

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

WIRTGEN AMERICA, INC.)	
)	
Plaintiff/Counterclaim-Defendant,)	
)	
v.)	C.A. No. 17-770-RGA
)	
CATERPILLAR INC.)	
)	
)	JURY TRIAL DEMANDED
)	
Defendant/Counterclaim-Plaintiff.)	

**OPENING BRIEF IN SUPPORT OF PLAINTIFF/COUNTERCLAIM-DEFENDANT
WIRTGEN AMERICA, INC.'S MOTION TO SEVER AND TRANSFER
DEFENDANT/COUNTERCLAIM-PLAINTIFF CATERPILLAR INC.'S PERMISSIVE
COUNTERCLAIMS FOR PATENT INFRINGEMENT**

Dated: November 4, 2021

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I. INTRODUCTION AND SUMMARY OF THE ARGUMENT

Defendant/Counterclaim-Plaintiff Caterpillar Inc.’s (“Caterpillar”) patent infringement counterclaims are permissive; they have no relation to Plaintiff/Counterclaim-Defendant Wirtgen America Inc.’s (“Wirtgen America”) original claims. They involve different factual and legal issues, different technology, different accused products, different witnesses, and different evidence. Trying to resolve Caterpillar’s infringement counterclaims at the same time as Wirtgen America’s original claims will complicate and delay this already complex case, present an unacceptable risk of jury confusion and burden, and prejudice Wirtgen America. Accordingly, Wirtgen America respectfully requests that the Court sever Caterpillar’s infringement counterclaims into a separate action.

Should the Court grant Wirtgen America’s request to sever, the Court should transfer Caterpillar’s counterclaims from the District of Delaware (“Delaware”) to the Middle District of Tennessee (“Tennessee”).¹ Delaware has one—and only one—connection to Caterpillar’s permissive patent infringement counterclaims: it is Caterpillar’s place of incorporation. Caterpillar’s principal place of business is not in Delaware. None of the inventive activities occurred in Delaware. And no documents or witnesses are in Delaware. In contrast, Tennessee has numerous connections to Caterpillar’s counterclaims. Wirtgen America is incorporated in and has its principal (and only) place of business in Tennessee. All Wirtgen America’s witnesses and evidence—including the accused products in its possession, which can weigh up to 225,000 pounds—are in Tennessee. And Tennessee’s docket is less congested than Delaware’s docket. The

¹ Should the Court grant Wirtgen America’s motion to sever and transfer venue to Tennessee, the Court will still need to address Wirtgen America’s motion to dismiss Caterpillar’s fourth counterclaim seeking a declaration of unenforceability of certain Wirtgen America patents under the doctrine of prosecution laches. *See* D.I. 43.

factors assessed in resolving a motion to transfer under 28 U.S.C. § 1404(a) outweigh Caterpillar's choice of forum. Once severed, this Court should transfer the counterclaims to Tennessee.

II. NATURE AND STAGE OF THE PROCEEDINGS

Wirtgen America filed its original Complaint in this matter on June 16, 2017, asserting six patent families comprising twelve patents. (D.I. 1, at PageID #: 5 (¶11)). Wirtgen America concurrently filed complaints in the District of Minnesota and the United States International Trade Commission ("ITC"). (*See* D.I. 8-1; D.I. 8-2). Before Caterpillar answered the Complaint in this Court, the parties jointly moved for a statutory stay of this proceeding pending resolution of the ITC matter. (*See* D.I. 7). The Court granted the motion to stay and closed the case on August 29, 2017. (*See* D.I. 10).

Wirtgen America alleged in its ITC complaint that Caterpillar and its affiliates unlawfully imported certain road milling machines. (D.I. 33, at PageID #: 2381 (¶¶53-54)). The ITC instituted an investigation in the matter in August 2017 (the "1067 Investigation"). (*Id.*) The ITC complaint asserted infringement of several Wirtgen America patents, including U.S. Patent Nos. 7,530,641 ("the '641 patent"); 7,828,309 ("the '309 patent"); and 9,656,530 ("the '530 patent"), which are also asserted by Wirtgen America here. (D.I. 33, at PageID #: 2369, 2381 (¶¶ 14, 53-54.)). Caterpillar argued that the asserted claims of all three patents were invalid and infringed.

