Tennessee. The grounds in support of AutoZone's Motion are set forth in detail in the attached 1 Memorandum of Law. 1 2 DATED this day of April, 2004. 3 4 SCHRECK BRIGNONE 5 6 By: J. Pisanelli 7 Nikki L. Wilmer, Esq., #6562 300 South Fourth Street, Suite 1200 8 Las Vegas, Nevada 89101 9 and Michael P. Kenny, Esq. 10 James A. Harvey, Esq. David J. Stewart, Esq. 11 Christopher A. Riley, Esq. Douglas L. Bridges, Esq. 12 ALSTON & BIRD LLP 1201 West Peachtree Street 13 Atlanta, Georgia 30309-3424 Attorneys for Defendant AutoZone, Inc. 18 19 20 21 22 23 24 25 26 As the record in this matter reflects, AutoZone has filed, concurrently with this Motion, a Motion to Stay or in the Alternative, For a More Definite Statement. AutoZone respectfully requests 27 the Court to consider the present Motion initially, and then, if the Court deems it appropriate, to consider the Motion to Stay. In the event the Court grants the present Motion to Transfer Venue, the 28 Court may defer the Motion to Stay to the United States District Court for the Western District of

Tennessee.

300 South Fourth Street, Suite 1200 Las Vegas, Nevada 89101

MEMORANDUM OF LAW

Defendant AutoZone, Inc. ("AutoZone") moves the Court, pursuant to 28 U.S.C. § 1404(a), for an Order transferring venue to the United States District Court for the Western District of Tennessee.

INTRODUCTION

This case has almost no relevant connection with the District of Nevada. Although AutoZone is incorporated in Nevada, virtually all of AutoZone's relevant witnesses and documents are located in Memphis, Tennessee, where AutoZone is headquartered. Plaintiff The SCO Group, Inc. ("SCO") is headquartered in Salt Lake City, Utah, and, to AutoZone's knowledge, none of SCO's relevant witnesses or documents are located in this district. Accordingly, it will be just as easy for SCO to try this case in Memphis as in Las Vegas.

Venue is proper in the Western District of Tennessee because of AutoZone's residence in that district, and the Western District of Tennessee's caseload is lighter than the caseload of this district. This case will therefore likely get to trial more quickly in Memphis than in this district. As plaintiff, SCO certainly will have no objection to the prospect of getting to trial more quickly on its claims.

In short, trial of this case would be easier, more expeditious, and less expensive in the Western District of Tennessee, yet the interests of justice will be equally well served. AutoZone therefore respectfully requests that this Court transfer venue of this case to the Western District of Tennessee.

STATEMENT OF FACTS

On March 3, 2004, SCO, a Delaware corporation with its principal place of business in Utah County, Utah, filed and served its Complaint on AutoZone, a Nevada corporation with its principal place of business in Memphis, Tennessee. Complaint ¶¶ 2 – 3. SCO's Complaint alleges that AutoZone has infringed on unspecified copyrights SCO purports to own in the UNIX computer

operating system through AutoZone's internal distribution and copying of the Linux computer operating system. *Id.* ¶¶ 20–21.²

AutoZone is a corporation formed under the laws of the State of Nevada, but its principal place of business and headquarters are located in Memphis, Tennessee. Declaration of Jon Bascom (hereinafter "Bascom Decl.") (attached hereto as Ex. A) ¶ 2. The AutoZone computers that use the Linux operating system are configured and managed by AutoZone's information technology staff located in Memphis, Tennessee. *Id.* ¶ 3. In addition, the computers running Linux that help manage and operate the AutoZone computer network throughout the country are located in Memphis, Tennessee. *Id.*

The witnesses with relevant knowledge of AutoZone's installation and use of Linux, including all of AutoZone's information technology staff, are located in Memphis. $Id. \P 4$. AutoZone is unaware at this time of any witnesses with knowledge of the operative facts that are located in Nevada. Id.

