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 fifth and final 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.

At a Glance

The Fifth Circuit includes Texas, Louisiana and Mississippi. The Eastern District of Texas is the third most favorable jurisdiction according to PriceWaterhouseCooper’s 2015 Patent Litigation Study, and it is first on the list of jurisdictions with the most reported nonpracticing entity cases since 1995. To some, the
prevalence of patent litigation in the Eastern District of Texas is evidence of rampant forum shopping that cries out for reform. However, others have noted the positive aspects of having corps of experienced patent law judges in a low cost forum that is known for quickly moving cases to trial.

In the Fifth Circuit, the courts analyze both public and private factors relating to the convenience of the parties and witnesses as well as the interests of particular venues in hearing the case. The private factors are:

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; and
4. all other practical problems that make trial of a case easy, expeditious, and inexpensive, often considered judicial economy and the existence of related or parallel cases.

The public factors are:

1. the administrative difficulties flowing from court congestions;
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; and
4. the avoidance of unnecessary problems of conflict of laws or in the application of foreign law.[1]

While these factors are to be considered, “they are not necessarily exhaustive or exclusive and no single factor is supposed to be dispositive.

Unlike some circuits, in the Fifth Circuit the plaintiff’s choice of venue is not considered as a separate factor in the analysis and is not given much deference. Instead, it is given weight by contributing to the movant’s burden to prove that the “transferee venue is ‘clearly more convenient’ than the transferor venue.”[2]

A Closer Look

We located 87 decisions on venue motions in patent cases in the Fifth Circuit. Courts granted transfer in 28 of these cases, and denied transfer in 56. Of the 56 motions denied, most were denied largely based on the movants failure to provide sufficient detailed information to persuade the district court that transfer would be clearly more convenient.

Despite the relatively low success rate for transfer motions in the Fifth Circuit, where plausible, it generally appears worth the effort to pursue transfer. Below, we discuss the results on a district-by-district basis, in order of number of motions. As you probably expect from the independence of the federal judiciary, there are some notable differences in how the district courts evaluate the evidence and apply the law.

**Eastern District of Texas — Motions Granted**

Our review of the approximately 55 Section 1404 (a) motions decided by Eastern District of Texas judges
and magistrate judges revealed that 18 motions were granted and 45 were denied, for a batting average of .285. Not Hall of Fame material, but respectable. Of those granted, one transfer was based on a valid forum selection clause. Two notable transfers arose from one consolidated case involving chip manufacturers and their customers where the court, in a very practical decision, collated the claims by chip such that claims against the manufacturers and customers for a given chip were either transferred to the transferee district (Northern District of California) if the manufacturer was based there, or kept if the manufacturer was resident in the transferor district (EDTX).[3]

And for the remaining 16 actions transferred out of EDTX, the winning combination seems to be (1) the ease of access to proof favors the transferee district because the bulk of relevant documents are located there (e.g., the documents relating to the design, development, and marketing and sales of the accused infringing products, or, in the case of a declaratory judgment action, the documents relating to the research and development of the potential invention), (2) the cost for attendance of willing witnesses at trial favors the transferee district and (3) the “local interest” favoring the transferee district, typically because the movant has a substantial number of employees in the transferee venue. Another important factor in EDTX seems to be the availability of compulsory process over specifically identified third party witnesses in the transferee venue.

Interestingly, in two cases we reviewed, the court granted but delayed transfer until after a claim construction hearing and order issued because claim construction was fully briefed and delaying transfer would mitigate any inefficiency in having the transferee court also decide the claim construction issue and avoid the risk of inconsistent results.

What appeared to be of least significance to whether to grant or deny transfer in EDTX courts was the relative time to trial factor, which was generally viewed as neutral, unless the statistics were not disputed or a scheduled trial date made the factor clearly tilt toward or against transfer. The remaining public interest factors of familiarity with governing law and choice of law issues typically played no role in patent venue transfer disputes and were uniformly deemed neutral.

