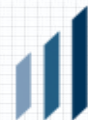


# Litigating Venue in Patent Cases

Michael Rader and Emma Frank

*June 24, 2021*

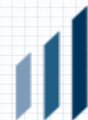
# Presenters



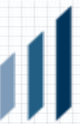
**Mike Rader**  
*Shareholder*  
**Litigation**



**Emma Frank**  
*Associate*  
**Litigation**

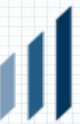


- Considerations in choosing or contesting venue in a patent case
- Overview of venue statute and impact of *TC Heartland*
- Hot issues in “proper” vs. “improper” patent venue
- Recent developments re: venue convenience statute
- The rise of the Western District of Texas
- Recent venue-related mandamus decisions
- Takeaways



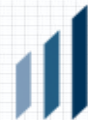
# CONSIDERATIONS IN CHOOSING OR CONTESTING VENUE IN A PATENT CASE

# Strategic Considerations for Venue



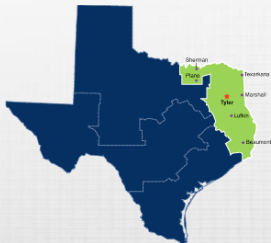
- “Home court advantage”
- Time to trial
  - Discretionary denial of IPR petitions under *Fintiv*
- Likelihood of stay pending IPR challenge
- Local patent rules
- Judges’ familiarity with patent cases
  - Single-judge districts or divisions (like Waco, TX) versus larger districts (some more consistent than others in terms of experience/interest in patent cases)
- Jury pool

# Popular Patent Venues



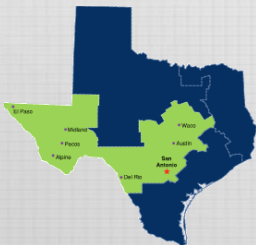
## District of Delaware

- Jurisdiction/venue often available due to incorporation
- Extensive and consistent experience with patent cases
- Predictable experience for both sides



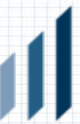
## Eastern District of Texas

- Fast schedule / PTAB discretionary denial risk
- Perceived as patentee-friendly
- Establishing venue can be challenging post-*TC Heartland*

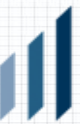


## Western District of Texas

- Filing in Waco division guarantees assignment to Judge Albright
- Fast schedule / PTAB discretionary denial risk
- Perceived as patentee-friendly
- No stays pending IPR

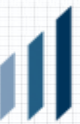


# OVERVIEW OF VENUE STATUTE AND IMPACT OF *TC HEARTLAND*



“Any civil action for patent infringement may be brought in the judicial district *where the defendant resides*, or where the defendant *has committed acts of infringement and has a regular and established place of business.*”





## Pre-TC Heartland

A corporate defendant may be sued in “*any* judicial district in which such defendant is subject to the court’s personal jurisdiction.”

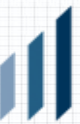
*VE Holding Corp. v. Johnson Gas Appliance Co.*, 917 F.2d 1574, 1584 (Fed. Cir. 1990)

## Post -TC Heartland

A corporate defendant may be sued:

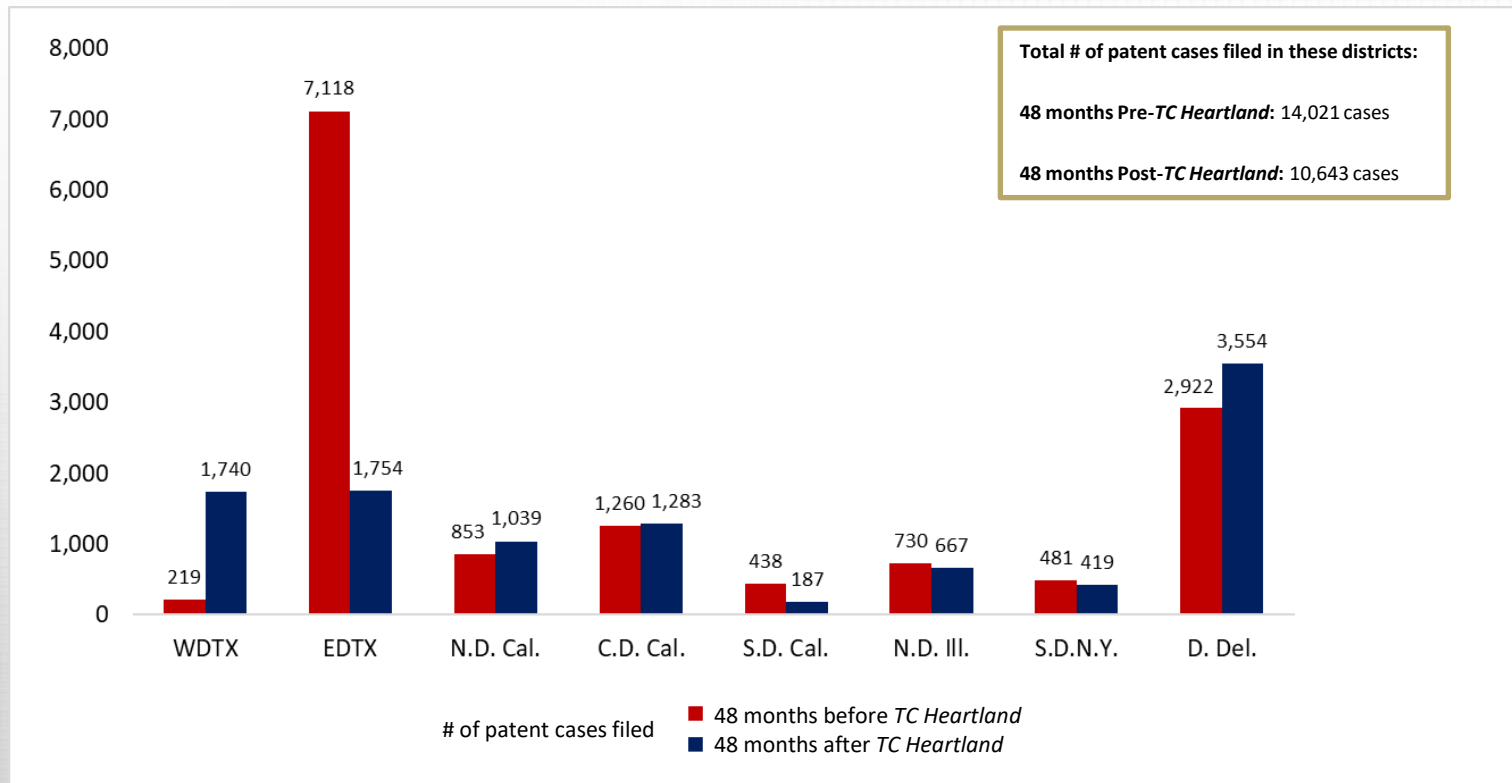
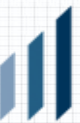
- (1) in its state of incorporation or
- (2) where it has committed acts of infringement and has a regular and established place of business

