

Multidistrict Litigation, Forum Selection and Transfer: Tips and Trends

Julie M. Holloway
Partner, Latham & Watkins LLP

Forum Selection

- Where Should I File?
- Will The Case Stay There?
- Does MDL Make Sense For This Case?

Where to File? Key Considerations

- How much time to trial?
- How plaintiff-friendly is the jury pool?
- How likely is the court to grant summary judgment?
- Will the case be transferred?
- Will the court stay pending *inter partes* review?

Plaintiff's Favorites

- E.D. Texas
- D. Delaware
- C.D. California
- N.D. California
- E.D. Virginia
- W.D. Wisconsin
- ITC

Transfer – *Forum Non Conveniens*

28 U.S.C § 1404 (a). 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.

Section 1404 Transfer Considerations

- Convenience of witnesses
 - Location of witnesses, cost and ease of traveling to forum
- Location of evidence
 - Documents, physical evidence (samples, facilities)
- Judicial economy
 - Multiple cases involving same or similar patents, products pending in the same district
- Local interests

Federal Circuit Writ of Mandamus

- *In re TS Tech*, 551 F.3d 1315, December 29, 2008. Applied Fifth Circuit test of “clearly more convenient” venue to transfer from E.D. Texas to S.D. Ohio:
 - ❖ *Relative ease of access to sources of proof*
 - ❖ *Cost of attendance for willing witnesses*
 - ❖ *Availability of compulsory process*
 - *Other practical problems*
 - *Court congestion*
 - *Local interest*
 - *Familiarity of forum with law*
 - *Avoidance of conflicts of law*
- Plaintiff’s choice of forum is **not** a 1404 factor

Post-*TS Tech* Writs of Mandamus

- Repeatedly rejected “central location” rational
- Need not be convenient for “key” or “all” witnesses
- Focused on “usable subpoena power” in transferee district, but need not be “absolute”
- Rejected argument that modern technology makes document location a lesser factor

