PATENT VENUE AND CONVENIENCE TRANSFER: NEW WORLD OR SMALL SHIFT?

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In the wake of a large rise of patent infringement suit filings in the Eastern District of Texas in recent years, critics have complained that the court is too receptive to such filings and too reluctant to transfer them to other districts. Accusations of forum-shopping have been prevalent. However, as long as Congress provides a plurality of acceptable districts in which cases of a given type can be filed, lawyers are duty-bound to select the one perceived as best for their clients; defense counsel are similarly obliged to try to move the case to a place seen as more hospitable to the defendant’s positions. It is then up to the courts themselves to sort out venue in light of existing provisions of law, notably the convenience transfer provision of 28 U.S.C. § 1404(a). Normally a matter of judicial discretion, some recent decisions refusing transfer of patent cases have been reversed for abuse of discretion. The present article studies the questions of (i) whether, prior to the recent cases, the Eastern District of Texas held onto civil cases more often than other courts; and (ii) whether the district kept more patent cases than other high-patent-volume districts did. Both are answered essentially in the negative. The court has transferred civil cases generally, and patent cases in particular, as often or more often than the average for all federal courts nationally.

I. INTRODUCTION

There have been some changes of late in convenience transfer law, especially as relating to patent infringement suits. The

1 HIPLA Professor of Law, University of Houston Law Center. Author of Modern Patent Litigation, Carolina Academic Press. Thanks to many practitioners for their helpful inputs to this article, especially to Jack C. Goldstein and Paul Krieger.
Eastern District of Texas has been the focal point for much of the judicial attention. Rulings on motions to transfer patent cases out of that district have risen slightly. In the twelve-month period ending June 30, 2009, there were thirty-two such rulings, ten grants and twenty-two denials. The majority of these rulings, nine of the grants and sixteen of the denials, occurred in the later half of the period, very likely reflecting the accelerated pace of transfer motions in the wake of a Federal Circuit ruling on the subject of convenience transfers that came down on December 29, 2008. However, as a proportion of total patent case terminations, including all settlements, transfers still occupy about the same portion as before, at 3.7%. Moreover, the success rate for a contested transfer motion has actually dropped slightly, to 31%.

The recent spate of mandamus decisions from courts of appeals on convenience transfer rulings has triggered an inquiry into the transfer experience of a few prior years in patent cases. Has something happened that caused unease in the courts of appeal about venue choice in patent cases? In particular, was the Eastern District of Texas holding onto a disproportionate number of patent cases, or civil cases generally? This article investigates those questions.

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2 Docket Navigator Home Page, https://www.docketnavigator.com/ (last visited Oct. 9, 2009). This new service allows searches of many types of docket events in patent infringement cases throughout the country. For this search I counted only contested rulings, eliminating stipulated transfers. I did not count magistrate recommendations per se, but only rulings by the district judge. Also I did not count motions that were denied as “moot” or denied “with leave to renew.”

3 In re TS Tech USA Corp., 551 F.3d 1315 (Fed. Cir. 2008), in which a writ of mandamus was granted, as discussed in detail later herein.

4 Federal Judicial Center Home Page, http://www.fjc.gov (last visited Oct. 9, 2009). The Federal Judicial Center’s database for civil terminations treats a transfer as a termination for the transferring district, even though the case is still alive in another court. See also Inter-University Consortium for Political and Social Research, http://www.icpsr.umich.edu/ (last visited Nov. 11, 2009).

5 Inter-University Consortium for Political and Social Research, http://www.icpsr.umich.edu/ (last visited Nov. 11, 2009).
The first recent appellate foray into the area, *In re Volkswagen of America Inc.*, known as *Volkswagen II* for reasons that will later become apparent, was a product liability action against a car manufacturer stemming from a highway accident in Dallas. The suit was properly brought in the Eastern District of Texas, but was transferred on convenience grounds to the Northern District by the Fifth Circuit sitting *en banc*. The second case, *In re TS Tech USA Corp.*, was a patent infringement action brought in the Eastern District of Texas against an Ohio-based auto parts vendor. The Federal Circuit ordered it transferred, again for convenience reasons, to the Southern District of Ohio. Since *TS Tech* the Federal Circuit has had further occasion to look at transfers by the mandamus route, as will be detailed herein.

These decisions raise important issues about the reach of a district court’s discretion in deciding convenience transfers under 28 U.S.C. § 1404(a). They also raise the question of whether the Eastern District of Texas had been unduly holding onto patent and other civil cases. Here, the question is investigated through comparing the proportion of transfers out of that district, in patent cases and civil cases generally, to the proportions in other districts and the federal system as a whole.

The rulings in *Volkswagen II* and *TS Tech* attracted considerable attention in light of the large increase in the proportion of patent suits filed in the Eastern District of Texas in the last five years: rising from 20 filings (0.81%) in 2000, to 161 (6.0%) in 2005, to 311 (11.2%) in 2008. It is now the district...
with the largest number of patent suit filings in the United States. Adverse commentary and Congressional proposals to limit patent venue have followed.

