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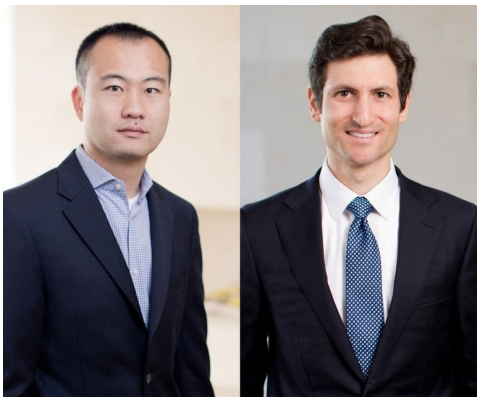

COMMENTARY

Recent Trends in Federal Circuit Mandamus Addressing Transfer Motions Denied by Texas District Courts

Given the Federal Circuit's recent downward trend in granting mandamus relief, the court may turn to In re Planned Parenthood's reasoning to deny future petitions requesting transfer, according to O'Melveny & Myers' Mark Liang and Daniel Silverman.

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Intellectual Property

By Mark Liang and Daniel Silverman | April 25, 2023 at 05:42 PM

The last three years have seen an active mandamus practice before the U.S. Court of Appeals for the Federal Circuit for review of motions to transfer for convenience denied by Texas federal district courts in patent infringement suits. This article analyzes trends in that mandamus practice, including a recent decline in the Federal Circuit's grant rate for mandamus petitions. The article also considers how the Fifth Circuit's

late 2022 decision in *In re Planned Parenthood Federation of America Inc.*, may affect the Federal Circuit's grant rate.

Background Trends

Under 28 U.S.C. § 1404(a), a party may seek a change of venue "[f]or the convenience of parties and witnesses, in the interest of justice." Courts first consider "whether a civil action 'might have been brought' in the destination venue."

Courts then weigh eight factors addressing private and public interests:

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;
5. The administrative difficulties flowing from court congestion;
6. The local interest in having localized interests decided at home;
7. The familiarity of the forum with the law that will govern the case;
8. The avoidance of unnecessary problems of conflict of laws [or in] the application of foreign law.

It is not uncommon for defendants to move to transfer in patent infringement cases filed in Texas district courts. If such a transfer motion is denied, then the defendant may seek immediate review by petitioning the Federal Circuit for a writ of mandamus. If the petition is granted, the Federal Circuit issues a writ of mandamus, which usually directs the

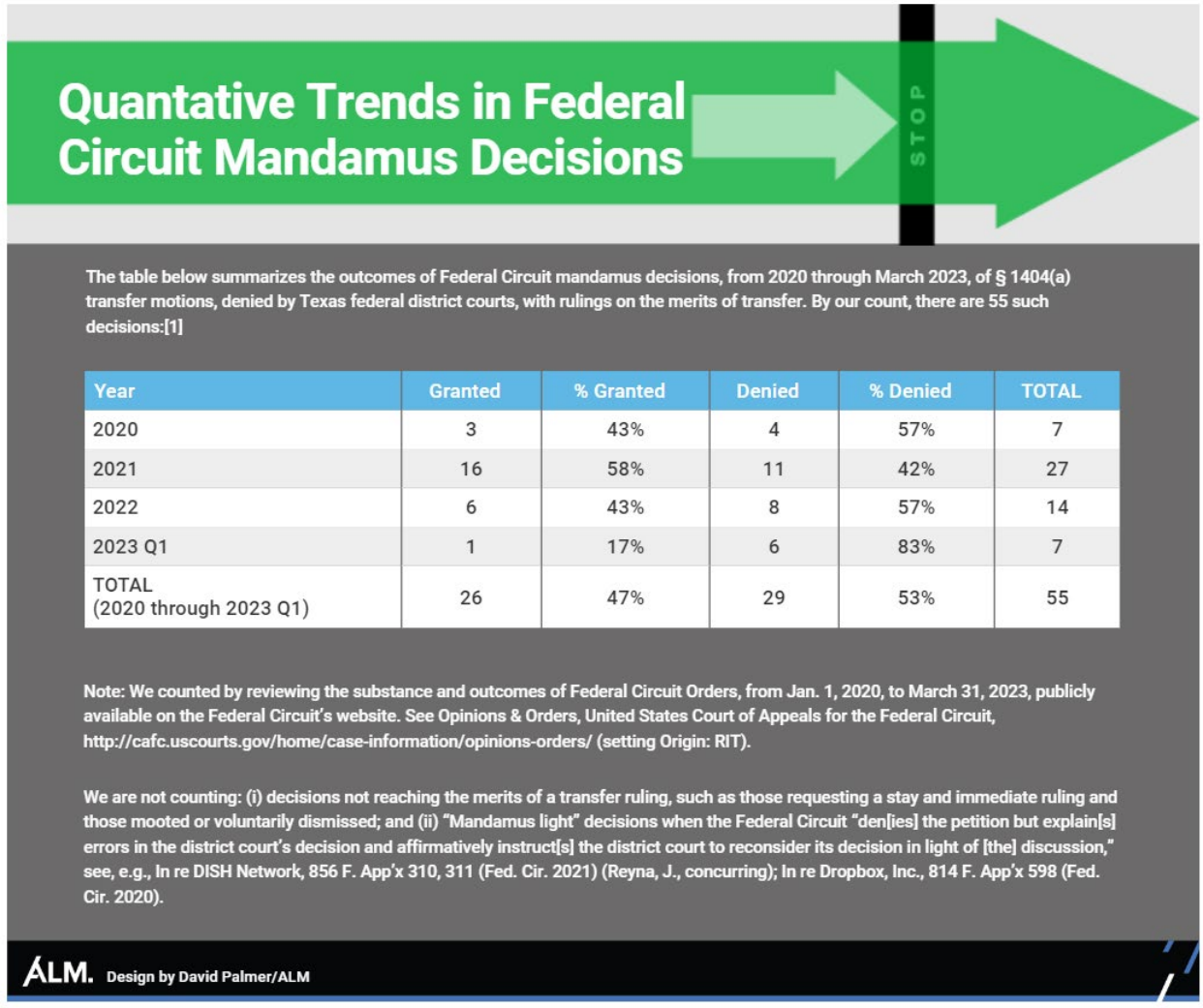
district court to vacate the order denying transfer and to transfer the case to the requested destination forum.