Ultimately, the ITC issued a limited exclusion order prohibiting importation of the Large Infringing Products.² (D.I. 33, at PageID #: 2383 (¶¶62, 65)). The exclusion order resulted from the ITC's Final Determination in 2019 that the Large Infringing Products infringed certain valid claims of the '309 and '530 patents. (D.I. 33, at PageID #: 2383 (¶62)). The parties appealed, and,

² "Large Infringing Products" are defined in the amended Complaint at D.I., at PageID #: 2370 (¶12).

on March 15, 2021, the Federal Circuit affirmed as to the '309 and '530 patents and vacated and remanded the ITC's determination that there was no infringement of the '641 patent. (D.I. 33, at PageID #: 2383-84 (¶¶63-64)). The ITC has not yet announced what further proceedings, if any, will result from the remand of the '641 patent.

While the ITC proceeding was pending, Caterpillar petitioned the Patent Trial and Appeal Board of the United States Patent and Trademark Office ("PTAB") for *inter partes* review ("IPR") of the '309 and '530 patents, but not the '641 patent. (D.I. 33, at PageID #: 2384 (¶66)). The PTAB determined that Caterpillar had failed to establish that claims 10, 17-20, and 29-32 of the '309 patent and claims 1-7, 13-24, and 26 of the '530 patent are unpatentable. (D.I. 33, at PageID #: 2384-85 (¶¶68, 72)). On appeal, the Federal Circuit affirmed without opinion. (D.I. 33, at PageID #: 2384-85 ¶¶ 69-70, 73-74)).

In addition, Caterpillar filed a retaliatory complaint at the ITC alleging infringement of three Caterpillar patents, United States Patent Nos. 7,140,693, 9,045,871, and 7,641,419. Wirtgen America defended at the ITC and also filed IPR petitions at the PTAB. Ultimately, all asserted claims from all three Caterpillar patents were withdrawn, found to be not infringed, or were held invalid by the ITC, the PTAB, and/or the Federal Circuit. Put simply, Caterpillar already took its best shot at Wirtgen America in terms of a countersuit and lost.

On September 2, 2021, after the parties agreed to litigate in the District of Delaware, Wirtgen America voluntarily dismissed its complaint in the District of Minnesota.³ *See Wirtgen America, Inc. v. Caterpillar Prodotti Stradali S.R.L., et al.*, No. 0:17-cv-02085-NEB-TNL, D.I. 46

³ Caterpillar Paving Products, Inc. ("Cat Paving") was the assignee of the patents asserted in Caterpillar's counterclaims until it assigned those patents to Caterpillar last month. *See infra*. Cat Paving was a party to the Minnesota litigation, where it would have been on its home turf, as it has its principal place of business in Brooklyn Park, Minnesota.

(D. Minn. Sep. 2, 2021). The only pending related matter is the 1067 Investigation, where the Federal Circuit vacated the ITC's determination that there was no infringement of the '641 patent and "remanded for further proceedings consistent with this opinion." *Caterpillar Prodotti Stradali S.R.L. v. Int'l Trade Comm'n*, 847 Fed. Appx. 893, 900 (Fed. Cir. 2021).

III. SUMMARY OF ARGUMENT

Pursuant to D. Del. LR 7.1.3(c)(1)(D), Wirtgen America hereby submits the legal propositions upon which it relies in moving this Court to sever and transfer Caterpillar's Counterclaims under Rule 21 and 28 U.S.C. § 1404:

1. Caterpillar's counterclaims for patent infringement are separate and distinct from Wirtgen America's claims and should be severed to avoid complicating this case, disrupting the previously agreed case management schedule, confusing and burdening the jury, and prejudicing Wirtgen America; and

2. Caterpillar's permissive patent infringement counterclaims should have been brought in Tennessee because Wirtgen America is a Tennessee corporation and has its only regular and established place of business in Tennessee, it would be more convenient to the respective courts, and the claims are more properly heard in Tennessee.

IV. CATERPILLAR'S INFRINGEMENT COUNTERCLAIMS SHOULD BE SEVERED FROM THIS ACTION

A. Facts Relevant to Severance

This case was already complex before Caterpillar filed its permissive patent infringement counterclaims. Wirtgen America's Amended Complaint asserts infringement of thirteen patents belonging to seven patent families, and each patent family is directed to distinct milling machine technologies. (D.I. 33, at PageID #: 2369-70 (¶14)). Wirtgen America accuses at least eight Caterpillar products of infringement, five large milling machines and three compact milling

machines. (D.I. 33, at PageID #: 2369 (¶¶ 12-13)).