# “Regular and Established Place of Business”

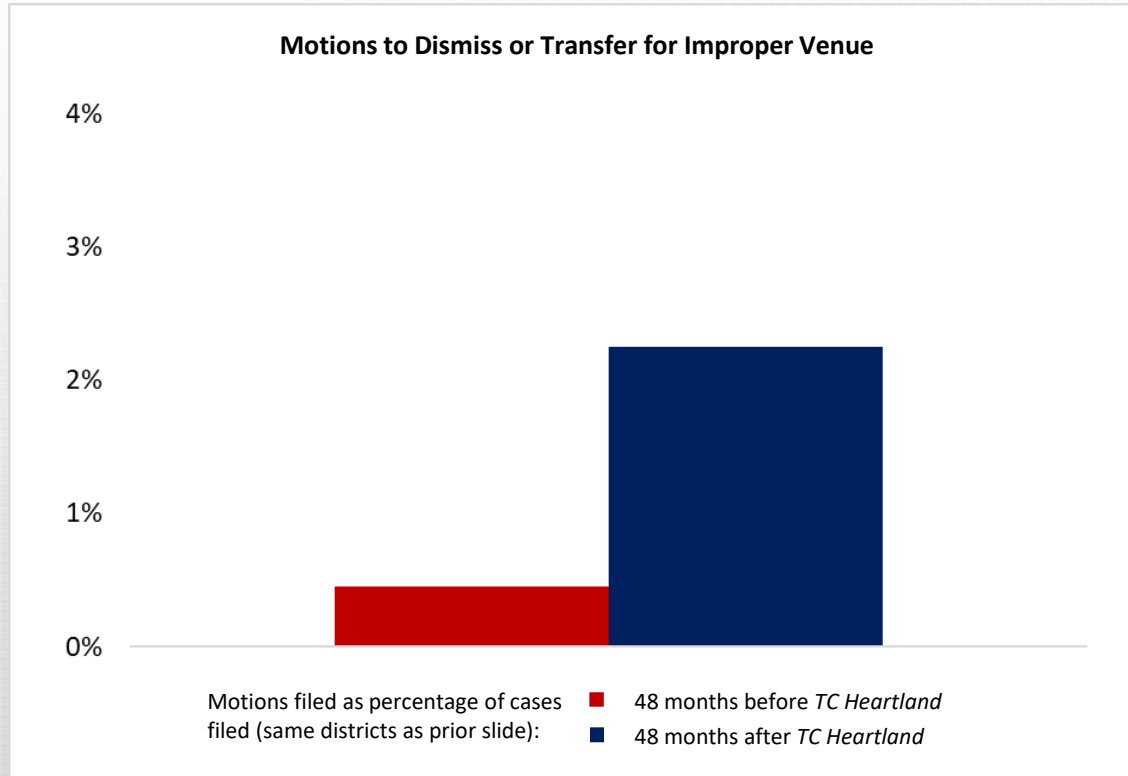
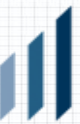


- (1) A “physical place” in the district
- (2) Must be both “regular” and “established” and also a place “of business”
  - “regular” = not sporadic
  - “established” = of sufficient permanence / not transitory
  - “of business” = an employee or agent “conducting business”
- (3) Location must be *of the defendant*
  - Not just “of” an employee or a business partner

