IN THE UNITED STATES DISTRICT COURT

FOR THE WESTERN DISTRICT OF WISCONSIN

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GARMIN LTD. and
GARMIN CORPORATION,

Plaintiffs, OPINION AND ORDER

v. 06-C-0062-C

TOMTOM, INC.,

Defendant,

TOMTOM, INC. and
BALDIVI B.V.,

Counterplaintiffs,

v.

GARMIN LTD.,
GARMIN CORPORATION, and
GARMIN INTERNATIONAL, INC.

Counterdefendants.

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In this civil action for monetary, declaratory and injunctive relief, the parties accuse

each other of infringing a number of patents pertaining to navigation systems and positioning technology. After filing multiple pleadings in two separate cases that were eventually consolidated into the present matter, the parties filed the following, which are the operative pleadings in this case: (1) First Amended Complaint (dkt. #20) filed by plaintiffs Garmin Ltd. and Garmin Corporation against defendant TomTom, Inc., alleging that TomTom is infringing patents numbered 6,901,330; 6,687,615; 6,999,873; 6,188,956; and 6,222,485 (plaintiffs' patents); and (2) Answer and Counterclaims to First Amended Complaint (dkt. #30) filed by defendant TomTom asserting five counterclaims against Garmin Ltd., Garmin Corporation and Garmin International, Inc. The first two counterclaims pertain to plaintiffs' patents. In the third, fourth and fifth counterclaims, defendant alleges that the three Garmin entities are infringing defendant's patents numbered 5,291,412; 5,922,042; and 5,550,538 (defendant's patents). In addition, counterplaintiff Baldivi B.V. has filed counterclaims (dkt. #19), joining defendant TomTom in the third, fourth and fifth counterclaims against Garmin Ltd., Garmin Corporation and Garmin International, Inc. (alleging infringement of patents numbered 5,291,412; 5,922,042; and 5,550,538). Jurisdiction is present. 28 U.S.C. § 1331.

The case is before the court on plaintiffs' motion to dismiss, or in the alternative to sever defendant TomTom's third, fourth and fifth counterclaims (for brevity, I will refer to these three counterclaims as "the counterclaims"). Garmin International, Inc. joins Garmin

Ltd. and Garmin Corporation in this motion "by special appearance." I will refer to these three entities jointly as Garmin.

Despite the parties' extensive briefing on this motion, it requires little discussion. Garmin is correct that this court has discretion to dismiss or sever permissive counterclaims when a case would become too complex or when a party would be prejudiced by the court's failure to dismiss or sever. See, e.g., Otis Clap & Son, Inc. v. Filmore Vitamin Co., 754 F.2d 738, 743 (7th Cir. 1985) (Fed. R. Civ. P. 21 "gives the court discretion to sever any claim and proceed with it separately if doing so will increase judicial economy and avoid prejudice to the litigants"); Board of Education v. Admiral Heating and Ventilation, Inc., 511 F.Supp. 343, 346 (N.D. Ill. 1981) (dismissing counterclaims that would introduce multiple "unique claims and defenses"). However, I conclude that dismissing the counterclaims is unwarranted in this case. The dismissal would be without prejudice and would have the same effect as severing the counterclaims, because presumably defendant TomTom would file a new lawsuit asserting the same claims. Going through this ritual would only waste time.

Garmin will not be unduly prejudiced if the claims and counterclaims are tried together in a single proceeding. I am not persuaded by Garmin's contention that it will not have sufficient time to prepare a defense. The parties have begun discovery on both the claims *and* the counterclaims and Magistrate Judge Crocker postponed the claims

construction hearing by more than a month, from June 16 to July 21, 2006. I will postpone the hearing by another week to give all parties adequate time to prepare (the summary judgment deadline remains September 29, 2006). Even if I did sever the counterclaims, the two proceedings would run so close together (the two trials would take place only two months apart) that it makes more sense to keep the claims and counterclaims together in a single proceeding. Even though the subject matter and consumer products pertaining to plaintiffs' claims differ from those implicated in the counterclaims, it is undisputed that there has been, and will continue to be significant overlap in the discovery process. Severing the counterclaims would result in duplicative work for the court and parties themselves. Moreover, I disagree with Garmin's assessment that this lawsuit will be unduly complex if the counterclaims are not severed and all eight patents are tried together. It is commonplace to try multiple patents together. I do not share Garmin's concern that a jury would not be able to handle the complexities of the trial. If plaintiffs had alleged that defendant TomTom was infringing not five, but eight different patents, I would not have divided plaintiffs' claims into two separate trials.

Garmin raises two other concerns in its motion. First, it argues that to properly add Garmin International, Inc. as a counterdefendant pursuant to Fed. R. Civ. P. 13(h), defendant TomTom must file a motion under Fed. R. Civ. P. 19 or 20. There is no such requirement in the federal rules and there is no recent case law reading such a requirement

into the rules. Northfield Insurance Co. v. Bender Shipbuilding & Repair Co., 122 F.R.D. 30, 32 (S.D. Ala. 1998) (interpreting 1966 amendment to Rule 13(h) as eliminating requirement to file motion to add defendant to counterclaim).

Garmin also expresses concern over the timing of defendant TomTom's actions: it acquired the three patents at issue in the counterclaims *after* plaintiff began this lawsuit and just days before filing the counterclaims. Garmin argues that this is akin to champerty and that Wisconsin public policy prohibits the buying of a lawsuit. Although defendant TomTom's actions may have thrown off Garmin's litigation strategy, defendant TomTom did not do anything illegal. As the Court of Appeals for the Seventh Circuit has stated, Hazeltine Research v. Avco Manufacturing Corp., 227 F.2d 137, 148 (7th Cir. 1955) (quoting 14 C.J.S., Champerty and Maintenance, 1, p. § 356), "'champerty consists of an agreement whereby a person without interest in another's suit undertakes to carry it on at his own expense.'" That is not what defendant TomTom did here. It acquired an interest in three new patents, which it is entitled to defend.

ORDER

IT IS ORDERED that

1. The motion filed by plaintiffs Garmin Ltd. and Garmin Corporation to dismiss, or in the alternative to sever defendant TomTom Inc.'s third, fourth and fifth counterclaims is DENIED.

2. The claims construction hearing will take place on July 28, 2006 at 9 a.m. The parties' submissions for the hearing must be filed and served no later than July 24, 2006 at noon.

Entered this 15th day of June, 2006.

BY THE COURT:

/s/

BARBARA B. CRABB
District Judge