Caterpillar's three asserted patents issued years ago. U.S. Patent No. 7,523,995 ("the '995 patent") issued on April 28, 2009, U.S. Patent Nos. 9,371,618 ("the '618 patent") issued on June 21, 2016, and 9,975,538 ("the '538 patent") issued on May 22, 2018. The Wirtgen America products have been sold in the United States since as early as 2016. *See* Declaration of Jeff Wiley, attached as "Exhibit A" (hereinafter, the "Wiley Decl."), at ¶¶15-16. Yet, Caterpillar never once identified these patents to Wirtgen America. And while Wirtgen America's claims were stayed pending the completion of the 1067 Investigation, nothing prevented Caterpillar from bringing its claims to Wirtgen America's attention or filing a lawsuit asserting them. Caterpillar never provided notice of any potential patent infringement counterclaims prior to their filing on October 14, 2021. (*See* D.I. 43). Nor did it ever suggest that the scheduling order need accommodate a separate set of deadlines for Caterpillar's undisclosed counterclaims. (*See* D.I. 28).

Caterpillar's counterclaims assert infringement of three patents each belonging to its own patent family. (D.I. 43, at PageID #: 9400-08 (¶¶7-35)). Each patent claims different purported inventions, none of which relate to the inventions claimed in Wirtgen America's asserted patents or the accused functionalities. The '995 patent is directed to a swing leg, i.e., a lifting column that can be moved between a projecting and retracted position relative to the machine frame. (D.I. 43, at PageID #: 9401-02 (¶¶8-10); D.I. 43-1, at PageID #: 9413-9426). The '538 patent is directed to using a variable transmission to achieve a desired rotor speed and associated efficiencies, e.g., fuel consumption, during a milling operation. (D.I. 43, at PageID #: 9404-05 (¶¶18-20); D.I. 43-1, at PageID #: 9443-9451). The '618 patent is directed to a milling machine water spray system that maintains a desired pressure. (D.I. 43, at PageID #: 9406-07 (¶¶28-29); D.I. 43-1, at PageID #: 9458-9472). Caterpillar's identification of accused products identifies nine Wirtgen America

products, including three slip-form pavers, three large milling machines, and three compact milling machines. *See* Caterpillar’s Identification of Asserted Patents and Accused Products, attached as “Exhibit B,” at 2.

B. Motion to Sever Legal Standard

Federal Rule of Civil Procedure 21 authorizes a court to “sever any claim against a party.” A motion for severance “is addressed to the sound discretion of the trial court.” *Walsh v. Miehle-Goss-Dexter, Inc.*, 378 F.2d 409, 412 (3d Cir. 1967). Severance is appropriate where original claims are “capable of resolution despite the outcome of the [counterclaims].” *Karlo v. Pittsburgh Glass Works, LLC*, No. 2:10-CV-1283, 2015 WL 6134052, at *3 (W.D. Pa. Oct. 16, 2015) (internal quotation omitted).

In deciding whether to sever a claim, courts consider the “convenience of the parties, avoiding prejudice, and promoting expedition and economy.” *BancMortgage Fin. Corp. v. Guarantee Title & Trust Co.*, No. 99-cv-2932, 2000 WL 1521600, at *2 (E.D. Pa. Oct. 6, 2000) (internal quotation and citation omitted) (identifying the following: whether the issues sought to be severed differ significantly from those that are to remain; whether the severable issues require different witness testimony and documentary proof than the remaining claims; and whether the grant or denial of severance will prejudice either party). The primary concern is whether severance is more likely to result in a “just final disposition of the litigation” as compared to keeping the claims in the same case. *In re Innotron Diagnostics*, 800 F.2d 1077, 1084 (Fed. Cir. 1986).

Caterpillar’s counterclaims for patent infringement are separate and distinct from Wirtgen America’s claims and should be severed to avoid complicating this case, disrupting the

previously agreed case management schedule, confusing and burdening the jury, and prejudicing Wirtgen America.