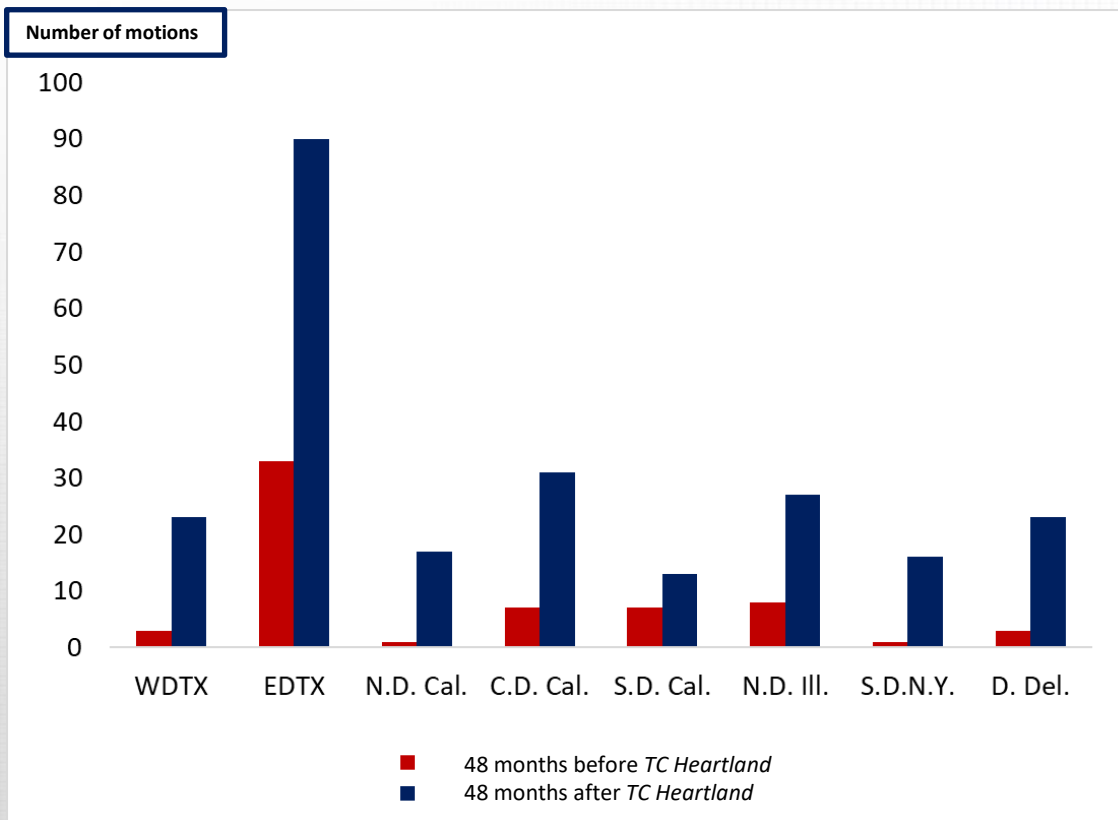
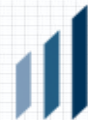
# Filing Patterns in Patent Cases Pre- and Post-TC Heartland



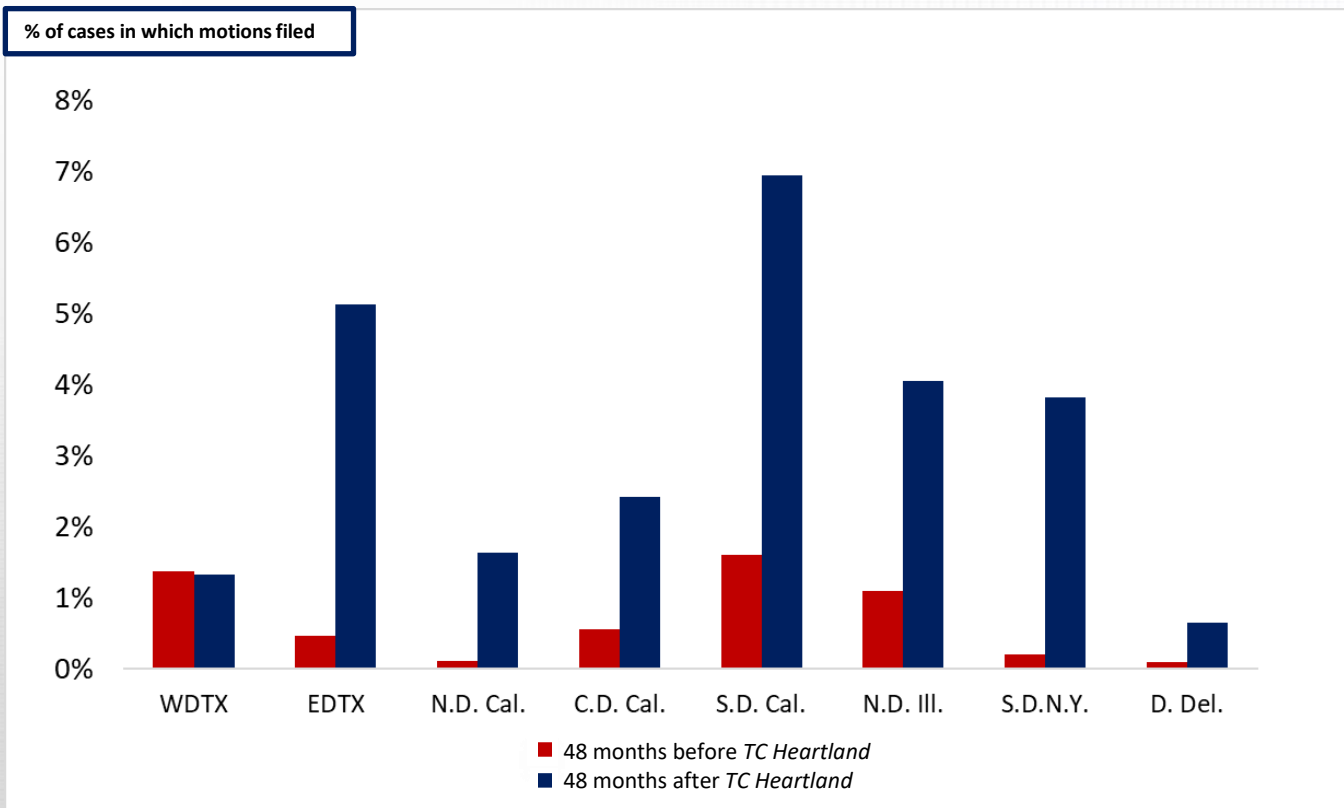
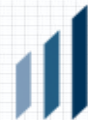
# Overall Impact of *TC Heartland* on Improper Venue Motions

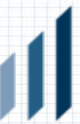


# Improper Venue Motions by District Pre- and Post-TC Heartland



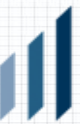
# Improper Venue Motions by District Pre- and Post-TC Heartland





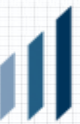
# HOT ISSUES IN “PROPER” VERSUS “IMPROPER” PATENT VENUE

# Work-From-Home Employees



- (1) Does the company lease, own, or rent the employee's home?
- (2) Does the company condition employment on residence in the district?
- (3) Does the company advertise or hold out the employee's home as a place where its business is conducted (including listing the home address or home telephone number on its website)?
- (4) Does the employee maintain inventory or product literature at home?