Although mandamus relief is reserved for "extraordinary situations," according to *In re TS Tech USA Corp.*, the Federal Circuit has decided—and granted—a large number of mandamus petitions seeking transfer under § 1404(a) over the last three years.

Since 2020, the grant/denial rate is around 50%/50%, with slightly more denials than grants. A grant rate near 50% is historically high. Federal Circuit grant rates historically have been about 10% to 22% from 2000 to 2022 for all mandamus petitions, and as high as 32% from 2008 to 2019 for petitions challenging § 1404(a) decisions, according to recent research.

Since 2020, half of the Federal Circuit decisions came in 2021, which was a particularly active year with 27 decisions, and the grant rate peaked at 58%. The next year, 2022, saw about half as many decisions, with 14 decisions, and the grant rate decreased to 43%, which is still a relatively high historical rate. Through the first quarter of 2023, the grant rate has dropped significantly to 17%. But the number of mandamus decisions has picked up again: If the Federal Circuit keeps pace with issuing 7 opinions per quarter, 2023 could be another active year (like 2021) with over 25 opinions. Nevertheless, the grant rate shows a clear downward trend since its peak in 2021.

Qualitative Trends



The key factors often weighing in favor of transfer for recent, successful mandamus petitions are the following: (i) cost of attendance for willing witnesses; (ii) the local interest, (iii) relative ease of access to sources of proof, and (iv) availability of compulsory process.

First, the "cost of attendance for willing witnesses" factor weighs in favor of transfer when potential witnesses with relevant knowledge are located in the transferee forum and few or none are in the transferor forum. See, e.g., *In re Google LLC* (granting mandamus and determining

this factor weighs heavily in favor of transfer); *In re Amazon.com Inc.* (granting mandamus and concluding this factor favors transfer); *In re Apple Inc.* (same).

Second, the "local interest" factor weighs in favor of transfer when "there are significant connections between a particular venue and the events that gave rise to a suit," such as where "the accused products were researched, designed, and developed from" the transferee forum. *In re Apple*.

A defendant's general presence in a forum is not the focus of the inquiry for this factor. Id. Further, it is error to give significant weight to a plaintiff's recent and ephemeral presence in its chosen forum, when that presence appeared to have been created to establish venue. See *In re Juniper Networks, Inc.* ("[Plaintiff]'s presence in Waco appears to be both recent and relatively insubstantial" and "it appears that the relationship between the Texas forum and [Plaintiff] is merely the product of pursuing litigation in a preferred forum and is entitled to little weight.").

Third, the "relative ease of access to sources of proof" factor weighs in favor of transfer when the accused infringer's documents relating to the accused products are located in the transferee forum. See, e.g., *In re Google* (granting mandamus and determining this factor favors transfer); *In re Amazon.com* (same); *In re Google LLC, Waze Mobile Ltd., Samsung Elecs. Co.* (same).

Last, the "availability of compulsory process" factor often weighs at least slightly in favor of transfer for successful petitions, and defendants need not prove which non-party witnesses are "unwilling" because they are

presumed to be unwilling. See, e.g., *In re Juniper*, see also *In re DISH Network L.L.C.*

Potential Future Trends

Future trends in Federal Circuit mandamus review of Texas district court transfer decisions depend in part on developments in Fifth Circuit law, because the Federal Circuit applies regional circuit law for such review.