C. Caterpillar's Infringement Counterclaims Are Separate and Distinct from Wirtgen America's Infringement Claims

There can be no genuine dispute that Caterpillar's patent infringement counterclaims are permissive and not compulsory; they involve unrelated patents and different aspects of milling machines than those at issue in Wirtgen America's claims for patent infringement. *See Metallgesellschaft AG v. Foster Wheeler Energy Corp.*, 143 F.R.D. 553, 558 (D. Del. 1992) (noting that independent claims are those that "would not be barred by the doctrine of *res judicata* in a subsequent suit"). Each patent "gives rise to an independent and distinct legal claim or cause of action." *Senju Pharm. Co. v. Apotex Inc.*, 891 F. Supp. 2d 656, 660 (D. Del. 2012), *aff'd*, 746 F.3d 1344 (Fed. Cir. 2014). Disputes over such different inventions, even if they pertain to similar machines, should be adjudicated independently.

The only connection between the inventions claimed in each party's asserted patents is that they pertain to road construction machines. Caterpillar's asserted patents are directed to a swing leg, using a variable transmission to achieve a desired rotor speed, and a water spray system that maintains a desired pressure. (Sec. IV.A., Facts Relevant to Severance, *supra* at 4). Wirtgen America's patents are directed to a four-way full floating suspension, safely driving backwards with the rotor engaged, sensing lifting column extension and executing functions based on the sensed signals, switching between sensors for grade and slope control without interrupting the milling operation, mounting configurations for the drive train that reduce frame vibration, maintaining the machine parallel to surface when milling, and sensor configurations for milling. (D.I. 33, at PageID #: 2370-76 (¶¶16-35)). No aspects of these inventions overlap.

Whether Caterpillar infringes any asserted Wirtgen America patent will have no bearing

on the determination of whether Wirtgen America infringes any asserted Caterpillar patent, and vice versa. Wirtgen America's infringement claims and Caterpillar's infringement counterclaims are "capable of resolution" independently of one another. *Karlo*, 2015 WL 6134052, at *4. Therefore, Caterpillar's counterclaims should be severed from this action.

D. Severance Is Necessary to Avoid Unduly Complicating This Already Complex Case

This Court has frequently found it preferable to litigate patent infringement counterclaims in a separate action to avoid complicating the case or confusing the jury, even where there was some overlap with the technology. *Sonos Inc. v. D&M Holdings, Inc.*, No. 14-cv-1330, D.I. 100, Mar. 7, 2016 Order, ¶ 4 (D. Del.) (Andrews, J.) (severing defendants' counterclaims for patent infringement for a separate trial "consistent with the Court's practice"), attached as "Exhibit C"; *Comcast IP Holdings I, LLC v. Sprint Commc'ns Co. L.P.*, No. 12-cv-205, D.I. 33, July 19, 2012, Hr'g Tr. at 5:5-9, 6:11-13 (D. Del.) (Andrews, J.) (treating plaintiff's patent infringement claims and defendant's patent infringement counterclaims "as two separate cases, because I'm quickly becoming convinced that you can't at the end of the day have a trial with one side saying here are my six patents and here's the other side saying here are my six patents...I have a relatively strong feeling that the confusion outweighs the efficiencies, just as a generic matter, and so in this case, too."), attached as "Exhibit D"; *see also LG Elecs., Inc. v. Toshiba Samsung Storage Tech. Korea Corp.*, No. 12-cv-1063, D.I. 91, July 22, 2015 Hr'g Tr. at 22:3-8 (D. Del.) (Stark, C.J.) (granting request for severance because "it is just too easy to see how at every step of this case things will be more complicated and therefore probably proceed more slowly if I have what are effectively two cases, eight patents, four on each side, combined into one case," rather than two separate cases), attached as "Exhibit E"; *Metallgesellschaft*, 143 F.R.D. at 558-59 (Robinson, J.) (declining to allow patent infringement counterclaims in one action with

plaintiff's patent infringement claims because doing so "would unduly complicate the intrinsically complex factual and legal issues at bar" and "judicial economies can be accomplished without litigating all of the disputes between these parties in one action" despite "some overlapping evidence").