## *In re Cray*, 871 F. 3d. 1355 (Fed. Cir. 2017)

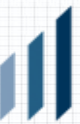


- Employee's home was **not** sufficient to establish venue
  - Company did not own, lease or rent the home
  - Employee did not store inventory or conduct product demonstrations at home
  - Company did not condition employment on residence in the district
  - No evidence that the home's location was important to the company

## *RegenLab USA LLC v. Estar Techs. Ltd.*, 335 F. Supp. 3d 526 (S.D.N.Y. 2018)

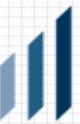


- Employee's home **was** sufficient to establish venue
  - All of the company's employees worked from home
  - Company specifically sought salespeople who lived in the district
  - Employees stored sample products and product literature at home and used them on sales calls within the district

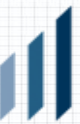


## *In re Google*, 949 F.3d 1338 (Fed. Cir. 2020)

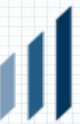
- “[L]eased shelf space or rack space can serve as a ‘place’ under the statute.”
- But a place of “**business**” requires the regular, physical presence of an employee or other agent conducting the defendant’s business at that location.
- Installation and repair activity held insufficient to constitute the conduct of Google’s business.



# RECENT DEVELOPMENTS RE: VENUE CONVENIENCE STATUTE



“For the *convenience of parties and witnesses*,  
in the *interest of justice*, a district court may  
transfer any civil action to any other district or  
division where it might have been brought or to  
any district or division to which all parties have  
consented.”

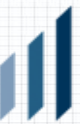


## Private Interest Factors

- (1) the relative ease of access to sources of proof
- (2) the availability of compulsory process to secure the attendance of witnesses
- (3) the cost of attendance for willing witnesses
- (4) all other practical problems that make trial of a case easy, expeditious and inexpensive

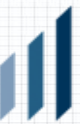
## Public Interest Factors

- (1) the administrative difficulties flowing from court congestion
- (2) the local interest in having localized interests decided at home
- (3) the familiarity of the forum with the law that will govern the case
- (4) the avoidance of unnecessary problems of conflict of laws or in the application of foreign law



## Private Interest Factors

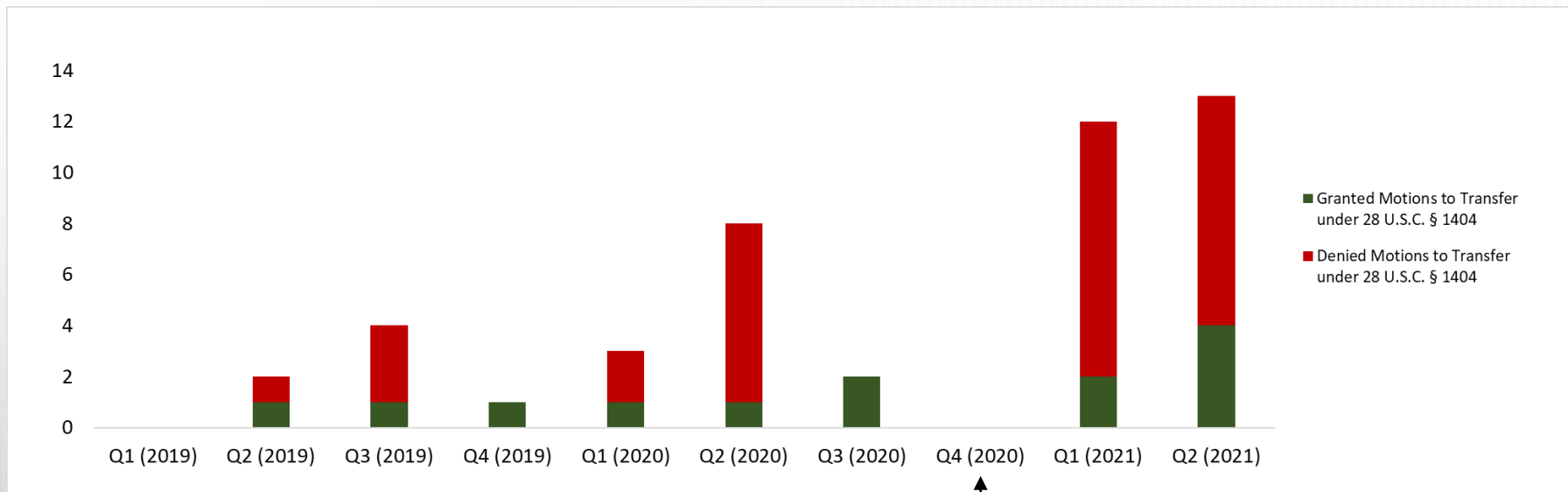
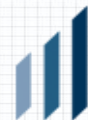
- *Relative ease of access to sources of proof*
  - Location of **defendant's** documents (considered proportionately if necessary) weighs in favor of transfer to that location
- *Cost of attendance for willing witnesses*
  - “100-mile rule” (*i.e.*, proportionate consideration of travel over 100 miles) should not be “rigidly applied” where “witnesses ... will be required to travel a significant distance no matter where they testify”
- *All other practical problems that make trial of a case easy, expeditious and inexpensive*
  - “A district court's decision to give undue priority to the merits of a case over a party's transfer motion should not be counted against that party in the venue transfer analysis”
  - “[W]hat is important is the speed with which a case can come to trial and be resolved” **not** how many cases are pending in each venue



## Public Interest Factors

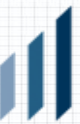
- *Administrative difficulties flowing from court congestion*
  - “A district court cannot merely set an aggressive trial date and subsequently conclude, on that basis alone, that other forums that historically do not resolve cases at such an aggressive pace are more congested for venue transfer purposes.”
- *The local interest in having localized interests decided at home*
  - Focus is not just on the parties’ connections to each forum, but rather the “significant connections between a particular venue and the events that **gave rise** to a suit.”

