The Judicial Panel on Multidistrict Litigation: Now a Strengthened Traffic Cop for Patent Venue

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I. INTRODUCTION

The Judicial Panel on Multidistrict Litigation, a group of seven United States circuit and district judges chosen for extra duty by the Chief Justice, is the highest-level arbiter of venue where related civil actions are pending in more than one district. Its task is to seek both judicial efficiency and overall convenience for the various parties involved. Its recent decisions show a marked emphasis on the former.

The panel's role is often misunderstood. Some of the language in the panel's governing statute may, if read alone, convey the impression that when the panel transfers a case to another district, the transfer is made merely to manage discovery, after which the case will return to its original district where the more serious decisions will be made. However, the reality is quite different.

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1. For example, the governing section, 28 U.S.C. § 1407, provides in part:
Once a transfer is ordered by the panel, a case very rarely comes back to its original district for trial. We shall discuss herein why that is so. The transferee judge has far more extensive powers than might be apparent at first blush. That judge is, de facto, the end of the road. This is especially seen in patent infringement litigation, where since the creation of the panel in 1968 we find, out of the many hundreds of panel-transferred patent cases, only one case that was later remanded and tried in the originating district.\(^2\)

Patent venue has been a hot topic in recent years. Legislative proposals to restrict patent venue to districts where the defendant’s activities were centered have been introduced and debated in Congress during the past six years,\(^3\) but to no avail. With somewhat more success, the courts took up the patent venue issue in the form of mandamus proceedings to compel district judges to transfer cases out of patent-friendly districts to districts that had more defendant contacts. Some writs were granted, as will be further discussed in Part IV. During the time of these legislative and judicial events, but

Each action ... transferred [by the panel] shall be remanded by the panel at or before the conclusion of such pretrial proceedings to the district from which it was transferred unless it shall have been previously terminated ... The judge ... to whom such actions are assigned ... may exercise the powers of a district judge in any district for the purpose of conducting pretrial depositions in such coordinated or consolidated pretrial proceedings.


2. See Columbia Broadcasting Sys. Inc. v. Zenith Radio Corp., 391 F. Supp. 780 (N.D. Ill. 1975). The case had earlier been transferred to the District of Massachusetts for coordinated proceedings; it was later remanded (see In re CBS Color Tube Patent Litig., 329 F. Supp. 540 (J.P.M.L. 1971)) and tried in the Northern District of Illinois. As will be described later herein, two other patent cases have been ordered remanded, but both settled shortly after the order and were not tried.

3. See, e.g., H.R. 1908, 110th Cong. § 11 (2007) (proposing restricting patent venue in most cases to districts where defendants are headquartered or had committed a substantial portion of the accused infringing acts). This would have eliminated or greatly reduced patent suits in several currently favored districts, such as the Eastern District of Texas and the District of New Jersey. The bill passed in the House of Representatives in 2007, but failed to proceed through the Senate.
seemingly quite apart from them, the Judicial Panel on Multidistrict Litigation quietly became an important authority in patent venue determinations. Its role is restricted to cases where the same patent is allegedly infringed, or is challenged as invalid, in actions pending in more than one district. Such situations have increased in number due to 2011 patent legislation limiting the joinder of non-cooperating accused infringers in a single action.\(^4\) The mere fact that several unrelated entities were accused of infringing the same patent will not suffice for joining them in a single action. Suing them in multiple actions tends to spread the cases geographically, either because the plaintiff chose multiple districts in the first instance or because some of the actions were now more readily transferred on convenience grounds by the courts in which they were initially filed. As a result, the panel's patent business tripled in 2012 as compared with the average of the three prior years. In 2012, the panel decided the proper forum settings for eighty-eight patent cases.\(^5\) While this is not a huge portion of the more than 5,000 patent infringement cases filed in 2012,\(^6\) it is substantial and growing. We shall discuss how and why the panel's role has developed that way.

In recent years, much of the focus in the patent venue-restricting debates has centered on so-called "non-practicing entities," which have constituted an increasing proportion of patent-owner plaintiffs suing for infringement.\(^7\) Definitions of non-
practicing entity vary from writer to writer, but for our purposes they are entities that produce no product, sell no product, and provide no services. It annoyed product-vending companies to find themselves sued for infringement by what some call “patent trolls,” who in the companies’ view were simply money-grabbers, taking away profits from seriously productive companies who happened to find themselves arguably operating within the scope of one or two of the millions of extant United States patents. Patent infringement liability does not hinge on the accused infringer’s awareness that the patent exists or that she is infringing it. Infringement is a strict-liability wrong, and observers have noted that most infringers know nothing about the patent until it is asserted against them. The defendants’ frustration is understandable, even if sometimes misplaced. What we shall here address is not who is guilty, but rather the tug of war over where such infringement suits are brought, and the extent to which the parties or the Judicial Panel can change that location.

HASTINGS L.J. 297, 334 (2010) (employing a broad definition of non-practicing entity to find that twenty percent of patent suits filed in 2010 were considered to be non-practicing entities).

8. Other possible definitions would include entities that make or sell things but not in the field of technology relevant to the patent involved in a given suit, or entities that do operate in the field but not with products covered by the patent in suit. In these latter senses, many significant industrial companies would be classed as non-practicing entities. For simplicity of discussion, we will not categorize them that way here.