Numerous courts in other districts have taken the same approach in similar situations. *See CVI/Beta Ventures, Inc. v. Custom Optical Frames, Inc.*, 896 F. Supp. 505, 506-07 (D. Md. 1995) (severing patent counterclaims from the original patent claims despite the fact that "related processes and certain common witnesses would be involved" because any "commonality as may exist among the patents is far outweighed by the potential for jury confusion"); *General Tire & Rubber Co. v. Jefferson Chem. Co.*, 50 F.R.D. 112, 114 (S.D.N.Y. 1970) (severing counterclaim for patent infringement because it was "separate and distinct" from the original patent infringement claim despite a common field of concern as "the inventions, the dates of invention, the inventors, places of invention and the ownership are all different"); *Kraft Foods Holdings, Inc. v. Proctor & Gamble Co.*, No. 07-cv-613, 2008 WL 4559703, at *2-3 (W.D. Wis. Jan. 24, 2008) (severing patent infringement counterclaim, which was "discrete and separate" from original patent infringement claim despite both patents being directed to the same technology, finding the claims to be independent from one another such that both parties could be found to infringe each other's respective patents).

Caterpillar's addition of three unrelated patents, multiple patent claims,⁴ and different accused products⁵ necessitates different applications of those claims to different machines than

⁴ The '995 patent alone has sixty-three (63) claims.

⁵ Caterpillar has accused both Wirtgen America milling machines and slip-form pavers, two completely different types of machines. (*Compare* D.I. 43-1 at PageID #: 9429 *with* D.I. 43-1 at PageID #: 9454).

implicated by Wirtgen America's claims. Caterpillar is accusing at least one slip-form paver machines series, large milling machines, and compact milling machines. And, Wirtgen America will likely be asserting invalidity of Caterpillar's patents on several grounds, potentially both in this Court and at the PTAB. Wirtgen America is accusing at least two different builds of large milling machines, as well as compact milling machines. (*See, e.g.*, D.I. 33, at PageID #: 2483-90 (¶¶325-64) (asserting infringement of the '972 patent by Caterpillar large milling machines that differ depending on whether they were manufactured before and after October 2020), PageID #: 2404-25 (¶¶136-78) (asserting infringement of the '641 patent by both Caterpillar large milling machines and compact milling machines)). And, Caterpillar's answer asserts invalidity of Wirtgen America's patent claims on several grounds, including 35 U.S.C. §§ 101, 35 U.S.C. §§ 102, 35 U.S.C. §§ 103, and 35 U.S.C. §§ 112. (D.I. 43, at PageID #: 9398-99). Caterpillar has also counterclaimed that Wirtgen America's assertion of six patents is barred by prosecution laches. (D.I. 43, at PageID #: 9409 (¶¶36-41)). None of the issues implicated by Wirtgen America's claims overlap with the issues implicated by Caterpillar's counterclaims.

Allowing Caterpillar's patent infringement counterclaims to remain part of this action would further complicate this already complex case. Resolution of Caterpillar's infringement counterclaims will require different evidence, including entirely different infringement and non-infringement analyses, different validity and invalidity arguments including prior art inapplicable to Wirtgen America's patents, different fact witnesses with little or no relevance to Wirtgen America's claims (*e.g.*, the six inventors of the Caterpillar patents, and numerous Wirtgen America personnel to discuss its accused products, including their functionality, marketing, and sales), different damages analyses, and likely different expert witnesses. It is "easy to see how at every step of this case things will be more complicated and therefore proceed more slowly," if

Caterpillar's infringement counterclaims are not severed and this action consists "effectively of two cases, [sixteen] patents, [several] on each side, combined into one case." (*See* Exhibit E, at 22:3-8).

The risks of jury confusion and over-complication outweigh any efficiencies that might be gained by keeping the claims in a single action. Resolution of the factual question of Caterpillar's infringement would not affect the question of whether Wirtgen America infringes Caterpillar's patents. But the jury would undoubtedly have a difficult time keeping track of which component of whose accused machine component is accused of performing which claimed functionality of which claimed patent, and what functionality that component actually performs. *See Eurand Inc. v. Mylan Pharm. Inc.*, No. 08-cv-889-SLR, 2009 WL 3172197, at *1 n.4 (D. Del. Oct. 1, 2009) ("[The] complicated legal concepts and technologies at issue in patent infringement and validity disputes provide an ample source of confusion for juries."). Likewise, the jury would likely have difficulty keeping track of which prior art predates whose patents and discloses which limitations, especially where at least some of Wirtgen America's own patents are likely to constitute prior art to Caterpillar's patents. *Id.* In contrast, inefficiencies that Caterpillar might assert stem from severance can be resolved by agreement. For example, Wirtgen America would agree to allow certain documents produced in this case also be used in the severed case. And, given the length of the discovery period, it would be easy to coordinate depositions of the few witnesses that may overlap in both cases. *Metallgesellschaft*, 143 F.R.D. at 558-59 (declining to allow patent infringement counterclaims on unrelated patents where "judicial economies can be accomplished without litigating all of the disputes between these parties in one action" despite "some overlapping evidence").