# Timeline by Quarter: § 1404 Transfer Motions under Judge Albright



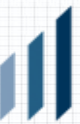
*In re Apple* (Fed. Cir. Nov. 9, 2020)





# THE RISE OF THE WESTERN DISTRICT OF TEXAS

# The Rise of the Western District of Texas



*"I came to this job, and I took this job in Waco because I thought it was the perfect place to try and establish a serious venue for sophisticated patent litigation.*

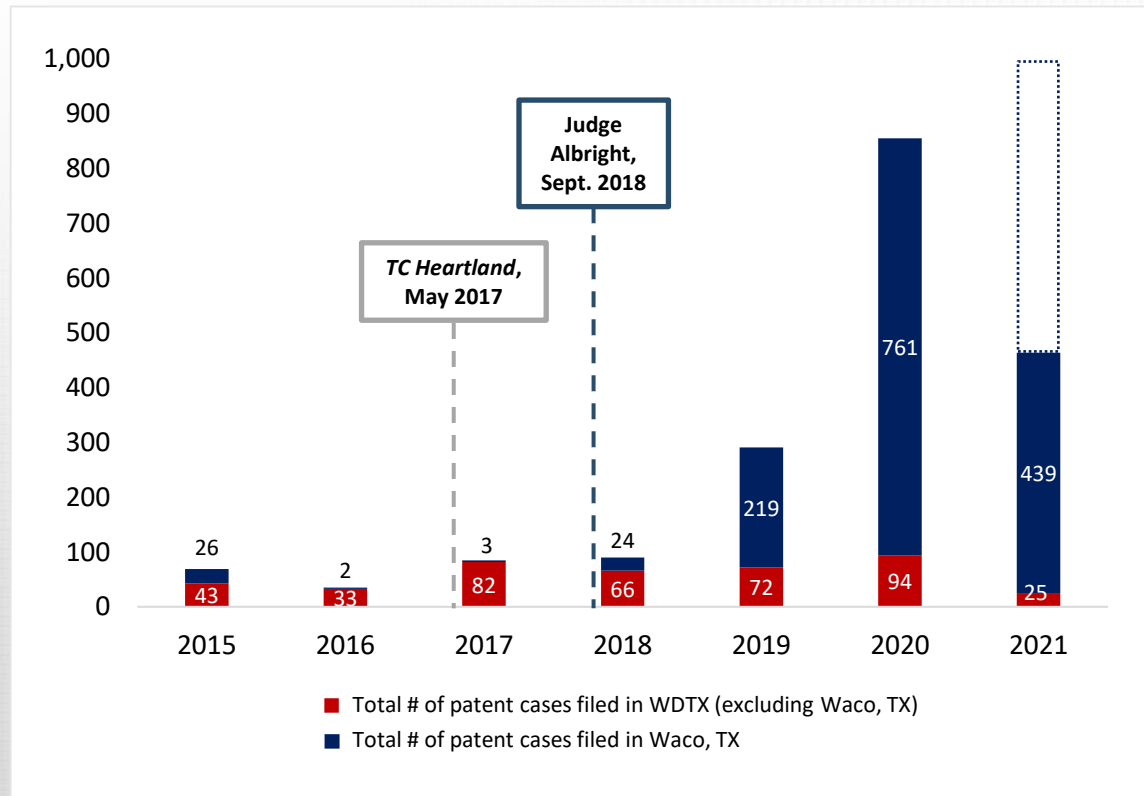
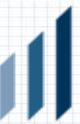
*When people file here, I think they can feel comfortable with my 20 years in patent experience ... that they will get a fair process with someone who knows what he is doing."*

Source: [https://wacotrib.com/news/local/waco-becoming-hotbed-for-intellectual-property-cases-with-new-federal-judge/article\\_0bcd75b0-07c5-5e70-b371-b20e059a3717.html](https://wacotrib.com/news/local/waco-becoming-hotbed-for-intellectual-property-cases-with-new-federal-judge/article_0bcd75b0-07c5-5e70-b371-b20e059a3717.html)