Virtually all documents in AutoZone's possession that relate to AutoZone's adoption and use of Linux are located in Memphis. Id. ¶ 5. Few – if any – are located in Nevada. Id.

SCO maintains offices in the United States in Utah, California, and New Jersey, but not Nevada. SCO Corporate Contact Information, at http://www.thescogroup.com/worldwide/us.html. Therefore, SCO likely has no relevant employees or documents located in this district.

ARGUMENT AND CITATION OF AUTHORITY

A. This Court Should Transfer this Action to the United States District Court for the Western District of Tennessee Pursuant to 28 U.S.C. § 1404(a).

Pursuant to 28 U.S.C. § 1404(a), this Court has authority to transfer any civil action "[f]or the convenience of parties and witnesses, in the interest of justice . . . to any other district or division where it might have been brought." 28 U.S.C. § 1404(a); see also Miracle Blade, LLC v.

Additional detail regarding the UNIX and Linux operating systems, SCO's claimed copyrights in UNIX, and AutoZone's use of Linux are set forth in AutoZone's Memorandum of Law in Support of Its Motion to Stay or, in the Alternative, for a More Definite Statement, filed concurrently herewith.

Ebrands Commerce Group, LLC, 207 F. Supp. 2d 1136, 1155 (D. Nev. 2002). By enacting this statute, Congress "intended to place discretion in the district court to adjudicate motions for transfer according to an 'individualized, case-by-case consideration of convenience and fairness." Stewart Org., Inc. v. Ricoh Corp., 487 U.S. 22, 29 (1988). Transfer of venue is appropriate if venue is proper in the transferee district and transfer will serve the convenience of parties and witnesses and the interests of justice. In this case, these requirements are fully satisfied and transfer of this action to the United States District Court for the Western District of Tennessee is warranted.

1. Venue is Proper in the Western District of Tennessee.

SCO could have filed this case in the Western District of Tennessee because venue is proper there pursuant to 28 U.S.C. § 1391(a) and 28 U.S.C. § 1400(a). Under both 28 U.S.C. § 1391(a), the general venue statute, and 28 U.S.C. § 1400(a), the copyright venue statute, venue is proper in a judicial district where the defendant resides. *See* 28 U.S.C. § 1391(a) ("A civil action wherein jurisdiction is founded only on diversity of citizenship may . . . be brought only in (1) a judicial district where any defendant resides, if all defendants reside in the same State"); 28 U.S.C. § 1400(a) ("Civil actions . . . arising under any Act of Congress relating to copyrights . . . may be instituted in the district in which the defendant or his agent resides or may be found.").

AutoZone resides in the Western District of Tennessee for purposes of venue because it is subject to personal jurisdiction in that district. 28 U.S.C. § 1391(c) ("For purposes of venue under this chapter, a defendant that is a corporation shall be deemed to reside in any judicial district in which it is subject to personal jurisdiction at the time the action is commenced."). Venue is therefore proper in the Western District of Tennessee, meaning that this suit may be properly transferred there.

2. Transfer of Venue to the Western District of Tennessee Will Serve the Convenience of the Parties and Witnesses and the Interests of Justice.

The following factors should be considered in evaluating a transfer motion: (1) the convenience of the parties, (2) the convenience of the witnesses, and (3) the interests of justice.

Miracle Blade, 207 F. Supp. 2d at 1155-56 (citing Los Angeles Mem'l Coliseum Comm'n v. Nat'l

Football League, 89 F.R.D. 497, 499 (C.D. Cal. 1981)). These criteria involve the following straightforward relevant considerations: "convenience of the witnesses, convenience of the parties, relative ease of access to proof, judicial economy, and availability of compulsory process." *Miracle Blade*, 207 F. Supp. 2d at 1156. Based on these criteria, this case should be transferred to the Western District of Tennessee.

a. Convenience of the Witnesses and Parties.