9. See Intel Corp. v. U.S. Int'l Trade Comm'n, 946 F.2d 821, 832 (Fed. Cir. 1991) (stating that there is no intent element for direct infringement); Applied Interact LLC v. Vt. Teddy Bear Co., No. 04 Civ. 8713 HB, 2005 U.S. Dist. LEXIS 19070, at *13 (S.D.N.Y. Sept. 6, 2005) (“It is well-settled that knowledge and intent are not elements of direct infringement; hence, direct infringement may be innocent.”); CHISUM ON PATENTS §§ 11.02, 16.04 (stating that there is no knowledge or intent requirement for direct infringement).

10. See, e.g., Herbert Hovenkamp, Antitrust and the Movement of Technology, 19 GEO. MASON L. REV. 1119, 1142 (2012) (“Patent infringement does not require copying or even subjective knowledge of another's technology, and only a miniscule number of patent infringement suits even find that copying occurred.”); Mark A. Lemley, Should Patent Infringement Require Proof of Copying?, 105 MICH. L. REV. 1525, 1526 (2007) (“In the information technology industries, it sometimes seems as though the overwhelming majority of patent suits are not brought against people who copied a technology, but against those who developed it independently.”).
Large, high-tech companies have in recent years complained that they were being dragged into "patent-friendly" districts where they either had to pay what they regarded as extortionate sums to acquire licenses under the patents involved, or go to trial and risk a verdict rendered by a patent-favorable jury. The wrath of big-company defendants was most often directed at the Eastern District of Texas, which between 1995 and 2005 rose from almost total obscurity in patent jurisprudence to one of the two most frequently chosen districts for patent-owner plaintiffs today.\textsuperscript{11} Much of the district's transformation into a center for patent litigation was brought about by a change in the corporate venue statute in 1988,\textsuperscript{12} enabling a patent suit against a corporation to be brought in any district where the defendant company had minimum contacts in the constitutional sense.\textsuperscript{13} No longer was it required that the accused infringer have a regular place of business in the district. Plaintiffs in patent infringement suits flocked to Marshall, Tyler, and Texarkana, in the belief that juries in these locales would treat them well.

In the 1990s and early 2000s, compared with national averages, very few juries in those cities found patents invalid or not

\textsuperscript{11} A Lexis CourtLink search indicates that in calendar year 1990 only one patent case was filed in the Eastern District of Texas. By 1999 it had risen to 14, nowhere near any of the top 25 filing districts at that time. However, by 2005, filings in the Eastern District had risen more than tenfold to 149, placing the district third in patent filings, after Central and Northern California. In 2012 Lexis CourtLink indicates 1265 patent filings in the Eastern District of Texas (a search on the government's PACER site shows 1266), the highest number of filings in the nation, with the District of Delaware second at 997. The third-highest number of patent filings in 2012 occurred, per CourtLink, in the Central District of California, at 517.

\textsuperscript{12} The patent venue statute, 28 U.S.C. § 1400, provides for patent venue where the defendant "resides." Section 1391(c) of 28 U.S.C. in turn provides that for venue purposes, a corporation resides wherever it has minimum contacts:

\begin{quote}
(c) Residency. For all venue purposes—

\hspace{1em} .\hspace{1em} .\hspace{1em} .\hspace{1em} (2) an entity with the capacity to sue and be sued in its common name under applicable law, whether or not incorporated, shall be deemed to reside, if a defendant, in any judicial district in which such defendant is subject to the court's personal jurisdiction with respect to the civil action in question .\hspace{1em} .\hspace{1em} .\hspace{1em}
\end{quote}

\textsuperscript{13} See discussion infra Part II (noting that the minimum contacts test for corporate venue is only a minor constraint on venue).
infringed. More importantly, summary judgment as a tool of judicial disposition was somewhat culturally foreign in the Eastern District, the judges being more prone to resolve cases by trials. Nationwide, summary judgment is the primary tool for resolution of contested patent cases by more than a two-to-one margin over trial-based resolutions. These summary judgments were nearly always in favor of the accused infringer because the accused infringer needed to prevail on only one of the three main issues—validity, enforceability, or infringement—to achieve a complete victory and win a dismissal of the case. Patentees, by contrast, had to win on all three, if contested, to obtain a final judgment. Getting such a triple summary judgment was not easy, and it almost never happened. Hence, with summary judgment serving as primarily a defendant’s tool, the comparative dearth of summary judgment dispositions in the Eastern District of Texas was a major incentive for patent owners to sue there, and was a disadvantage for accused infringers, who would likely need to go to trial in order to win in that district. Patentees who can reach trial have a nationwide 75% chance of winning a jury verdict.

14. See Richard S. Gruner, How High Is Too High?: Reflections on the Sources and Meaning of Claim Construction Reversal Rates at the Federal Circuit, 43 LOY. L.A. L. REV. 981, 1030 (2010) (indicating that, for patent cases resolved in 2008, 8.7% were disposed by summary judgment, 2.8% by jury verdict, 0.05% by bench trial, and 0.19% by judgment as a matter of law following jury trial); Jay P. Kesan & Gwendolyn G. Ball, How Are Patent Cases Resolved? An Empirical Examination of the Adjudication and Settlement of Patent Disputes, 84 WASH. U. L. REV. 237, 274 (2006) (indicating that for the year 2000, 7% of contested patent cases were disposed of by summary judgment, 2% by jury trial, and 1% by bench trial).