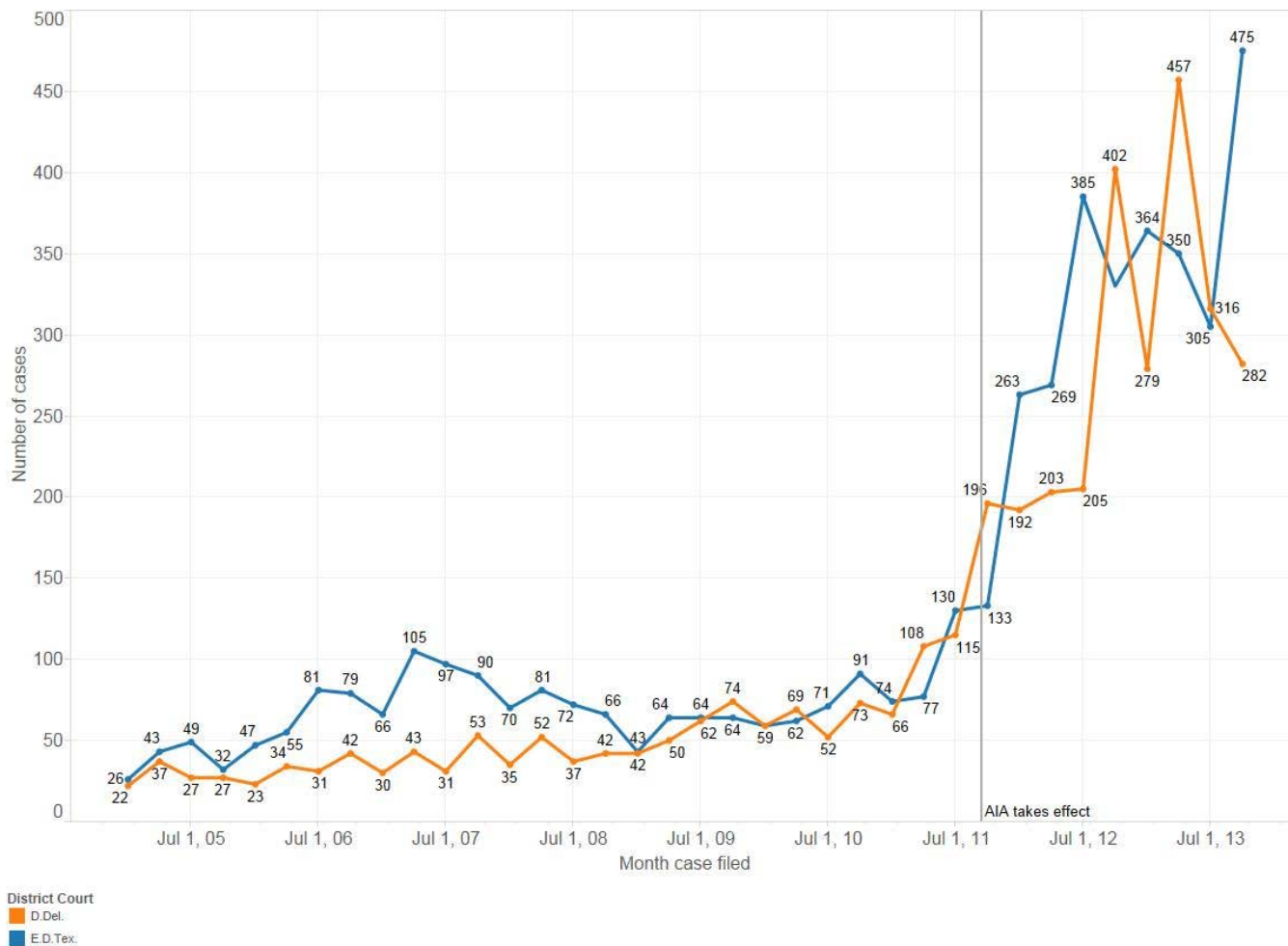
Post-*TS Tech* Writs of Mandamus

- Rejected “local interest” based on sales in district
- Rejected reliance on defendant's previous filing in transferor district
- Rejected plaintiff's attempts to “manipulate” venue, e.g., move documents, open an office, incorporate

Recent Writs of Mandamus

- *In re Barnes and Noble*: no clear abuse of discretion when plaintiff resides in district
- *In re Apple*: clear abuse of discretion when all relevant evidence is in transferor district, even if plaintiff is headquartered in district

Impact of Writs on Filings in E.D. Texas?



From “2014 Patent Litigation Trends in E.D. Texas and D. Del.”

By Brian C. Howard, Legal Data Scientist & Director of Analytics Services, Lex Machina

Post-AIA Developments

- Pre-AIA: In multi-defendant cases, common to name at least one defendant located in district, to avoid transfer
 - Deny motions to sever based on judicial efficiency of keeping all defendants in the same case
- Post-AIA: Conventional wisdom held that transfer would be easier – no co-defendants, no need to sever

Normal IP Holdings v. Lexmark et al

- Multi-defendant case in E.D. Texas – nonresident defendants moved to sever so as to allow for transfer
- Court granted severance based on FRCP Rule 20 – no common transaction or occurrence
- Court then consolidated newly-severed cases with originally-filed case “as to all issues, except venue, through pretrial only”
- Court stated that “in the event that transfer is appropriate, the Court shall retain the case through the *Markman* phase”

Transfer Under MDL Provisions

- Transfer to a single transferor district may be sought by one or more parties, under 28 U.S.C. § 1407, “[w]hen civil actions involving one or more common questions of fact are pending in different districts.”
- Transfer is made by judicial panel on MDL “for the convenience of parties and witnesses,” and to “promote the just and efficient conduct” of the actions.

MDL: Practical Considerations

- Transfer to a single, transferee court for pretrial, and remand to original court for trial
- Transferee court presides over discovery but also conducts *Markman* and decides summary judgment.
- As a practical matter, most cases are resolved by settlement or summary judgment before remand

When is Transfer Granted Under 1407?

- Factors include the extent to which the issues are common, and the stage of each litigation involved
 - But if transferred, later-filed “tag-along” cases may be added
- Moving party may not get desired transferee court
- Considerations in selecting transferee court:
 - Whether the court is already handling some of the cases
 - Court’s experience with patent litigation
 - Docket congestion
- Transfer often sought by defendants

MDL Post-AIA

- Conventional wisdom was that MDL would increase post-AIA, as plaintiffs try to avoid AIA restrictions

- Definite uptick in patent cases in MDL

BUT

- Most requests for transfer under MDL come from defendants
- Possible reasons: availability of *Norman IP* approach, pre-trial consolidation in, e.g., D. Del.

Any Questions?

Thank you!