The Fifth Circuit's recent October 2022 decision denying a mandamus petition in *In re Planned Parenthood Federation of America Inc.*, is likely to impact the Federal Circuit's future analysis of transfer cases. There, the underlying action involved a qui tam action brought against Planned Parenthood and five Texas-based affiliates (petitioners). Id. at 628. Seven months after the case was unsealed and after discovery already was well underway, petitioners moved to transfer from the Northern District of Texas to the Western District of Texas. Id. at 629. The district court denied the transfer motion, and Petitioners filed a mandamus petition to the Fifth Circuit challenging that decision. Id.

In denying the petition, the Fifth Circuit at the outset "stress[ed] that the decision of whether to transfer a case is committed to the district court's discretion." Id. It then determined that the district court did not abuse its discretion in analyzing factors relevant to the transfer inquiry:

- "Location of evidence" – The district court "found that the vast majority of the evidence was electronic, and therefore equally accessible in either forum." Id. at 630. The Fifth Circuit further reasoned that "[t]he location of evidence bears much more strongly

on the transfer analysis when," unlike the facts in In re Planned Parenthood, "the evidence is physical in nature." Id.

- "Availability of compulsory process" – The Fifth Circuit explained that "the availability of compulsory process 'receives less weight when it has not been alleged or shown that any witness would be unwilling to testify.'" Id. at 630-31 (quoting Hefferan v. Ethicon Endo-Surgery Inc., 828 F.3d at 488, 499 (6th Cir. 2016)). It therefore agreed with the district court "that this factor did not weigh in favor of transfer because the Petitioners failed to identify any witnesses who would be unwilling to testify." Id. at 630.
- "cost of attendance for willing witnesses" – In evaluating costs in each forum, the district court considered not only the costs of plane flights but also other costs, such as hotels and restaurants.
- "Court congestion" – The Fifth Circuit stated, "to the extent docket efficiency can be reliably estimated, the district court is better placed to do so than this court." Id. at 631. And, it reasoned, the fact that "this case appears to be timely proceeding to trial … further counsels against transfer." Id.
- "Lateness of Petitioners' motion to transfer" – It was within the district court's discretion to weigh this factor against transfer, when the transfer "motion was 'inexcusably delayed,' [because] Petitioners 'filed their motion seven months after this case was unsealed and months into the discovery period.'" Id.

The Federal Circuit has since cited *In re Planned Parenthood* in three of its recent decisions, two of which granted mandamus. See *In re Google,* (granting mandamus); *In re Gen. Motors Co.* (same); *In re Amazon.com* (denying mandamus). There are some differences between

the Fifth Circuit's and Federal Circuit's applications of the transfer factors.

For example, for the "location of evidence" factor, the Fifth Circuit found this factor did not favor transfer in *In re Planned Parenthood* when most of the evidence was electronic. Under Federal Circuit case law, however, the electronic nature of the evidence does not render this factor irrelevant. See *In re Juniper* ("while electronic storage of documents makes them more widely accessible than was true in the past, that does not make the sources-of-proof factor irrelevant").

Still, the Federal Circuit may find this factor favors transfer by focusing on the location of physical evidence, as it recently did in *In re Google,* (determining this factor favored transfer when "[p]hysical prototypes of the accused products have been identified only as in the [transferee forum]").

For the "compulsory process" factor, the Fifth Circuit in *In re Planned Parenthood* required allegations or a showing of unwillingness, because it accords that factor "less weight when it has not been alleged or shown that any witness would be unwilling to testify." In contrast, the Federal Circuit presumes non-party witnesses are unwilling, which weighs in favor of the forum where more unwilling witnesses are located, according to *In re DISH*.

Last, for the "court congestion" factor, the Fifth Circuit in *In re Planned Parenthood* weighed it against transfer when the "case appears to be timely proceeding to trial." The Federal Circuit has applied this factor differently in two respects. First, this factor does not weigh against transfer when the case's progress is the result of "considerable delay in

resolving the transfer motion[],” according to *In re Google*. Second, the Federal Circuit considers patent-specific aspects that are inapplicable to the Fifth Circuit. *In re Google* (discounting this factor when the patentee is not engaged in product competition in the marketplace so there is “no need of a quick resolution” (quoting *Juniper*)).

It remains to be seen how *In re Planned Parenthood* and other future Fifth Circuit transfer decisions will influence the Federal Circuit’s mandamus review of transfer motions. So far, the Federal Circuit has not denied mandamus based on *In re Planned Parenthood’s* analysis of the transfer factors. But given the Federal Circuit’s recent downward trend in granting mandamus relief, the Federal Circuit may turn to *In re Planned Parenthood’s* reasoning to deny future petitions requesting transfer.

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