The large high-tech companies expressed their displeasure along two fronts. First, during the lengthy patent law reform efforts in Congress from 2005 to 2011, these companies urged explicit and heavy restrictions on patent venue. For example, in 2007 the House of Representatives passed HR 1908. HR 1908 would have put severe restrictions on patent venue, allowing suits only in districts where the defendant is incorporated, has its principal place of business, or has an established facility where it has committed "a substantial portion of the acts of infringement." The bill died in the Senate. What was eventually enacted in 2011 as the Leahy-Smith America Invents Act ("AIA") contained no explicit venue provisions, but did restrict the joinder of non-cooperating defendants in a single action based solely on the fact that the same patent is involved. This provision arose in the context of then-recent case law developments on convenience transfers, making such transfers somewhat easier to obtain, as will be discussed in more detail later. With Congress as the first front in the patent venue battle, that body of case law constituted the second front. We now address the involvement of the JPML.

Part II will discuss case-coordination mechanisms that do not involve the JPML. Part III will describe the statutory structure and rules governing the JPML. In Part IV we shall describe what has happened in the past four years to patent cases that have come before the panel, and how the panel’s rulings have influenced patent venue nationally. Some general conclusions will be set out in Part V.

II. ALTERNATIVE INFORMAL COORDINATION MECHANISMS

District courts have long had at their disposal a considerable array of procedural tools for dealing efficiently, in some
circumstances, with multiple cases that have common subject matter or issues. The first tool is for situations where multiple cases are pending in the same district. The solution here is simply for the clerk to assign them to the same judge. Where the cases are pending in more than one district, it is often because an infringement suit has been filed by the patent owner in one district, and a declaratory judgment suit has been filed by the accused infringer in a different district, either before or after the infringement suit was filed. One or more convenience transfers can be arranged by the judges involved, either upon motion or sua sponte, placing all the cases in the same district. The only constraint is that, absent consent, a case can be transferred only to a district in which it "might have been brought," usually a fairly minimal constraint given the minimum contacts test for corporate venue. This informal process of coordinating cases, including patent infringement suits where the same patent is involved, has long been in use. Typically, unless there are overriding efficiency concerns, the first-filed district takes on the later-filed cases. This tool works fairly well when the

21. See Manual for Complex Litigation § 20.11 (4th ed. 2004) (providing, in part: "All related civil cases pending in the same court should initially be assigned to a single judge to determine whether consolidation, or at least coordination of pretrial proceedings, is feasible and is likely to reduce conflicts and duplication").

22. See id. § 20.12 (quoting 28 U.S.C. § 1404(a), which provides: "(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")

23. See supra note 12 and accompanying text (discussing patent venue statutes).

number of districts involved is only two or three. The procedure has
the advantage of allowing, at the transferee judge’s discretion, for
a single judgment that will be binding on all parties as to the common
issues (typically patent validity, enforceability, and scope), because
all will have had their day in court. 25 Another option is to dismiss
the declaratory action, especially if it is the later-filed one, since
declaratory jurisdiction is always discretionary. 26

Another informal device for coordinating patent cases to
minimize wasteful duplication of judicial effort and parties’ costs is
for some of the judges to stay their cases while a lead case, usually
the first-filed, goes forward to judgment, either a summary judgment
or a trial-based resolution. 27 In such circumstances the stayed
defendant would not be bound by the outcome in the lead case,
although realistically it is unlikely that a different result on the
common issues would occur. Moreover, due to the Supreme Court’s
ruling in Blonder Tongue Laboratories, Inc. v. University of Illinois
Foundation, 28 a judgment finding a claim of the patent invalid is
preclusive against the patent owner in all subsequent cases. In other
words, it is a kind of one-way street. If the claim is found valid, the
absent defendant gets another bite at the apple when her case comes

25. See, e.g., United States ex rel. Heathcote Holdings Corp. v. Mabelline
LLC, No. 10 C 2544, 2011 U.S. Dist. LEXIS 27128, at *22–24 (N.D. Ill. Mar. 15,
2011) (holding that related litigation should be transferred to a single forum for
consolidation, where feasible); Emerson Elec. Co. v. Robertshaw Controls Co.,
(stating that it is desirable to have all interested parties bound by a single judicial
determination to avoid duplicative judicial efforts).

*2 (N.D. Ill. May 11, 1993) (dismissing later filed declaratory action); Ropat Corp.
1404 (7th Cir. 1974) (dismissing rather than transferring declaratory action);
Original Tractor Cab Co., Inc. v. Int’l Harvester Co., 179 U.S.P.Q. (BNA) 70
(N.D. Ind. 1973) (same).

27. See, e.g., Amersham Int’l PLC v. Corning Glass Works, 618 F. Supp. 507
(E.D. Mich. 1985) (holding that a suit against a customer may be stayed pending
resolution of another suit against the manufacturer); Huston v. FMC Corp., 190
U.S.P.Q. (BNA) 66 (N.D. Ill. 1975) (staying infringement claim against customer);
later-filed declaratory action pending an earlier infringement suit’s proceeding).

to adjudication; if found invalid, the claim is dead as to everyone in the world. Accordingly, significant savings might be accomplished by a stay. On the other hand, courts today are rather conscious of their backlog statistics and may be reluctant to issue stays for that reason.\(^{29}\)

Finally, district courts have sometimes grappled with the multiple-forum situation by using the tool of enjoining parties who are before them in one case from proceeding with cases pending in other courts.\(^{30}\) While it accomplishes the purpose of judicial efficiency, this solution is somewhat awkward in that it leaves the enjoined case in a sort of procedural limbo. Perhaps for that reason, it is much less utilized than the convenience transfer solution.

Helpful as these informal coordinating tools are, they are somewhat impractical when three or more districts are involved. In such circumstances it may be difficult for the judges to agree on how to handle the whole set of cases. In addition, informal transfer rulings are subject to mandamus review by the courts of appeals sitting over the transferring courts, potentially complicating the questions and possibly leading to inconsistent results. A more generalized forum is needed to decide where the cases should be handled. This is the primary role of the Judicial Panel on Multidistrict Litigation.