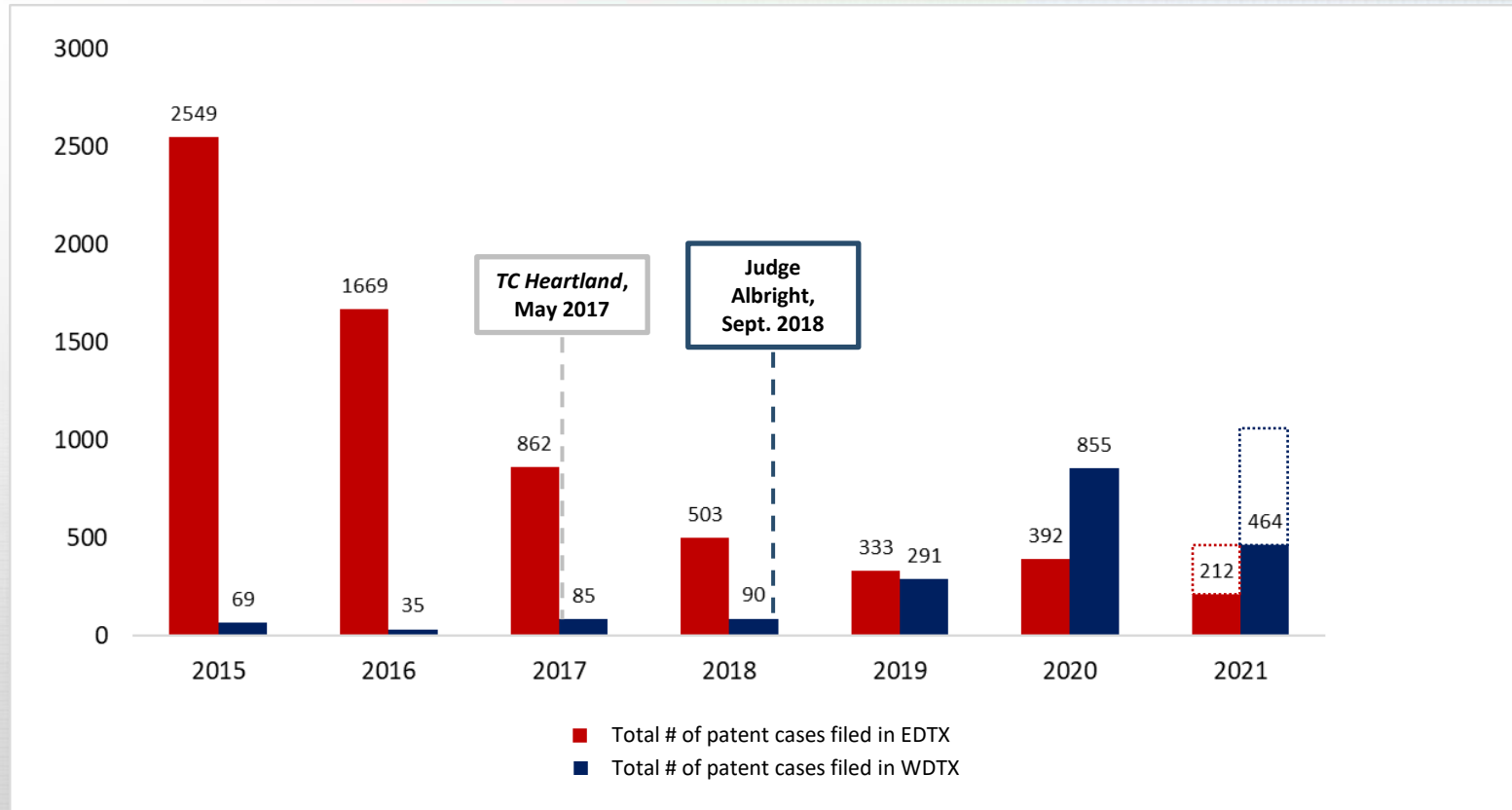
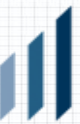
LITIGATION PATENTS TRADEMARKS TRANSACTIONS



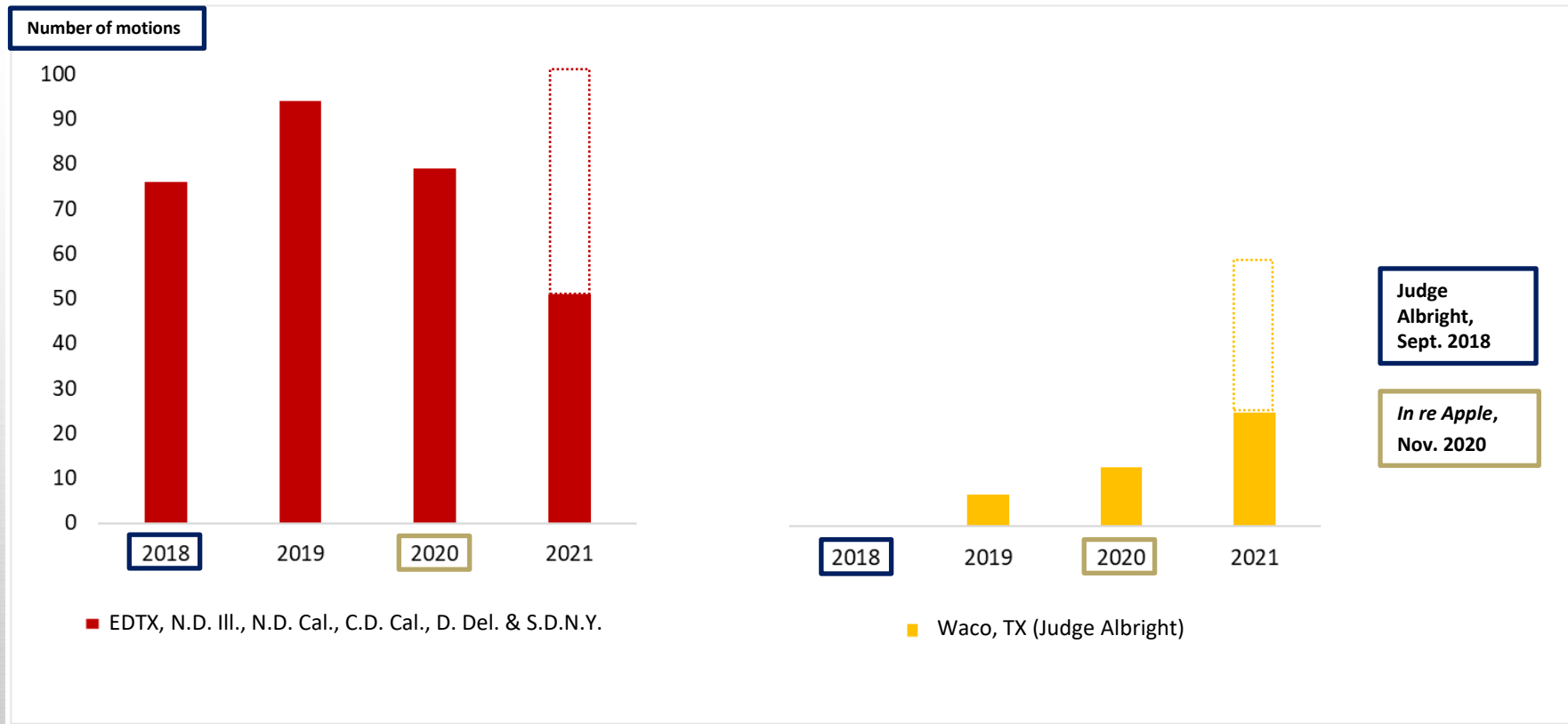
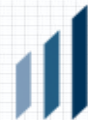
# Patent Case Filing Patterns in Waco, TX