The convenience of the witnesses and parties weighs heavily in favor of transfer. As set forth above, virtually all of the individuals with relevant knowledge of AutoZone's adoption and use of Linux, including all of AutoZone's information technology staff, are located in Memphis, Tennessee. Bascom Decl. ¶ 4. As such, it would be burdensome for these witnesses to travel to Nevada for trial of this case. *Id.* There are likely no AutoZone witnesses with relevant knowledge located in Nevada. *Id.* Moreover, there are likely no SCO witnesses with relevant knowledge located in Nevada because SCO's United States offices are located in Utah, California, and New Jersey. This factor therefore weighs heavily in favor of transfer.

b. Access to Proof.

The access to proof factor also weighs heavily in favor of transfer. Almost all of the relevant documents related to AutoZone's adoption and use of Linux are located in Memphis. *Id.* ¶ 5. By contrast, there are likely few, if any, relevant AutoZone documents located in Nevada. *Id.* Based upon the facts as AutoZone knows them, it is highly unlikely that any relevant SCO documents are located in Nevada because SCO has no offices in the state. This factor therefore favors transfer.

c. Judicial Economy and Interests of Justice.

"In its determination of whether to transfer a case pursuant to 28 U.S.C. § 1404(a), a district court may consider which forum will provide a 'speedier trial.'" *Miracle Blade*, 207 F. Supp. 2d at 1157. This Court recognized in *Miracle Blade* that the location of documents in the proposed transferee district "would make trial of this case easier, more expeditious, and less expensive." *Id.* Transfer to Memphis would thus make trial of this case easier, more expeditious, and less expensive.

The Western District of Tennessee also had approximately 20% fewer pending cases per judge than the District of Nevada for the twelve month period ending September 30, 2003 (361 cases per judge versus 439 cases per judge). U.S. District Court – Judicial Caseload Profile at http://www.uscourts.gov/cgi-bin/cmsd2003.pl (attached hereto as Ex. B). Cases also proceeded to trial in the Western District of Tennessee approximately 45% faster than cases pending in the District of Nevada during this same time period (18 months from filing versus 32 months). *Id.*Accordingly, the interests of justice would be served by the transfer of this case to the Western District of Tennessee because that forum could provide the parties with a "speedier trial."

Finally, Tennessee has at least as strong, if not stronger, interest than Nevada in "protecting the interests of persons and businesses that reside and conduct business" in Tennessee, such as AutoZone. *Miracle Blade*, 207 F. Supp. 2d at 1157. Nevada's only connection to this case is based on AutoZone's incorporation in Nevada. Therefore, the interests of the relevant forums strongly favor transfer to the Western District of Tennessee.

B. The Substantial Contacts with the Western District of Tennessee and the Lack of Relationship with the District of Nevada Weigh in Favor of Transfer of this Action Despite Plaintiff's Choice of Forum.

A district court should "balance the preference accorded plaintiff's choice of forum with the burden of litigating in an inconvenient forum." *Decker Coal Co. v. Commonwealth Edison Co.*, 805 F.2d 834, 843 (9th Cir. 1986). However, a plaintiff's choice of forum is less significant if the plaintiff does not reside in the chosen forum.

A plaintiff's choice of forum is normally only given substantial deference if the plaintiff is a resident of the district in which the action is brought. Otherwise, this bears little significance on determining whether to grant a discretionary transfer.

Miracle Blade, 207 F. Supp. 2d at 1155.

Similarly, a plaintiff's choice of forum is less significant when the factual allegations in dispute have no relationship to the forum.

In judging the weight to be accorded [plaintiff's] choice of forum, consideration must be given to the extent of both [plaintiff's] and [defendant's] contacts with the forum, including those relating to [plaintiff's] cause of action. If the operative facts have not occurred

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within the forum and the forum has no interest in the parties or subject matter, [plaintiff's] choice is entitled to only minimal consideration.

Lou v. Belzberg, 834 F.2d 730, 739 (9th Cir. 1987) (internal citations omitted); see also Paul v.

Lands' End, Inc., 742 F. Supp. 512, 514-15 (N.D. Ill. 1990) ("The plaintiff's choice of forum is given less deference when, as in this case, there is relatively little connection between the forum and the plaintiff's cause of action.").

