

Patent Venue Wars: Episode 3 — 6th, 7th, 8th, 10th, 11th Circs.

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Absent intervening law from Congress, the Federal Circuit or the U.S. Supreme Court, motions to transfer venue pursuant to 28 U.S.C. §1404 will continue to be an integral feature of patent litigation practice. This article is the third in a series that builds on our how-to publication of a year ago, "How to Get Out Of Dodge: Winning Patent Venue Transfer Strategies," and examines recent Section 1404 trends in various regional circuits, with particular attention to prominent patent litigation venues.

The Sixth, Seventh, Eighth, Tenth and Eleventh Circuits generally apply the same analysis applied in the Second Circuit. Of these five circuits, the Sixth and Seventh Circuits saw the most transfer motions.

The Sixth Circuit



The Sixth Circuit includes Kentucky, Ohio, Michigan and Tennessee. The Eastern District of Michigan is the only Sixth Circuit jurisdiction to earn a mention in the PWC 2015 Patent Litigation Study; it is tied for 19th on the list of jurisdictions with the most reported nonpracticing entity cases since 1995.

In the Sixth Circuit, courts consider (1) convenience of the witnesses; (2) availability of judicial process to compel the attendance of unwilling or uncooperative witnesses; (3) location of the relevant documents or records, and the relative ease of access to sources of proof; (4) residence and convenience of the parties; (5) relative financial means and resources of the parties; (6) locus of the operative facts and events that gave rise to the dispute or lawsuit; (7) each judicial forum's familiarity with the governing law; (8) the deference and weight accorded to the plaintiff's choice of forum; and (9) trial efficiency, fairness, and the interests of justice based on the totality of the circumstances.[1]

We located 10 decisions on venue motions in patent cases in the Sixth Circuit. Courts granted transfer in three of these cases, and denied transfer in seven. These numbers are not too surprising given that the Sixth Circuit standard requires the moving party to demonstrate that the balance of interests “strongly” favors transfer.[2]

The cases we reviewed did not present any novel issues, but two are worth quick mention. *Dimplex N. Am. Ltd. v. Twin-Star Int'l Inc.*, 2014 U.S. Dist. LEXIS 97484, *7-8 (E.D. Mich. July 18, 2014) discusses the deference owed to a foreign plaintiff's choice of forum under Sixth Circuit law. And on the lighter side, the court in *Roxane Labs. v. Camber Pharms.*, 2014 U.S. Dist. LEXIS 85038, *9 (S.D. Ohio June 23, 2014) stated that it was inherently disinclined to transfer a patent case “given that perhaps few judges would welcome such a case with appreciation” — but the court ultimately transferred the case anyway.

The Seventh Circuit



The Seventh Circuit includes Indiana, Illinois and Wisconsin. Wisconsin is the fourth most favorable venue for patentees, with a quick median time to trial (1.1 years) and 32 percent patentee success rate according to PWC. The Northern District of Illinois is the fourteenth most favorable jurisdiction but has a surprisingly high number of NPE decisions — second only to the Eastern District of Texas in the number of reported NPE decisions, despite having a drastically lower NPE success rate (17 percent compared to 49 percent).

In considering the convenience of one venue over another, Seventh Circuit courts consider five factors:

(1) the plaintiff's choice of forum; (2) the situs of material events; (3) the relative ease of access to sources of proof; (4) the convenience of the witnesses; (5) the convenience to the parties of litigating in the respective forums; and (6) the interests of justice.[3] Seventh Circuit law also requires a "strong" showing in order to overcome plaintiff's choice of forum.

We located 13 decisions on venue motions in patent cases in the Seventh Circuit. Courts granted transfer in seven of these cases. This ratio is slightly skewed because three of the decisions came from a single case in which three defendants brought separate transfer motions. Interestingly, the last of these three decisions addressed a novel situation in which both parties moved for transfer (to alternative forums) due to the outcome of the prior motions, presenting the question of whether a plaintiff's second choice of forum is entitled to any deference.[4]

One other interesting opinion out of the Seventh Circuit that we reviewed involved a successful motion to retransfer venue back to plaintiff's originally chosen forum. Despite the court's reluctance to disturb another court's prior transfer ruling, the court granted the motion to retransfer because it determined it lacked jurisdiction over one of the defendants.[5]

The Eighth Circuit



The Eighth Circuit includes Minnesota, Iowa, Missouri, Arkansas, North Dakota, South Dakota and Nebraska. The District of Minnesota is the most notable patent litigation jurisdiction within the Eighth Circuit, as it ranks 12th in the PWC report's list of patentee favorable jurisdictions and 10th on the list of most reported NPE cases.

Eighth Circuit courts evaluate transfer motions in light of three primary factors: (1) the convenience of the parties, (2) the convenience of the witnesses, and (3) the interests of justice.[6] The interests of justice analysis includes considerations of judicial economy, the plaintiff's choice of forum, the comparative costs to the parties of litigating in each forum, each party's ability to enforce a judgment, obstacles to a fair trial, conflict of law issues, and the advantages of having a local court determine questions of local law.[7]

We located six decisions on venue motions in patent cases in the Eighth Circuit during our survey period, split right down the middle with three transfers and three denials. Two of these cases involved forum selections clauses that were ultimately dispositive.