**Eastern District of Texas — Motions Denied**

With respect to the motions denying transfer in EDTX, district courts generally found that the movants failed to carry their burden to show that transfer was clearly more convenient, and simply being more convenient for the movant was not sufficient. The failure of proof came about in two principal ways. First, the movant simply didn’t provide enough specifics: there was not sufficient evidence as to the identity and context of party and third-party witnesses having relevant knowledge to testify at trial, the identification of documents related to the issues in the case, or the existence of third party witnesses not willing to come to trial yet subject to the subpoena power of the transferee court. The inadequacy of proof was more noticeable when judicial economy factor 4 (pending parallel litigation or prior litigation where the court had invested energy through claim construction or trial) weighed against transfer.

The second way movants typically lost is when they provided specific evidence, but the court felt they were not forthcoming in telling the entire story because they only gave specific evidence regarding what exists in the transferee district, without adequately addressing what might exist in other districts. As Judge Rodney Gilstrap characterized the concern: “In the Motion to Transfer context, one side often has exclusive access to a substantial portion of information regarding the locations of relevant evidence, facilities, witnesses, and other pertinent factors. This is why the duty of candor imposed upon the parties is of special emphasis in the Motion to Transfer context. If it were otherwise, parties might
advocate their positions by selective disclosure rather than by disputing the merits.”[4] The lesson here is don’t hedge your declarations; be as forthcoming as possible regarding where your relevant witnesses and documents are and are not.

Most telling perhaps is that in 34 of the 44 cases where motions to transfer were denied, the factor 4 of practical problems and judicial economy weighed against transfer in fourteen decisions and strongly against transfer in eighteen decisions. In 10 of those strongly against cases, the practical problem factor 4 outweighed as many as three factors weighing in favor of transfer and one factor weighing slightly in favor (with the other factors being neutral) (Soverain). In another case, the strongly against factor combined with one other factor against transfer such that the three factors favoring transfer were insufficient to carry the burden (NetNavigator), and in four cases the strongly against factor 4 outweighed two factors favoring transfer (with the other factors being neutral).

Northern District of Texas

The experience of venue transfer movants in the Northern District of Texas was considerably different than in its Eastern District neighbor. Of the six motions filed, five transfers were granted and one, involving five defendants, was denied. The one denied was the subject of a petition for writ of mandamus, which petition was denied by the Federal Circuit.

Turning to the five motions granted, four of the cases had three factors weighing in favor of transfer, and one had only two factors in favor, with the other factors in all five cases being neutral. No factor weighed against transfer. Interestingly, three of the motions were in co-pending cases brought by the same plaintiff on the same patents, with transfer granted to two different districts (Northern District of California and Western District of Pennsylvania). In considering the practical problem/judicial economy factor 4, there was no previous litigation and the court there held that under the America Invents Act the co-pending cases had to be tried separately and deemed the factor neutral. Equally interesting, in one case none of the parties identified any witnesses likely to testify at trial, yet because neither party was resident in NDTX and the movant established its documents were in the transferee district, the court granted the motion.

With respect to the motion denied, the five defendant groups were spread out across the country and in Asia and the witnesses and documents were all over making factors 1 and 2 neutral, with only the cost of willing witness factor 3 favoring transfer, and the practical problem/judicial economy factor 4 weighing against transfer because one of the patents in suit had been to trial before the court before, and the court congestion factor 6 weighing against transfer because the transferor district had already set a trial date well before when the transferee court might set one.