Severing Caterpillar's infringement counterclaims is the approach "most likely to result in a just final disposition of the litigation." *In re Innotron Diagnostics*, 800 F.2d at 1084.

E. Wirtgen America Will Be Prejudiced If Caterpillar's Counterclaims Are Not Severed.

Severance is necessary to prevent prejudice against Wirtgen America in the form of further delay in resolution of its claims. This matter has been pending since June 2017. (*See* D.I. 1). Wirtgen America was successful before the ITC, the PTAB, and the Federal Circuit, proving infringement of valid claims of three patents at issue in this matter. (*See* D.I. 33, at PageID #: 2381-85) (¶¶53-76)). Now that the statutory stay has been lifted, Wirtgen America is entitled to prompt resolution of its claims.

This case's progress under the agreed scheduling order, which contemplates only Wirtgen America's claims, makes it unreasonable to proceed with Caterpillar's counterclaims on the same schedule. Absent severance, Wirtgen America and this Court are left with limited scheduling options, all prejudicial to Wirtgen America. Wirtgen America's case has been developed for more than four years, numerous factual findings have occurred, a substantial amount of discovery has been had in the 1067 Investigation and the IPRs, numerous binding and non-binding legal determinations have been made, witnesses have been established and deposed, and countless briefs have been filed. In contrast, Caterpillar's affirmative case is years behind the current schedule. Thus, one alternative is to push back numerous deadlines to accommodate Caterpillar's counterclaims so that Wirtgen America has sufficient time to defend against those counterclaims.⁶ But doing so would further delay resolution of Wirtgen America's own claims,

⁶ Patent disclosure deadlines are rapidly approaching, with initial infringement and invalidity contentions due in December. *See* D.I. 28. Having previously negotiated those deadlines, Caterpillar has already sought Wirtgen America's agreement to push them back.

while allowing Caterpillar an extraordinary amount of time to defend against them. Another alternative would be to compress the schedule for Caterpillar's counterclaims to limit the delay in Wirtgen America's affirmative case. But this would substantially reduce the time to which Wirtgen America would ordinarily be entitled to defend itself against Caterpillar's counterclaims, reduce Wirtgen America's time and resources to prosecute its affirmative case, and diminish the effectiveness of any potential IPR proceedings as a more cost-effective way of proving the invalidity of Caterpillar's patents. Either option is detrimental to Wirtgen America.

Caterpillar, however, would not be prejudiced from severance of its counterclaims. Caterpillar elected to wait years before asserting its patents against Wirtgen America, even though it could have brought its patent infringement claims in a separate action at any time. And nothing in Caterpillar's pleading suggests there is any urgency that requires its infringement counterclaims to be decided on the same schedule as Wirtgen America's claims.

Allowing Caterpillar's infringement counterclaims to proceed in the same case as Wirtgen America's infringement claims will also present practical difficulties for both the parties and the Court. For example, if Caterpillar's counterclaims were to remain in this case, claim construction briefing would have to accommodate a universe of sixteen patents (including their respective specifications and prosecution histories) and, currently, 149 claims. However, Caterpillar will likely assert many more claims than the three identified in its claim charts. (*See* D.I. 43-1, at PageID #: 9428-9441, 9453-56, 9474-78). And an attempt to carry out trial in the five-day period contemplated by the scheduling order, even if possible, would prejudice both parties as to the issues for which they carry the burden.

The Court should grant Wirtgen America's motion to sever so that both parties will have the freedom to prosecute and defend its respective case within the full parameters ordinarily

permitted by this Court.