III.STRUCTURE AND OPERATION OF THE JUDICIAL PANEL

A. Powers of the Panel

The Judicial Panel on Multidistrict Litigation, called simply “MDL” by many lawyers, has been around for some time now.

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29. Some judges who issue a stay will also administratively close the case, so that their workload output statistics are not negatively affected by a seemingly lingering case. The case can be reopened. See, e.g., Chicago Mercantile Exch., Inc. v. Tech. Research Grp., LLC, 276 F.R.D. 237 (N.D. Ill. 2011) (dismissing the action without prejudice, but restoring it upon conclusion of reexamination proceedings in the Patent & Trademark Office).

Congress created the panel in 1968 by enacting a provision in the Judicial Code with the objectives of achieving greater judicial efficiencies in administration of civil cases and reducing the costs of some of the more complex kinds of litigation, namely, situations where multiple cases involving common issues are pending in more than one federal district. Section 1407 of the Judicial Code addressed these problems by creating a panel of seven existing federal judges from district courts and courts of appeals who serve on the panel as an additional duty for a period of several years while remaining on their respective courts. The members of the panel are


(a) When civil actions involving one or more common questions of fact are pending in different districts, such actions may be transferred to any district for coordinated or consolidated pretrial proceedings. Such transfers shall be made by the judicial panel on multidistrict litigation authorized by this section upon its determination that transfers for such proceedings will be for the convenience of parties and witnesses and will promote the just and efficient conduct of such actions. Each action so transferred shall be remanded by the panel at or before the conclusion of such pretrial proceedings to the district from which it was transferred unless it shall have been previously terminated: Provided, however, That the panel may separate any claim, cross-claim, counter-claim, or third-party claim and remand any of such claims before the remainder of the action is remanded. (emphasis added).

(b) Such coordinated or consolidated pretrial proceedings shall be conducted by a judge or judges to whom such actions are assigned by the judicial panel on multidistrict litigation. For this purpose, upon request of the panel, a circuit judge or a district judge may be designated and assigned temporarily for service in the transferee district by the Chief Justice of the United States or the chief judge of the circuit, as may be required, in accordance with the provisions of chapter 13 of this title. With the consent of the transferee district court, such actions may be assigned by the panel to a judge or judges of such district. The judge or judges to whom such actions are assigned, the members of the judicial panel on multidistrict litigation, and other circuit and district judges designated when needed by the panel may exercise the powers of a district judge in any district for the
appointed by the Chief Justice, but the statute requires that no two of them be from the same circuit. The panel hears requests from litigants to centralize all or some portion of the related cases in a single district and before a single district judge. If, after the hearing, the panel is of the view that centralized handling of a group of cases in a particular district and by a particular judge will aid efficiency, it confers with the prospective judge and orders transfer of those cases in the group that are not already pending in that district to be moved there and assigned to that named judge. The transferee district might even be one in which none of the cases is presently pending. The statute specifies that the transfer is for “pretrial proceedings.” If a trial were needed, each case then theoretically would, absent consent to trial in the transferee district, need to go back to where it came from for trial. It is this theoretical possibility that has misled many lawyers into thinking that the transferee district will be for procedural matters only. However, while remands do occur occasionally, trial in the original district seldom happens in any type of case. In patent litigation, for example, out of the many hundreds of patent cases transferred by the panel, as mentioned earlier we found only one report of any case having been remanded and then tried. The reason: within the rubric of “pretrial proceedings,” the

purpose of conducting pretrial depositions in such coordinated or consolidated pretrial proceedings.

33. See, e.g., In re Webvention LLC ('294) Patent Litig., 831 F. Supp. 2d 1366, 1367 (J.P.M.L. 2011) (transferring five pending actions, two in the Eastern District of Texas, and three in the District of Delaware, to the District of Maryland, noting that while the panel is “typically hesitant to centralize litigation in a district in which no constituent action is pending,” it would do so here because of the large civil caseloads in the pending districts).
35. See MANUAL FOR COMPLEX LITIGATION, supra note 21, § 20.132 (“Few cases are remanded for trial; most multidistrict litigation is settled in the transferee court.”).
36. The CBS case is the sole one to be remanded and tried, as discussed in Part I, supra. One other set of cases came close, but none of them were actually tried. The Judicial Panel ordered remand to the original districts in In re Molinaro/Catanzaro Patent Litig., 402 F. Supp. 1404, 1405 (J.P.M.L. 1975). The plaintiffs were able to reach the pretrial conference in one of the remanded cases,
transferee district is empowered to dismiss cases when grounds for dismissal appear, to issue consent judgments when agreed to by the parties, and, most importantly, to issue summary judgments. And, of course, there is the matter of settlements. In patent litigation the settlement rate is around 88%. Where the JPML has ordered the coordinated handling of cases in a transferee court, the transferee judge is in an excellent position to foster settlements. As the Manual for Complex Litigation aptly puts it:

One of the values of multidistrict proceedings is that they bring before a single judge all of the federal cases, parties, and counsel comprising the litigation. They therefore afford a unique opportunity for the negotiation of a global settlement. Few cases are remanded for trial; most multidistrict litigation is settled in the transferee court. As a transferee judge, it is advisable to make the most of this opportunity and facilitate the settlement of the federal and any related state cases.

but that case was then dismissed. See Molinaro v. Hart Elecs. Corp., 516 F. Supp. 19, 19–20 (M.D. Pa. 1981) (indicating a pretrial conference was held, after which the court granted summary judgment and no trial was to be held). Other remanded cases were dismissed on summary judgment. See, e.g., Molinaro v. Fannon/Courier Corp., 745 F.2d 651 (Fed. Cir. 1984) (dismissing the district court on summary judgment).