Western District of Texas

The experience of venue transfer movants in the Western District of Texas is comparable to the Northern District, with three motions filed, two granted and one denied. A batting average of .667. Preliminarily, we note that all of the plaintiffs in these three cases were based in WDTX. In the motions granted category, in one case the court found four factors favoring transfer, and in the case other the court found three factors favoring transfer, with all other factors determined to be neutral. One case granted was an intradistrict transfer, from Austin to San Antonio, where the court rejected the plaintiff’s argument that an 80 mile drive was not significant, finding the convenience factor 1 favored transfer. In the other two cases granted, the defendants were based in the transferee district, as were their documents and witnesses (factors 1 and 3 favoring transfer).
Regarding the motion denied, the court found one factor slightly in favor of transfer, the access to proof factor 1, and two factors against, practical problem/judicial economy factor 4 because of seven parallel cases that would be consolidated, and the court congestion factor 6 (strongly against). Interestingly, both parties introduced evidence as to specific witnesses relevant to the compulsory process factor 2 and cost of attendance factor 3, and local interest factor 6, and the court found the evidence essentially offsetting and held those factors to be neutral.

**Southern District of Texas**

We found one motion filed and granted in our window of observation. But the case had a unique set of facts in that there was a prior action in the transferee court and a related U.S. International Trade Commission proceeding involving the same parties on a first generation product, with the prior action being stayed pending the resolution of the ITC investigation. The plaintiff filed the case as a declaratory judgment action to clear a second-generation product as a design-around. The defendant moved to transfer and the court granted it, noting that the same court should consider both products relative to the same patent at the same time. In this regard, the court noted that the stay pending the ITC investigation was expected to be lifted a few months after the decision, implying that plaintiff would not be unduly delayed in having the declaratory judgment claim heard by the transferee court.

**Western District of Louisiana**

We found one motion for an intradistrict transfer in the Western District of Louisiana, which was denied. Here, the district court noted that the 100 mile distance between Lake Charles and Lafayette was not burdensome (contrast this with the 80 miles between Austin and San Antonio that was burdensome — maybe the difference relates to the interplay between local traffic enforcement and speed limits), and denied transfer. In reaching this decision, the court interpreted the plaintiff’s choice of venue differently, first noting that “we equally recognize that the plaintiff’s choice of forum deserves substantial weight [citation omitted]” and concluded that “[w]e do not find a single factor to weigh heavily in favor of disturbing the plaintiff’s choice of venue.” The court made this finding notwithstanding its determination that both parties, their witnesses, their documents, their lawyers, and all known witnesses being located in (or within 10 miles of) Lafayette, and there was no one and nothing in Lake Charles, 70-80 miles away.

**Conclusion**

In starting this project, we thought it would be interesting and instructive to provide a snapshot analysis of how district courts across the country assess and decide venue transfer motions, in part because the authors have been involved in several such motions, including some cases referenced in this publication. Considering the overall success rates plaintiffs have in patent litigation generally, our review surprisingly shows that across the country, movants have had success in transferring cases “out of Dodge” — wherever Dodge is — with at least about the same degree of success, and far greater in some districts.

Our survey suggests that disparate venue transfer law can sometime produce differing results, but overall, the formula for obtaining transfer is consistent. In large part, venue motions depend on a “numbers game” of sorts. The more evidence you can present and the more public and private factors that tilt in favor of transfer, the greater likelihood a court will grant transfer. Yet, it remains a matter of court discretion how to weigh and apply the flexible factors, and practical considerations of even one factor weighing heavily against transfer may outweigh multiple factors favoring transfer. Regardless, so
long as 28 U.S.C. § 1391(c) provides proper venue in patent cases, Section 1404 venue transfer motions can be consider by any defendant who, in response to getting sued in Dodge, just wants to go home.

—By Robert M. Isackson, Robert L. Uriarte and Carl Leighton, Orrick Herrington & Sutcliffe LLP

Robert Isackson is a partner in Orrick’s New York office. Robert Uriarte is a managing associate in the firm’s Silicon Valley office. Carl Leighton is a scientific adviser in Orrick’s New York office.

The opinions expressed are those of the author(s) and do not necessarily reflect the views of the firm, its clients, or Portfolio Media Inc., or any of its or their respective affiliates. This article is for general information purposes and is not intended to be and should not be taken as legal advice.


[2] Id.


All Content © 2003-2016, Portfolio Media, Inc.