In the present case, SCO's choice of forum should be afforded "little significance" and given only "minimal consideration" because SCO does not reside in Nevada and this case has only nominal relationship to Nevada. Miracle Blade, 207 F. Supp. 2d at 1155; Lou, 834 F.2d at 739. The Court should therefore give little deference to SCO's choice of forum in this case.

CONCLUSION

All of the relevant factors strongly favor transfer of this case to the Western District of Tennessee. AutoZone therefore respectfully requests that this Motion be granted.

This 23rd day of April, 2004.

SCHRECK BRIGNONE

By:

Nikki L. Wilmer/Esq., #6562

300 South Fourth Street, Suite 1200

Las Vegas, Nevada 89101

and

Michael P. Kenny, Esq. James A. Harvey, Esq. David J. Stewart, Esq. Christopher A. Riley, Esq. Douglas L. Bridges, Esq. ALSTON & BIRD LLP 1201 West Peachtree Street Atlanta, Georgia 30309-3424

Attorneys for Defendant AutoZone, Inc.

addressed as follows:

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the within and foregoing **DEFENDANT AUTOZONE**, **INC.'S MOTION TO TRANSFER VENUE** upon all counsel of record by depositing copies of the same in the United States mail with adequate postage affixed thereon, or hand-delivered, addressed as follows:

Stanley W. Parry, Esq.
Glenn M. Machado, Esq.
CURRAN & PARRY
300 South Fourth Street, Suite 1201
Las Vegas, Nevada 89101
(Hand-delivered)

Stephen N. Zack, Esq.
Mark J. Heise, Esq.
BOIES, SCHILLER & FLEXNER, LLP
Bank of America Tower
1000 South East 2nd Street, Suite 2800
Miami, Florida 33131
(Via United States Mail)

This 23rd day of April, 2004.

An employee of SCHRECK BRIGNONE

A

UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

THE SCO GROUP, INC.)
a Delaware Corporation)
Plaintiff,) Civil Action File No.) CV-S-04-0237-RCJ-LRL
v.)
AUTOZONE, INC.)
a Nevada Corporation)
Defendant.)

DECLARATION OF JON A. BASCOM

Pursuant to 28 U.S.C. § 1746, Jon A. Bascom makes the following declaration under penalty of perjury.

1.

I am more than 18 years of age and I am competent to make this Declaration based on my personal knowledge. I am Vice President, Information Technology, of AutoZone, Inc. ("AutoZone").

2.

AutoZone is a corporation formed under the laws of the State of Nevada.

AutoZone's principal place of business and headquarters are located in Memphis,

Tennessee within the Western District of Tennessee.

3.

AutoZone has computers that use the Linux operating system installed in stores across the United States. The AutoZone computers that use the Linux operating system are configured and managed by AutoZone's information technology staff located in Memphis, Tennessee. In addition, the computers that use the Linux operating system and

that help manage and operate the AutoZone computer network throughout the country are located in Memphis, Tennessee.

4.

The likely witnesses of AutoZone with relevant knowledge of the issues asserted in the Complaint, including the information technology staff familiar with the Linux operating system utilized by AutoZone, are primarily located in Memphis, Tennessee. It would be a significant burden for these witnesses, especially the information technology staff familiar with the Linux operating system and its use within AutoZone, to travel to Nevada. There are likely no AutoZone witnesses with relevant knowledge located in Nevada.

5.

The documents relating to the use of the Linux operating system by AutoZone are primarily located in Memphis, Tennessee where the information technology staff manages and configures the AutoZone computer network. Accordingly, the likely documents of AutoZone that relate to the issues asserted in the Complaint are primarily located in Memphis, Tennessee. Similarly, there are likely few relevant AutoZone documents located in Nevada.

5.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 21 day of April, 2004.

JON A. BASCO: AutoZone, Inc.