37. See, e.g., MANUAL FOR COMPLEX LITIGATION, supra note 21, § 20.132 (“Although the transferee judge has no jurisdiction to conduct a trial in cases transferred solely for pretrial proceedings, the judge may terminate actions by ruling on motions to dismiss, for summary judgment, or pursuant to settlement, and may enter consent decrees.”). See also In re Donald J. Trump Casino Sec. Litig., 7 F.3d 357, 367–68 (3d Cir. 1993) (holding that a MDL transferee court has authority to hear motions for summary judgment as part of pretrial proceedings); Humphreys v. Tann, 487 F.2d 666, 667–68 (6th Cir. 1973) (same).

38. See John R. Allison, Mark A. Lemley & Joshua Walker, Patent Quality and Settlement Among Repeat Patent Litigants, 99 GEO. L.J. 677, 697 (2011) (noting that software patent cases have a settlement rate of 89.5%, and other kinds of patent cases a rate of 86%); Mark A. Lemley, The Limits of Claim Differentiation, 22 BERKELEY TECH. L.J. 1389, 1390 n.2 (2007) (stating that patent case settlement rates are somewhere between 80 and 98%).

39. MANUAL FOR COMPLEX LITIGATION, supra note 21, § 20.132 (emphasis added).
Thus we see that a tribunal that seemingly is intended to bring about efficiencies in the discovery process actually has a major substantive role on the merits.

B. Overview of Panel Procedure

The procedures for action by the panel are set out in its rules. In this discussion we draw examples from patent litigations, but it should be understood that the panel's rules are not case specific, and any kinds of civil actions would be handled in much the same way.

Where actions pending in more than one district involve common issues of fact, the potential exists for action by the panel to coordinate them before a single judge. The panel will do so only if it appears from the timing postures of the various cases, and the number and nature of common issues, that coordination will be helpful for convenience of the parties and for promoting "the just and efficient conduct of such actions." The process normally starts with one or more parties to the actions lodging a motion with the panel to transfer some or all of the cases to a particular district, giving notice to the clerks of all the courts where the actions are pending and to all counsel in those cases.

The clerk of the panel then sets briefing and hearing dates for the panel to consider the views of all interested parties. The panel sits once every two months to hear all the cases that are then ready for hearing, at a location that moves to a different part of the country for each sitting. Hearings are normally limited to only twenty

42. See R.P. U.S. J.P.M.L. 6.2(9) (Rule 6.2., Motions to Transfer for Coordinated or Consolidated Pretrial Proceedings, provides that "[a] party to an action may initiate proceedings to transfer under Section 1407 by filing a motion in accordance with these Rules. A copy of the motion shall be filed in each district court where the motion affects a pending action.").
44. For example, the panel will sit in Orlando in January 2013, in San Diego in March, and in Orlando in May. Hearing Information, JUDICIAL PANEL ON
minutes per matter, with the parties dividing that time among those espousing different positions. The positions may be for or against coordination, or the parties may be in harmony on the need for coordination but differ as to the best transferee district.

Shortly after the hearing, and generally in less than four months from the initial filing, the panel issues a written opinion that either denies the motion for coordination—finding that the asserted grounds for coordination are not likely to enhance justice or efficiency—or transfers some or all the cases to a single district before a named judge who has consented in advance to take on the chore. The grounds used for deciding in favor of coordination are mainly: (1) the degree of commonality of issues in the various cases; and (2) the stage of the respective litigations. If coordination looks attractive, the criteria for choosing a transferee district and judge mainly include: (1) present handling of some of the cases; (2) experience in managing patent litigation; and (3) docket condition (lighter-docketed judges are more likely to be assigned as transferee judges). The panel mentions these particular factors in most of its transfer opinions in patent cases. The decisions on their face have nothing to do with whether the transferee judges are regarded as pro- or anti-patent in attitude or judicial philosophy, although those factors undoubtedly do shape the arguments of the parties. Convenience of the transferee for parties and witnesses is sometimes a factor, but it appears to be a relatively minor one in most decisions.

Once ordered, the group of transferred cases is by no means static. More cases may be filed in various districts after a transfer

46. See 28 U.S.C. § 1407(b) (2006) ("With the consent of the transferee district court, such actions may be assigned by the panel to a judge or judges of such district."). In practice the panel contacts the desired judge first to obtain her consent, and then procures the formal consent of the chief judge of the district.
47. For example, if two cases are advanced, with discovery complete or nearly so, and the other cases are newly filed, coordination could be detrimental to efficiency of disposition, by slowing down the advanced cases while the others catch up. Moreover, the opportunities for common discovery are reduced in such situations.
order has been entered by the panel or while the issue is pending before the panel. The panel rules refer to the later cases as "tag-along" actions.\textsuperscript{48} All counsel in transferred cases are under a duty to notify the panel of any potential tag-along cases in which they appear or in which their client is named a party.\textsuperscript{49} If a transfer order is made in the case, the panel then usually issues a conditional transfer order moving the tag-along cases to the transferee judge as well. The tag-along order is conditional in the sense that the affected parties have a right to be heard on whether their cases are appropriate for such transfer. If they oppose transfer, they must file a motion to vacate the conditional order, and they will be heard at the panel's next session.\textsuperscript{50} The usual ground of resistance is that the tag-along actions are much less developed than the transferred ones, and hence should stay where they are, at least for the time being, rather than impede the resolution of the earlier-filed actions.