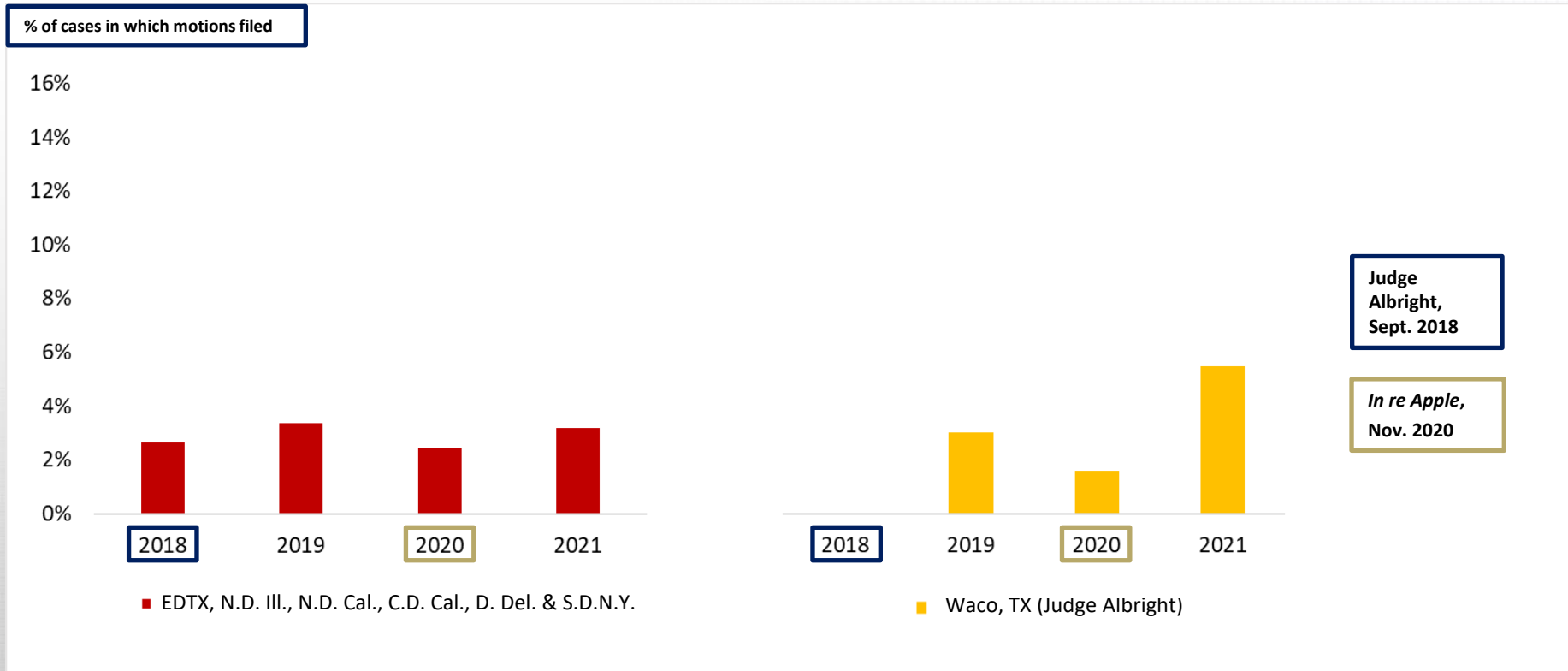
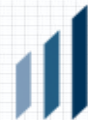
# Patent Case Filing Patterns in WDTX versus EDTX



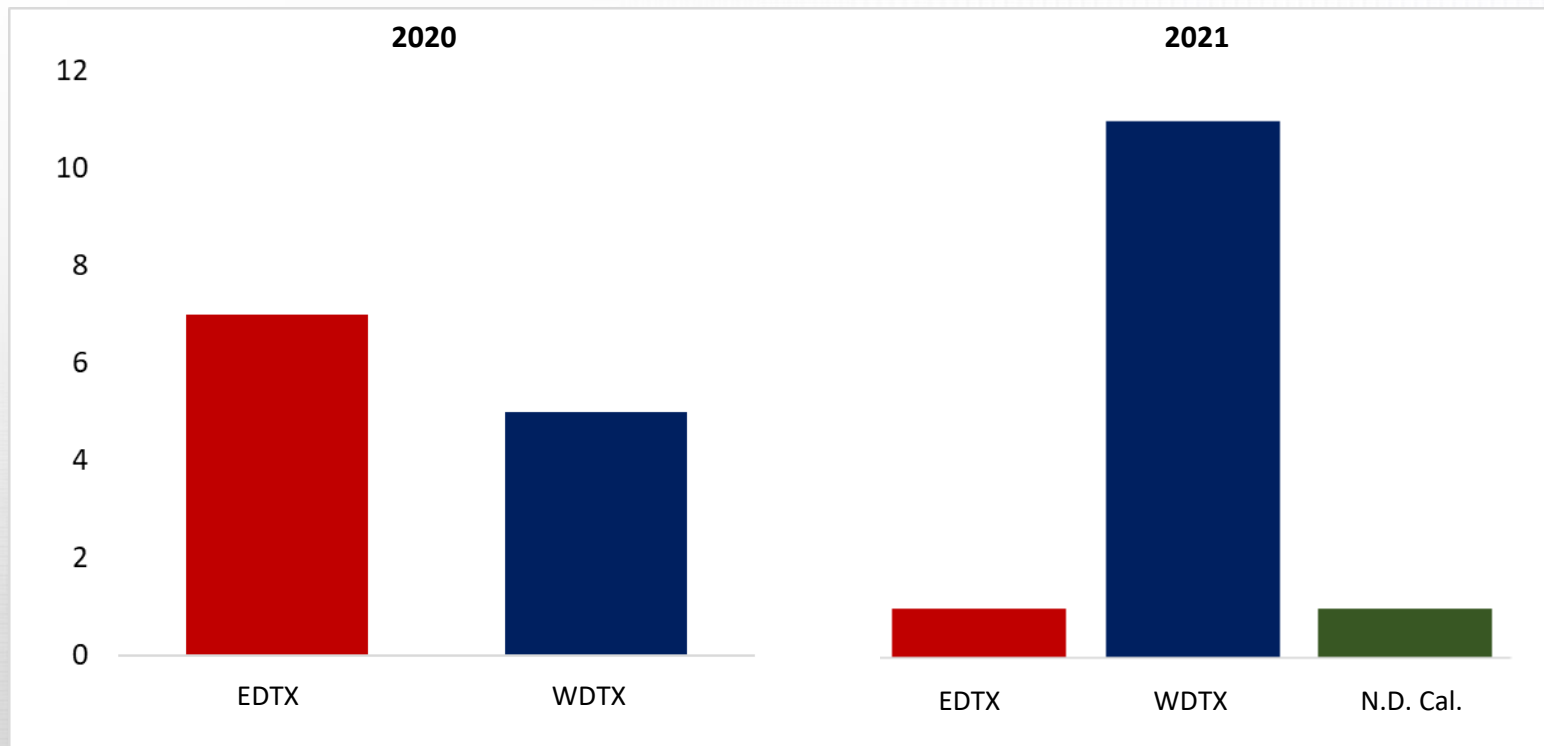
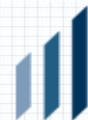
# Filing Patterns of Motions to Transfer (§ 1404) under Judge Albright