V. SECOND ARGUMENT: IF SEVERED, CATERPILLAR'S INFRINGEMENT COUNTERCLAIMS SHOULD BE TRANSFERRED TO TENNESSEE

A. Facts Relevant to Transfer

a. Wirtgen America is a Tennessee corporation headquartered in Tennessee

Wirtgen America is a Tennessee corporation. Its principal place of business and corporate headquarters are in Antioch, Tennessee, a suburb of Nashville. All Wirtgen America's executive officers are based in Tennessee. 195 of 268 employees work in Antioch, Tennessee. *See* Wiley Decl., at ¶7. All of Wirtgen America's documents, accused products, and witnesses are in Tennessee. The accused products are extremely large construction machines that range in weight from 37,500 to 224,872 pounds. *See* Wiley Decl., at ¶¶15-16. Wirtgen America has no facilities, accused products, or employees in Delaware. *See* Wiley Decl., at ¶¶4-6, 8-14.

b. Delaware has no meaningful connection to Wirtgen America's alleged infringement

Delaware has no meaningful connection to Wirtgen America's alleged infringement. No one at Wirtgen America with any reasonable connection to the facts or allegations of Caterpillar's Counterclaims is based in Delaware. Wirtgen America has no employees in Delaware at all. *See* Wiley Decl., at ¶14. Wirtgen America does not reside in Delaware because it is not incorporated in Delaware. And, Wirtgen America cannot have a regular and established place of business in Delaware because it does not have any place of business in Delaware. *See* Wiley Decl., at ¶¶4, 6, 8-14.

c. Delaware's docket is more congested than Tennessee's docket

Publicly available data shows that Delaware has a greater backlog of cases and motions pending than in Tennessee. The last available report required by the Civil Justice Report Act of

1990 (“CJRA”),⁷ dated March 2021, shows that, in Tennessee, there were forty-nine (49) civil cases pending more than three years and thirty-five (35) motions pending more than six months distributed across four district judges and four visiting judges, with two additional vacancies not yet assigned. *See* CJRA Report, attached as “Exhibit F,” at 64. In Delaware, there were 167 civil cases pending more than three years and seventeen (17) motions pending more than six months distributed across four district judges and nine visiting judges. Exhibit F, at 19. In sum, in Tennessee each district judge had an average of around twelve (12) civil cases, while in Delaware each district judge had an average of around forty-two (42) civil cases. This Court had 48 cases pending more than three years, just one fewer than all Tennessee judges. Exhibit F, at 19, 64. Furthermore, the Judicial Conference of the United States’⁸ latest recommendations for new district court judgeships recommend two new permanent judgeships for Delaware but no new judgeships for Tennessee. *See* Recommendation for New U.S. Circuit and District Court Judgeships by the Judicial Conference of the United States (117th Congress), attached as “Exhibit G,” at 3.

⁷ The CJRA provides that the Director of the Administrative Office of the United States Courts (“AO”) must prepare a semi-annual report showing the following: (1) the number of motions that have been pending for more than six months and the name of each case in which such motion has been pending; (2) the number of bench trials that have been submitted for more than six months and the name of each case in which such trials are under submission; and (3) the number and names of cases that have not been terminated within three years after filing. *See* 28 U.S.C. § 476. The AO publishes this semi-annual report twice a year, occurring in March and September of each year. The reports are publicly available at <https://www.uscourts.gov/statistics-reports/analysis-reports/civil-justice-reform-act-report>.

⁸ The Judicial Conference of the United States (“Conference”) is a national policy-making body for the federal courts, which also supervises the Director of the AO in its duties under 28 U.S.C. § 604. The Conference is charged with a number of obligations, including “submit[ting] suggestions and recommendations to the various courts to promote uniformity of management procedures and the expeditious conduct of court business.” *See* 28 U.S.C. § 331.

B. Motion to Transfer Legal Standard

The Court may transfer a civil action “[f]or the convenience of parties and witnesses, [or] in the interest of justice...to any other district or division where it might have been brought....” 28 U.S.C. § 1404(a). Thus, if the Court severs a defendant’s counterclaims, it may transfer those counterclaims to another judicial district. The purpose of transfer is “to protect litigants, witnesses, and the public” from a “waste of time, energy, and money[.]” *Virgin Wireless, Inc. v. Virgin Enters. Ltd.*, 201 F. Supp. 2d 294, 299 (D. Del. 2002) (citing *Van Dusen v. Barrack*, 376 U.S. 612, 616 (1964)). The factors for the Court’s consideration include: the plaintiff’s choice of forum; the defendant’s choice of forum; the convenience of the witnesses; the location of books and records; practical considerations that could make the trial easy, expeditious, or inexpensive; and the relative administrative difficulty in the two for a resulting from court congestion. *See Jumara v. State Farm Ins. Co.*, 55 F.3d 873, 879 (3d Cir. 1995).