The panel's transfer order is subject to mandamus review in the court of appeals that embraces the transferee district.\textsuperscript{51} If transfer is denied by the panel, the statute forbids any appellate review.\textsuperscript{52} Realistically, transfer rulings cannot be overridden by mandamus. While petitions for mandamus against the panel are not unheard of,\textsuperscript{53} we have not been able to find any instance where such a writ was granted, in any type of case, since the panel's creation in 1968.\textsuperscript{54}

\begin{footnotes}
\item[48] R.P. U.S. J.P.M.L. 7.1(a)
\item[49] Id.
\item[50] R.P. U.S. J.P.M.L. 7.1(c)--(f).
\item[51] See 28 U.S.C. § 1407(e) (2006) ("No proceedings for review of any order of the panel may be permitted except by extraordinary writ pursuant to the provisions of title 28, section 1651, United States Code. . . . Petitions for an extraordinary writ to review an order to transfer or orders subsequent to transfer shall be filed only in the court of appeals having jurisdiction over the transferee district. There shall be no appeal or review of an order of the panel denying a motion to transfer for consolidated or coordinated proceedings.").
\item[52] Id.
\item[53] See, e.g., \textit{In re Progressive Games, Inc.}, 1998 U.S. App. LEXIS 34132 (Fed. Cir. 1998) (denying petition for mandamus against JPML); \textit{In re Regents of the Univ. of Cal.}, 964 F.2d 1128 (Fed. Cir. 1992) (same).
\item[54] Indirectly, the panel was reversed by the Supreme Court's decision in \textit{Lexecon Inc. v. Milberg Weiss.} 523 U.S. 26, 43 (1998). There, a party challenged the transferee district court's decision to transfer to itself for trial one of the cases previously transferred to it by the panel for pretrial proceedings. Such full
The transferee judge takes charge of all the transferred actions for all purposes other than trial. As mentioned above, this includes many powers beyond controlling discovery. Motions for rulings on substantive points of law, motions for partial or dispositive summary judgment, interpretations of legal documents such as contracts or patents, are just a few of those powers. These rulings are often case-dispositive, and the transferee judge enters a final judgment accordingly.\(^{55}\) Many cases settle during the process. If one or more cases survive the dispositive motions and require a trial, the transferee judge often holds the remaining cases in abeyance, thus delaying remand of those cases by the panel. The panel has sole authority to order a remand,\(^{56}\) but it will normally not do so without the suggestion of the transferee judge.\(^{57}\) Thus, a typical judicial strategy might be to move forward to trial on the cases that were originally filed in the transferee district in order to obtain verdicts and judgments in them prior to recommending remand in the others. Very likely nothing will be left that anyone wants to take to a further trial at that point.

Remands, when they do occur, arrive back at the transferor court with a large number of rulings in place from the transferee court. These rulings are subject to deference under law of the case principles.\(^{58}\) Once again, there is not much left to try in the original transfers by the transferee judge were explicitly allowed by the panel rules at the time. The Supreme Court invalidated the panel rule and held that a transferee court lacks power to transfer the whole case to itself. \textit{Id.} at 40. However, the panel was not a party to the \textit{Lexecon} case, and the only mandamus relief sought in the lower courts was against the transferee judge.


56. \textit{See, e.g., In re Roberts,} 178 F.3d 181, 184 (3d Cir. 1999) ("The statutory power to order a remand under § 1407(a) from the transferee district to the transferor district lies in the Panel, not the transferee district judge.").

57. R.P. U.S. J.P.M.L. 10.3(a) ("[T]he Panel is reluctant to order a remand absent the suggestion of the transferee judge.").

58. \textit{See Hayman Cash Register Co. v. Sarokin,} 669 F.2d 162, 169 (3d Cir. 1982) ("A disappointed litigant should not be given a second opportunity to litigate a matter that has been fully considered by a court of coordinate jurisdiction, absent unusual circumstances. Adherence to law of the case principles is even more
court, which perhaps explains the high settlement rate for remanded cases. The bottom line appears to be that the Manual on Complex Litigation was right in stating that few JPML-transferred cases are ever remanded for trial. The panel is thus the effective policeman for venue in multiple-related-case scenarios.

IV. IMPACT ON PATENT LITIGATION

A. General Observations on Trends

The Judicial Panel on Multidistrict Litigation has seen its MDL filings in patent cases increase more than threefold in 2012 (to seventeen hearings and dispositions), as compared with the average number of filings in the three-year period 2009–2011 (fourteen rulings over the three-year period, an average of 2.8 per year). A listing of the 2012 cases and the 2009–2011 cases appears in the appendix to this article. What has caused the increase?

Two factors seem to be the main ones at play, both primarily involving suits by non-practicing entities. As mentioned earlier, important in this context where the transferor judge and the transferee judge are not members of the same court. Here, the principles of comity among courts of the same level of the federal system provide a further reason why the transferee court should not independently re-examine an issue already decided by a court of equal authority.

