

Court Not Convinced that Related Case Against Defendant's Founders in NDCA Was Enough to Grant Transfer

AUGUST 23, 2021

In its opposed motion, Defendant Meraki Integrated Circuit (Meraki) submitted that the Northern District of California was a proper and more convenient venue for the action brought in Waco by Plaintiffs Monolithic Power Systems, Inc. and Monolithic Power Systems Co., Ltd. (together, Monolithic). The Court analyzed the four private and public factors laid out by the Fifth Circuit to determine whether transfer was appropriate and denied transfer.

Private Interest Factors

1. First, the Court found that the first factor, relative ease of access to sources of proof, was neutral. Specifically, the Court found that although Monolithic may have documents located at its San Jose office and Meraki in China, the plaintiff claimed certain nonparties possibly had related sources of proof within the district.
2. Second, as to the availability of compulsory process to secure the attendance of witnesses, the factor weighed against transfer. Meraki argued that Monolithic had employees who work in California, but the Court reasoned that these were party witnesses. Further, Monolithic pointed out that Sawblade, a relevant nonparty, was located within the district.
3. Third, the cost of attendance for willing witnesses was neutral. The Court found that although there were several possible witnesses living in California, there were also witnesses living in China and Texas. When witnesses are already traveling from China to the United States, the court found that the difference between traveling to the WDTX or the NDCA does not weigh for transfer to the NDCA.
4. Finally, the Court found that the fourth factor, all other practical problems that make trial easy, expeditious, and inexpensive, was neutral. Although there was a pending case in the Northern District of California with overlapping issues, the Court noted that a consent order entered in the Western District of Texas could complicate the time to trial in the Northern District of California. Further, the primary focus of discovery, Sawblade, was located within the district.

Public Interest Factors

1. First, the Court found that trial would most likely resolve faster in the Western District of Texas because a lawsuit is already pending against the founders of Meraki in the Northern District of California, which had no trial date set, finding this factor weighing strongly against transfer.
2. Second, the Court found that the Northern District of California had more localized interests, as neither party had a presence in the Western District of Texas, and Monolithic had an office in the Northern District of California. Also, the alleged theft of trade secrets, patent infringement, and tortious interference all occurred at Monolithic's offices in California, giving the NDCA a greater local interest.
3. Third, the Court found that the familiarity of the forum with the law that would govern the case was a neutral factor because although the Northern District of California had familiarity with some overlapping related issues, the Western District of Texas also had some familiarity with the case.
4. Fourth, the Court found that avoiding conflict of laws and application of foreign laws was a neutral factor. Although Meraki argued that analyzing one claim may be different under California law, the Court was not persuaded that any problems of conflict of law would arise.

The Court denied transfer, finding that only one factor weighed in favor of transfer, while the remaining factors were either neutral or weighed against transfer.

Monolithic Power Sys., Inc., et al. v. Meraki Integrated Circuit (Shenzhen) Tech., Ltd., et al., 6:20-CV-00876 (Order Denying Defendant's Motion to Transfer)

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