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В

U.S. DISTRICT COURT - JUDICIAL CASELOAD PROFILE

			12-MONTH PERIOD ENDING SEPTEMBER 30							
TENNESSEE WESTERN				2002	2001	2000	1999	1998		merical anding
OVERALL	Fil	2,003	1,978	1,826	1,943	1,887	1,913	U.S.	Circuit	
	Term	inations	1,716	1,787	1,820	1,923	1,964	1,949		
CASELOAD	Per	nding	1,803	1,521	1,324	1,301	1,262	1,403		
STATISTICS	% Change in Total		1.3					49	7	
	Filings	Over Earlier Ye			9.7	3.1	6.1	4.7	52	6
	Number of Judges	5	5	5		5	لصبيا			
	Vacant Judgeship M	onths**	5.5	10.6	12.0	7.6	.0	.0		
ACTIONS PER		Total	401	395	365	389	377	383	62	
		Civil	269	278	296	328	302	316	68	9
	FILINGS	Criminal Felony	104	100	69	61	75	67	23	2
		Supervised Release Hearings**	28	17	-	-		-	21	2
JUDGESHIP	Pendir	361	304	265	260	252	281	59	8	
	Weighte	484	501	439	431	451	431	48	4	
	Term	343	357	364	385	393	390	72	9	
<u> </u>	Trials C	24	17	18	25	27	30	24	3	
MEDIAN	From Filing to	Criminal Felony	9.1	8.4	7.9	8.3	7.2	8.7	70	7
TIMES	Disposition	Civil**	10.5	9.5	9.7	9.1	10.7	9.1	63	4
(months)	From Filing to T	From Filing to Trial** (Civil Only)				17.3	18.5	19.6	17	2
	Civil Cases Over 3 Number Years Old** Percentage		31	30	22	13	24	51		
OTHER			2.5	2.9	2.2	1.2	2.5	4.6	36	4
	Average Number of Felony Defendants Filed Per Case			1.5	1.7	1.6	1.6	1.5		
	Lunger	Avg. Present for Jury Selection	43.27	40.67	39.53	40.17	37.18	37.90		
	Jurors	Percent Not Selected or Challenged	42.3	40.5	43.8	47.8	36.8	37.9		

2003 CIVIL AND CRIMINAL FELONY FILINGS BY <u>NATURE OF SUIT AND OFFENSE</u>													
Type of	TOTAL	Α	В	C	D	Е	F	G	Н	I	J	K	L
Civil	1344	55	3	399	24	3	47	190	159	19	368	3	74
Criminal*	515	17	12	215	1	35	108	**	21	53	3	13	37

^{*} Filings in the "Overall Caseload Statistics" section include criminal transfers, while filings "By Nature of Offense" do not. ** See "Explanation of Selected Terms."

U.S. DISTRICT COURT - JUDICIAL CASELOAD PROFILE

	12-MONTH PERIOD ENDING SEPTEMBER 30											
	NEVADA					2000	1999	1998		nerical inding		
	Fil	=		=	=		3,451		Circuit			
OVERALL CASELOAD STATISTICS	Term	3,219	3,110	2,693	2,874	3,145	3,046					
	Per	3,074	3,076	2,963	2,954	2,940	2,968					
	% Change in Total	Over Last Year		1.7					48	9		
	Filings	Over Earlier Ye	ars	irs		16.7	3.5	-4.()	75	11		
	Number of Judge	7	7	7	6	4	4					
	Vacant Judgeship M	onths**	.0	6.0	21.5	15.4	.0	5.0	5.0			
		Total	473	466	404	473	800	863	47	8		
		Civil	355	343	329	392	668	732	45	6		
	FILINGS	Criminal Felony	97	101	75	81	132	131	26	9		
ACTIONS PER		Supervised Release Hearings**	21	22	-	-	-	-	39	13		
JUDGESHIP	Pendir	439	439	423	492	735	742	33	7			
<u> </u>	Weighte	517	497	422	487	863	816	36	7			
}	Term	460	444	385	479	786	762	40	8			
	Trials (17	17	17	18	28	34	55	6			
MEDIAN	From Filing to	Criminal Felony	8.0	9.3	10.0	9.9	8.2	9.1	55	8		
TIMES	Disposition	Civil**	8.1	8.6	10.6	8.1	9.2	7.5	20	5		
(months)	From Filing to T	rial** (Civil Only)	32.0	31.0	33.0	28.0	27.7	28.0	75	8		
	Civil Cases Over 3 Years Old** Number Percentage		109	112	81	87	33	54				
			4.4	4.5	3.3	3.5	1.4	2.1	59	5		
OTHER	Average Number of Felony Defendants Filed Per Case			1.2	1.3	1.3	1.5	1.4				
	Lurare	Avg. Present for Jury Selection	41.09	43.03	39.05	42.36	45.03	39.81				
	Jurors	Percent Not Selected or Challenged	29.9	36.8	40.1	38.5	32.5	36.0				