59. In patent cases over the past fifteen years, we have found only two remand orders from transferee courts, and neither actually went to trial. See In re Recombinant DNA Tech. Patent and Contract Litig., MDL Docket 912, D.I. 23 (Jan. 30, 1997) (remanding from S.D. Ind. to N.D. Cal.); In re Dippin' Dots, Inc., Patent Litig., MDL Docket 1377, D.I. 25 (Aug. 22, 2003) (remanding from N.D. Ga. to N.D. Tex.). In the DNA case in the Northern District of California, no further action can be found, and the case presumably was settled. In the Dippin’ Dots case, settlement was achieved by mediation, even before the remand order could be carried out. See Dippin’ Dots v. Mfg. Parties and Distrib. Parties, Civil Action No. 1:00-cv-907-TWT, D.I. 425 (N.D. Ga. Sept. 3, 2004) (indicating all issues resolved by mediation).
these entities are thought to file a significant proportion of the patent infringement suits in the United States. The first, and probably most important of the two main drivers of JPML work, is the line of cases beginning in 2008 that put meaningful constraints on district court rulings on motions for convenience transfer. Most practitioners had thought convenience transfers were in the total discretion of the district judge and beyond any effective appellate review. Mainline industrial entities felt themselves confined in the Eastern District of Texas, with no way out. That feeling was somewhat exaggerated, as I demonstrated in two articles. Nonetheless, the feeling persisted until the Federal Circuit’s 2008 decision in *TS Tech.* There the Federal Circuit issued a writ of mandamus compelling the district judge in the Eastern District of Texas to grant a convenience transfer to the Southern District of Ohio. The Federal Circuit relied to a large extent on a Fifth Circuit mandamus ruling, *In re Volkswagen of America Inc.*, also directed against the Eastern District of Texas but in a personal injury case, that was decided *en banc* at the time *TS Tech* was pending in the Federal Circuit.

The ruling in *TS Tech* opened the Federal Circuit to a substantial number of venue mandamus petitions, some granted and some denied. This array of cases has led to a shift in thinking of counsel for non-practicing entities. As we shall see, many patent-owner plaintiffs have in the past three years filed suits in a number of different districts, all with clear venue for the particular defendant

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60. See Paul Janicke, *Venue Transfers from the Eastern District of Texas: Case by Case or an Endemic Problem?*, LANDSLIDE, March–April 2010, at 16 (demonstrating that the rate of granting transfer motions in patent cases in the Eastern District of Texas could not support the perception that it was impossible to transfer); Paul Janicke, *Patent Venue and Convenience Transfer: New World or Small Shift?*, 11 N.C.J.L. & TECH. ON. 1 (2009) (demonstrating that the Eastern District of Texas did not hold on to civil cases more often than other courts or keep more patent cases than other high-patent-volume districts).

61. In *re TS Tech USA*, 551 F.3d 1315 (Fed. Cir. 2008).

62. 545 F.3d 304 (5th Cir. 2008), cert denied, 129 S. Ct. 1336 (2009).

involved. The strategy is seemingly to avoid the expense and delay of fighting a convenience transfer motion by that defendant, followed by a mandamus petition if the motion is unsuccessful. Non-practicing entities are usually represented by contingent-fee counsel. While they would prefer to have the leverage of being in what is perceived as a patent-friendly court, that advantage is probably not worth the cost of a venue fight. In any event, the vast majority of the cases are destined to settle well short of summary judgment or trial. In addition, these plaintiffs may find their cases ordered coordinated by the Judicial Panel into a single district, basically immunizing them from the trouble and expense of further convenience transfer motions.

The second factor leading to the increased use of the JPML is the provision in the 2011 Leahy-Smith America Invents Act prohibiting the joinder in a single civil action of multiple non-cooperating defendants whose only common feature is that they are accused of infringing the same patent. Curiously, this has turned out to be the same rule of law that would have applied under existing Rule 42 of the Rules of Civil Procedure, but the case law was not so defined at the time of enactment. More importantly, the new law added an additional constraint by prohibiting joint trials when the actions are filed separately, unless there is more commonality than involvement of the same patent or the defendants’ consent to a joint trial. So perhaps the thinking of plaintiffs was to hope for transfers by the JPML, which as we have seen comes close, for practical purposes, to being a permanent assignment to a single judge.

64. See 35 U.S.C. § 299(b) (2006) (“For the purposes of this subsection, accused infringers may not be joined in one action as defendants or counterclaim defendants, or have their actions consolidated for trial, based solely on allegations that they each have infringed the patent or patents in suit.”).

65. See In re EMC Corp., 677 F.3d 1351, 1359 (Fed. Cir. 2012) (noting that where the same patent is allegedly infringed by multiple defendants, “[c]laims against independent defendants (i.e., situations in which the defendants are not acting in concert) cannot be joined under Rule 20’s transaction-or-occurrence test unless the facts underlying the claim of infringement asserted against each defendant share an aggregate of operative facts”).

66. See 35 U.S.C. § 299(b) (2006) (“[A]ccused infringers may not . . . have their actions consolidated for trial, based solely on allegations that they each have infringed the patent or patents in suit”).
In reviewing the JPML cases listed in the appendix hereto, we see a number of different scenarios playing out. Overall, the panel refused transfer in four 2012 proceedings, a “proceeding” here referring to a request for coordinated treatment; each such request involves at least two and usually many more underlying member cases. Eleven proceedings resulted in transfer orders, seven of them original orders and four follow-on transfer orders for tag-along cases, totaling eighty-eight underlying cases. The 2012 proportion of transfers ordered had not changed much from the 2009-2011 period, where requests were denied in four proceedings and granted in ten proceedings. All of the proceedings were original sets of cases rather than tag-alongs.

