different parties litigated *Power Mosfet* before a different judge in a different division (Judge David J. Folsom in Texarkana), and the facts of *Power Mosfet* substantially differ from the circumstances of this case. *Power Mosfet* did not consider the Agreement as a defense. The case is not a significant factor.

CONCLUSION

The first-filed rule applies to the Maine case, and the Court **GRANTS** Fairchild's motion to transfer venue to the District of Maine before Judge D. Brock Hornby. Finally, the Court **GRANTS** Fairchild's motion for leave to file a response to Third Dimension's sur-reply (Docket No. 30). *See* Docket No. 34 (Third Dimension's notice of non-opposition). All other pending motions are denied as moot.

So ORDERED and SIGNED this 4th day of September, 2008.

A handwritten signature in black ink, appearing to read 'Leonard Davis', written over a horizontal line.

**LEONARD DAVIS
UNITED STATES DISTRICT JUDGE**