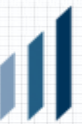


# Filing Patterns of Motions to Transfer (§ 1404) under Judge Albright



# Venue-Related Mandamus Decisions (2020-2021)

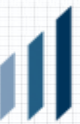




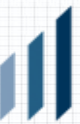
# RECENT VENUE-RELATED MANDAMUS DECISIONS



# In re SK Hynix I, No. 21-113 (Fed. Cir. Feb. 1, 2021)



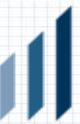
- Did **not** issue writ of mandamus to compel the court to act on the motion to transfer
- But **did** order district court to stay all substantive proceedings and discovery until it had issued a ruling on the motion
- **Reasoning:**
  - District court's handling of the transfer motion "amounted to egregious delay and blatant disregard for precedent"
  - Motion "simply lingered unnecessarily on the docket" while the district court required the parties to proceed ahead with the merits



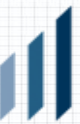
- District court **denied** motion to transfer venue, Federal Circuit **denied mandamus**
- SK Hynix failed to demonstrate “threshold requirement” that the case “might have been brought” in C.D. Cal. (i.e., **proper** venue)
  - Although incorporated in California, in a state with multiple judicial districts a company resides where its HQ or registered agent is located.
  - No regular and established place of business in C.D. Cal.
  - That earlier suits were brought in C.D. Cal. was immaterial to the venue analysis.

**Takeaway:** Procedural victory on timing does not guarantee victory on the merits

# In re TracFone Wireless I, No. 21-118 (Fed. Cir. Mar. 8, 2021)

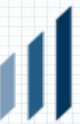


- Federal Circuit ordered district court to **issue ruling** on motion to transfer within 30 days **and** to **stay all proceedings** in the meantime
- **March 23, 2021**: Judge Albright issued a new standing order
  - Committed not to hold a *Markman* hearing while a venue motion is pending
  - Court will either resolve the motion before the *Markman* hearing or postpone the *Markman* hearing



- District court **denied** motion to transfer venue, Federal Circuit **granted mandamus** and ordered district court to transfer case to S.D. Fla.
- District court had found that S.D. Fla. was “slightly more convenient”
  - Less court congestion in S.D. Fla.
  - TracFone’s principal place of business is in Florida
  - Physical location of TracFone’s documents is Florida
  - TracFone’s witnesses all live in Florida
- District Court improperly focused on “**100 mile rule**” for witnesses in Minnesota and Nevada
  - Longer distance to Florida not material, and district court also failed to weigh against location of party witnesses in Florida
  - Cited *In re Apple*

# Summary of Mandamus Guidance to WDTX



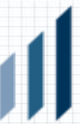
- **Timing**

- District court must decide venue motions before holding *Markman* hearing
- But transfer motions and *Markman* hearing will frequently be on a collision course
  - Briefing = 4 months (per new standing order, down from 7 months)
  - Decision = another several months
  - *Markman* hearing = 6 months after answer
- **Open issue:** defendants may seek additional guidance if *Markman* hearing is delayed and discovery is allowed to go forward per J. Albright's June 8, 2021 updated standing order

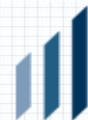
- **Merits**

- Location of documents still matters
- “100 mile rule” not material when witnesses must fly to either district
- Setting an early trial date does not alone favor that district under § 1404
- Gaining familiarity with the case by delaying adjudication of transfer motion does not favor that district under § 1404

**Takeaway:** More § 1404 transfer motions coming in WDTX...

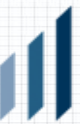


# CONCLUSION



- Venue = important procedural consideration
- Plaintiffs' choice of venue is limited post-*TC Heartland*
  - “Regular and established place of business” means what it says; counsel need to take this requirement seriously
  - § 1404 convenience factors also have teeth
- Still, WDTX will continue to be a popular district
  - Many large companies have a presence in Austin
  - Judge Albright has made it an attractive venue for plaintiffs
- Expect continued litigation of both improper venue and § 1404 convenience in WDTX

# Further Questions & Requests



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*Shareholder*  
**Litigation**

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