C. Caterpillar’s Patent Infringement Claims Could Have Been Brought in the Middle District of Tennessee

Caterpillar’s permissive patent infringement counterclaims should have been brought in Tennessee. *See* 28 U.S.C. § 1400(b). Wirtgen America is a Tennessee corporation and has its only regular and established place of business in Antioch, Tennessee. Thus, Wirtgen America is subject to personal jurisdiction in Tennessee, and venue is proper there.

D. The Convenience of the Witnesses Favors Transfer

At this juncture, it is hard to tell who the witnesses might be for Caterpillar’s claims. The bulk of the non-expert witnesses will likely be present or former employees of Wirtgen America. *See In re Genentech, Inc.*, 566 F.3d 1338, 1345 (Fed. Cir. 2009) (“In patent infringement cases, the bulk of the relevant evidence usually comes from the accused infringer.”) (internal quotations and citations omitted). Employees are, and ex-employees most likely would be, located in

Tennessee. No witnesses from Delaware (or the surrounding states) have been identified, and it is unlikely that any such witnesses exist. *See Teleconference Sys. v. Proctor & Gamble Pharm., Inc.*, 676 F. Supp. 2d 321, 332 (D. Del. 2009) (“The fact that plaintiff has not identified a single material witness who resides in Delaware rather than [the location to which transfer is sought] is telling and weighs in favor of transfer.”). Ex-employees (and, with the passage of time from now until trial, it is possible, if not probable, that some employees will become ex-employees) would not be subject to this Court’s subpoena power but would stand a better chance of continuing to be subject to the subpoena power in Tennessee. Thus, the “convenience of the witnesses” favors transfer.

E. The Location of the Evidence Favors Transfer

Evidence regarding the alleged infringement is in Tennessee but not in Delaware. *See In re Genentech, Inc.*, 566 F.3d at 1345 (“In patent infringement cases, the bulk of the relevant evidence usually comes from the accused infringer. Consequently, the place where the defendant’s documents are kept weighs in favor of a transfer to that location.” (internal quotations and citations omitted)). Wirtgen America’s documents regarding the Wirtgen America accused products are principally at Wirtgen America’s headquarters in Tennessee. Wirtgen America does not maintain any technical or business information about the accused products in Delaware. Moreover, Wirtgen America stores its products that it owns at its headquarters in Tennessee. *See Wiley Decl.*, at ¶¶17-18.

F. The Relative Administrative Difficulty in Delaware Compared to Tennessee Favors Transfer

There is greater court congestion in Delaware than in Tennessee and an identified need for more permanent judges in Delaware based on weighted filings per authorized judgeship. (Sec. V.A., Facts Relevant to Transfer, *supra* at 13). This factor favors transfer.

G. Practical Considerations That Could Make the Trial Easy, Expeditious, or Inexpensive Favor Transfer

Practical considerations weigh in favor of Wirtgen America. It would be less expensive for Wirtgen America to litigate where its operations are. It would also interfere less with the Wirtgen America's business operations if there were no travel to Delaware involved. Wirtgen America also expects that trial will include a jury inspection of the accused products, which, absent transfer, would likely require Wirtgen America to ship massive machines from its headquarters in Tennessee to Delaware.

* * * * *

The factors detailed above outweigh Caterpillar's choice of forum. Caterpillar's preference carries reduced weight because Caterpillar does not have its principal place of business in Delaware and, consequently, is not on its home turf. *See Signal Tech, LLC v. Analog Devices, Inc.*, No. CIV.A. 11-1073-RGA, 2012 WL 1134723, at *2 (D. Del. Apr. 3, 2012) (citing *Shutte v. Armco Steel Corp.*, 431 F.2d 22, 25 (3d Cir. 1970); *Pennwalt Corp. v. Purex Indus., Inc.*, 659 F. Supp. 287, 289 (D. Del. 1986)). And, as described with respect to Wirtgen America's motion to sever, no efficiencies would be gained by having one judge hear both Wirtgen America's claims and Caterpillar's counterclaims. The factual circumstances here favor transfer.

VI. CONCLUSION

For the foregoing reasons, Wirtgen America respectfully requests that the Court grant this motion and sever Counts I-III of Caterpillar's counterclaims from this action and transfer those counterclaims to the Middle District of Tennessee.

Dated: November 4, 2021

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