2003 CIVIL A	ND CRIMI	VAL F	EL	ONY	FILI	NGS	BY N	ATUR	E OF	SUIT	AND (OFFI	ENSE
Type of	TOTAL	Α	В	С	D	Е	F	G	Н	I	J	K	L
Civil	2488	18	6	610	63	33	122	320	213	112	504	3	484
Criminal*	676	185	7	174	8	13	71	**	10	104	14	19	71

^{*} Filings in the "Overall Caseload Statistics" section include criminal transfers, while filings "By Nature of Offense" do not.
** See "Explanation of Selected Terms."

CV-S-04-0252



CV-S-04-0252-0011





*A04/23/2004



1 LELAND E. LUTFY, ESQ. LELAND E. LUTFY, CHARTERED 2 Nevada Bar No. 1678 3 526 South Seventh Street Las Vegas, Nevada 89101 4 Telephone No.: (702) 477-0443 Facsimile No.: (702) 477-0448 5 Attorney for Plaintiff Antal Markus 6 7 UNITED STATES DISTRICT COURT 8 DISTRICT OF NEVADA 9 10 CV-S-04-0252 PMP (PAL) Case No.: ANTAL MARKUS, an individual, 477-0443 • Fax (702) 477-0448 11 Plaintiff, 12 526 SOUTH SEVENTH STREET LAS VEGAS, NEVADA 89101 13 VS. 14 NANOSIGNAL CORPORATION, INC., a Nevada publically traded corporation dba 15 MICROSIGNAL CORPORATION, INC.; GARY WAYNE WALTERS, an individual;) 16 DOES I through X, inclusive, 17 Defendants. 18 19 NOTICE OF APPEARANCE OF ATTORNEY FOR PLAINTIFF 20 Pursuant to United States District Court, District of Nevada, Local Rules of Practice, Rule 21 22 I A 10-6, LELAND E. LUTFY, ESQ., of the law offices of LELAND E. LUTFY, CHARTERED, 23 24 25 26 27 28

LELAND E. LUTEY

28

LAS VEGAS, NEVADA 89101

LELAND E. LUTEY

THE LAW OFFICES OF

hereby files a Notice with the Court that he is appearing in this case as attorney for Plaintiff, ANTAL MARKUS, for all purposes.

DATED this 23rd day of April, 2004.

LELAND E. LUTFY, CHARTERED

LELAND E. LUIFY, Nevada Bar No. 1678

> 526 South Seventh Street Las Vegas, Nevada 89101

CERTIFICATE OF MAILING

I HEREBY CERTIFY on the 23rd day of April, 2004, I served the above and foregoing NOTICE OF APPEARANCE OF ATTORNEY FOR PLAINTIFF by depositing a true and correct copy in the United States mails, postage prepaid, addressed to counsel for Defendants at their last known address as follows:

Harold P. Gewerter, Esq. Wendy E. Miller, Esq. 5440 W. Sahara Avenue, Suite 202 Las Vegas, Nevada 89146

An Employee of

LELAND E. LUTFY, CHARTERED