The Tenth Circuit



The Tenth Circuit includes Kansas, Oklahoma, Colorado, New Mexico, Wyoming and Utah. Colorado ranks 17th on the list of jurisdictions with the most reported NPE cases since 1995.

Courts in the Tenth Circuit generally consider the same factors considered in the Second, Sixth, Seventh and Eleventh Circuits but frame the analysis slightly differently. In the Tenth Circuit, that the discretionary factors considered include: (1) plaintiff's choice of forum; (2) the accessibility of witnesses and other sources of proof, including the availability of compulsory process to insure attendance of witnesses; (3) the cost of making the necessary proof; (4) questions as to the enforceability of a judgment if one is obtained; (5) relative advantages and obstacles to a fair trial; (6) difficulties that may arise from congested dockets; (7) the possibility of the existence of questions arising in the area of conflict of law; (8) the advantage of having a local court determine questions of local law; and (9) all other considerations of a practical nature that make a trial easy, expeditious and economical.[8]

Importantly, Tenth Circuit courts accord little weight to a plaintiff's choice of forum where the facts that give rise to the lawsuit have no material relation or significant connection to the plaintiff's chosen forum. As applied to patent cases, this rule usually means that sales of infringing devices within plaintiff's chosen forum are unimportant.[9]

We located two decisions on transfer motions in patent cases in the Tenth Circuit, both of which granted transfer. One of the cases involved a defendant's successful invocation of a forum selection clause that the plaintiff was unable to overcome despite the fact that multiple other factors weighed in favor of plaintiff's chosen forum.[10]

The Eleventh Circuit



The Eleventh Circuit includes Alabama, Georgia and Florida. Two judicial districts in Florida are significant patent venues: The Middle and Southern Districts are ranked fifth and 15th on the most favorable jurisdictions list and 16th and eighth on the list of most NPE decisions, respectively.

The Eleventh Circuit sets the bar on transfer a bit lower than other circuits, requiring that the movant establish only that the suggested alternate forum “is more convenient.”[11] Although Eleventh Circuit courts employ a strong presumption against disturbing plaintiff’s initial forum choice, the weight is diminished when the chosen forum lacks any significant connection with the underlying claim. And as elsewhere, plaintiff’s choice receives minimal deference when the forum chosen is not plaintiff’s home forum and appears chosen for strategic reasons.[12]

We located nine decisions on venue motions in patent cases in the Eleventh Circuit. Courts granted transfer in five of these opinions, one of which involved seven related-but-separate cases brought by a single plaintiff on the same patents. One defendant did not seek transfer, one defendant lost its transfer motion because of a substantial presence in the Southern District of Florida and the other five defendants succeeded in transferring their cases to the Northern District of California. Judicial economy was not significant in weighing against transfer, perhaps in part because the cases were not consolidated prior to the defendants filing their transfer motions. See *Rothschild Storage Retrieval Innovations LLC v. Motorola Mobility LLC*, SDFL Civil Action No. 14-22659-Civ-Scola Order Denying Motion to Transfer April 2, 2015 at 2.

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[1] *Malibu Boats, LLC v. Nautique Boat Co.*, 2014 U.S. Dist. LEXIS 6290, *10-11 (E.D. Tenn. Jan. 16, 2014)

[2] *Roxane Labs. v. Camber Pharms.*, 2014 U.S. Dist. LEXIS 85038, *9 (S.D. Ohio June 23, 2014)

[3] *Curio Holdings v. DirecTV, LLC*, 2015 U.S. Dist. LEXIS 56282, *5 (N.D. Ill. Apr. 29, 2015)

[4] *Id.*

[5] *ESCO Corp. v. Cashman Equip. Co.*, 2014 U.S. Dist. LEXIS 116985, *7 (C.D. Ill. 2014)

[6] *Terra Int'l, Inc. v. Miss. Chem. Corp.*, 119 F.3d 688, 691 (8th Cir. 1997).

[7] *Brandt Indus. v. Harvest Int'l Corp.*, 2015 U.S. Dist. LEXIS 74972, *7 (D. Minn. June 10, 2015)

[8] *Chrysler Credit Corp. v. County Chrysler, Inc.*, 928 F.2d 1509, 1516 (10th Cir. 1991) (quotations omitted).

[9] See, e.g., *Bovino v. Incase Designs Corp*, DCO Civil Action No. 13-cv-2106-WJM-MJW, Order Granting Defendant's Motion To Transfer Venue May 6, 2014 at 4

[10] *Legacy Separators, LLC v. Halliburton Energy Servs., Inc.*, 2014 U.S. Dist. LEXIS 98361, *15 (W.D. Okla. July 21, 2014)

[11] *In re Ricoh Corp.*, 870 F.2d 570, 573 (11th Cir. 1989) (per curium).

[12] *Phigenix, Inc. v. Genentech, Inc.*, NDGA Civil Action File No. 1:14-CV-287-MHC, Order March 12, 2015 at 16-17 (the weight of plaintiff's choice of its Atlanta home forum is diminished because "infringement has occurred throughout the United States, including Georgia and Fulton County" and while it "weighs somewhat against transfer, and is entitled to some consideration, ... is not of itself controlling....").