New patterns might be hard to find in the four years of data. On the question of which side is making the motion for coordination, patent owners resorted to the panel, seeking coordination of actions they themselves had brought in multiple districts in seven67 of the seventeen proceedings ruled upon in 2012. In the past it was usually aggrieved defendants who sought panel relief in the hope of saving litigation costs. These days, given the line of court decisions somewhat restricting venue to more convenient fora, patentees are saving themselves the grief of forum fights by suing defendants in solidly convenient districts, and then moving to have the cases coordinated by the panel. Even in some of proceedings where the accused infringers are seeking coordination,68 the underlying cases were all brought by the patentee, and only a few were declaratory actions brought by the accused infringers. Between 2009 and 2011, eight69 of the fourteen panel proceedings were brought by the patent owners.

For context in reading the above numbers, and those that follow, patent proceedings make up only a small portion of the JPML's work. In 2012 the panel issued 381 rulings, and only seventeen of them were in patent proceedings which can be found in the appendix.

67. These are Appendix case numbers 1, 2, 4, 6, 9, 11, and 12.
68. See, e.g., Appendix case numbers 5 and 7.
69. These are Appendix case numbers 21, 24–29, and 31.
B. Specific Observations on JPML Rulings

Some features of recent JPML rulings in patent proceedings may be of particular interest. While we know the panel’s patent-proceeding workload tripled in 2012 as compared with the average for 2009–2011, in general there are a panoply of reasons supporting a given transfer decision, and from the reported results no general rule can be drawn about which factors predominate, if any. We now look at a few of the possibilities.

1. Sending to Where the Largest Numbers of Cases Are Pending

Not surprisingly, the panel tends to give considerable weight to the number of cases pending in the various districts involved in a group of cases brought up for transfer. In 2012 the numbers of underlying cases pending in reported JPML transfer rulings (excluding later tag-along rulings) ranged from a low of two to a high of sixteen, with a median of five. The transferee district is commonly the one where most cases are already pending. The panel chose such a district in all but one of the 2012 transfer orders listed in the appendix.

Not much change is seen for this factor in the 2009–2011 rulings. Transfers were granted in proceedings where the number of constituent cases ranged from three to eleven, with a median of six. The cases generally were sent to the district that already had the largest number pending, with three exceptions: Appendix #21, transferred to the Western District of Oklahoma, where one case was pending, rather than to Eastern Texas, where two were pending; #24, where the transferee court, Southern District of New York, had only one case pending, rather than the Eastern District of Pennsylvania, which had four pending; and #26, where Southern Indiana (one case pending) was chosen over Southern New York (two cases pending) and Northern Oklahoma (two cases pending).

70. Appendix case number 12 is the exception, wherein a district with one action pending (W.D. Pa.) was chosen over a second district (E.D. Tex.) where five were pending.
2. Judicial Workload as a Factor

The workload of the possible transferee judges, relative to that of the transferor judges, is often mentioned as a factor supporting a panel transfer order. However, it is somewhat difficult to assess the weight given to that factor in most cases. Many cases in the past four years have been transferred to high-volume districts like Delaware and Northern Illinois. In only one proceeding did the panel explicitly say that its decision was driven by workload: in Appendix #19 the constituent cases were transferred to the District of Maryland on that ground, even though none of them had been pending there.

3. Draining Cases from Eastern Texas?

With all the furor over venue in Eastern Texas, and the extraordinarily high volume of patent cases pending there, it might be assumed that the judicial panel would be motivated to move many patent cases out of that district. However, such a motivation is difficult to find in the actual results. In 2012 the district lost only eight cases by panel rulings; from 2009 to 2011 it lost just five. There is no basis to believe that the panel is bent on relieving Eastern Texas of very much of its current annual filing level of patent cases: there were 1266 filings in 2012, and only 120 cases total transferred over the four-year period from 2009 to 2012.

4. First-Filed Forum Preference

This traditional venue-choice factor, first-filed forum, was mentioned in eight of the eighteen original transfer orders. While this factor obviously carries considerable weight, it is not necessarily controlling, since it was not mentioned or not determinative in the majority of panel decisions.

71. Public Access to Court Electronic Records, PACER.GOV (search was conducted in Pacer's National Locator folder using the dates from January 1, 2012 to December 31, 2012) (last visited Jan. 11, 2013).
V. Conclusion

As seen above, the patent workload of the JPML has increased significantly in the past year. Much of this increase is due to the delay and expense of trying to hold venue in the plaintiff’s chosen forum, as against a convenience transfer ruling by the district judge, followed by a mandamus petition by a defendant against that ruling. Some of the increase is undoubtedly due to the venue phenomena flowing from the AIA’s restrictions on joinder of unrelated accused infringers in a single civil action. Those restrictions invite the filing of separate actions in the same district, but with an increased likelihood of one or more convenience transfer motions being granted, potentially scattering the cases hither and yon. All this can be short-circuited by seeking coordination by the Judicial Panel on Multidistrict Litigation, and that is probably why patent owners are going there.

As we have seen, a transferee court designated by the panel is for practical purposes much more than a facilitator of efficiency in discovery efforts. It has realistically been the court of final judgment in patent cases since the panel’s creation in 1968, with powers to issue claim construction orders, make summary judgment dispositions both dispositive and partial, supervise settlement efforts, and delay remands to the original courts in the (relatively unlikely) event a trial is needed in any transferred cases until after trial is completed in the cases originally filed in the transferee forum.

The panel is rapidly becoming a monitor of more patent venue outcomes. This writer expects that trend to increase with time.
VI. APPENDIX

[Note: The cases are here listed in reverse chronological order. As used here "transfer" means an order sending a case to another district for coordinated pretrial handling, as distinguished from a full transfer under 28 U.S.C. § 1404.]

**JPML patent cases 2012:**


**JPML patent cases 2009–2011:**