Some have observed in *Volkswagen II* and *TS Tech* that the judges in the Eastern District of Texas might be fueling increased filings through unreasonable and persistent refusal to transfer civil cases out of the district when requested by defendants. That view appears to lack basis. Information drawn from federal databases demonstrates that for fiscal years 2005, 2006, and 2007, the proportion of civil cases transferred out of the Eastern District of Texas was considerably higher than the national average for all federal districts. The proportion of patent cases transferred was also higher than the national average in 2005 and 2007, and nearly the same in 2006. In 2008 the results continued largely the same.

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14 The next three districts for such filings are now Northern California, Central California, and Delaware. Source: Lexis CourtLink data for calendar 2008.

15 See, e.g., Yan Leychis, *Of Fire Ants And Claim Construction: An Empirical Study Of The Meteoric Rise Of The Eastern District Of Texas As A Preeminent Forum For Patent Litigation*, 9 YALE J.L. & TECH. 193 (2007). In Congress, as part of patent reform efforts begun in 2005, several bills have proposed severe limits on venue in patent cases by changing the definition of corporate residence for such cases from the present definition of any minimum-contacts district, 28 U.S.C. § 1391(c) (2006), to more limited choices. See, e.g., S. 3818, 109th Cong., § 8 (2008) (limiting corporate residence for patent cases to state of incorporation or where the corporation has a regular and established place of business); H.R. 1908, 110th Cong., § 11 (2007) (limiting corporate residence, for purposes of venue in patent cases, to (i) district of principal place of business or (ii) a district where a substantial portion of infringing acts occurred and the corporation has an established physical facility constituting a substantial portion of its operations).


17 *Infra*, Table 1.

18 *Infra*, Table 6.
way, with transfers of civil cases generally, and patent cases in particular, significantly higher in the Eastern District of Texas than the averages for all districts.\textsuperscript{19}

II. THE LAW OF VENUE

A. Venue in Civil Cases Generally

The current civil venue statute was enacted in 1988,\textsuperscript{20} amending prior law to specify that the residence of a defendant domestic corporation for venue purposes not only would be the state of incorporation, as before, but also any district with which the corporation had minimum contacts of the type that would be sufficient for \textit{in personam} jurisdiction if that district were a separate state.\textsuperscript{21} A foreign corporation can be sued, as before, in

\textsuperscript{19}{\textit{Infra}, Tables 1, 6.}
\textsuperscript{20}{See PL Judicial Improvements and Access to Justice Act, Pub. L. No. 100-702, § 1013, 102 Stat. 4642 (1988) (codified as amended at 28 U.S.C. § 1391 (2006)). The act specified that for venue purposes a corporation was deemed to reside in any district in which it is subject to personal jurisdiction at the time the action is commenced.}
\textsuperscript{21}{See 28 U.S.C. § 1391(c) (2006), which provides:
  For purposes of venue under this chapter, a defendant that is a corporation shall be deemed to reside in any judicial district in which it is subject to personal jurisdiction at the time the action is commenced.
  In a State which has more than one judicial district and in which a defendant that is a corporation is subject to personal jurisdiction at the time an action is commenced, such corporation shall be deemed to reside in any district in that State within which its contacts would be sufficient to subject it to personal jurisdiction if that district were a separate State, and, if there is no such district, the corporation shall be deemed to reside in the district within which it has the most significant contacts.
  The venue test is thus similar to, but not the same as, the test for \textit{in personam} jurisdiction. See 17 JAMES WM. MOORE ET AL.,MOORE’S FEDERAL PRACTICE § 110.03[4][c] (3d ed. 2009) (“In states with more than one judicial district, venue is determined by considering personal jurisdiction with respect to each district rather than to the state as a whole.”).}
any district where the state-wide minimum contacts needed for in personam jurisdiction can be met.22

Given the operational scope of most large business entities today, the current corporate venue statute is often easy to satisfy in nearly every district. Businesses want their goods and services to be sold nationwide, in an attempt to do business everywhere. Techniques like internet advertising and online sales accentuate those wishes and add to a firm’s contacts with all districts. While such contacts still need to meet a minimum threshold,23 most venue disputes involving large corporate defendants in practice come down to a decision on convenience transfer.

B. Venue in Patent Cases

Until 1988, patent venue was determined by the special venue provision of Section 1400(b) of the Judicial Code,24 which was much more restrictive than the general venue statute. An accused patent infringer, then and now, could be sued in his state of residence, but residence was narrowly defined as only the state of


24 28 U.S.C. § 1400(b) (2006) provides: “Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business.” The language of this section has not changed, but the definition of “resides” was greatly expanded by the 1988 amendment to 28 U.S.C. § 1391(c).
incorporation. Accordingly, most pre-1988 patent cases laid venue under the alternative provision of Section 1400(b), in a district where the defendant had a “regular and established place of business” and had committed at least one act of infringement. In 1988 Congress amended the general venue provision, Section 1391, in a manner that clearly (though perhaps unintentionally) affected the patent venue provision as well. Congress redefined a corporation’s residence “for purposes under this chapter.” A corporation’s residence was now to be broadly defined as any district where it would have minimum contacts sufficient to support personal jurisdiction. This had the effect of mooting the special patent venue provisions, at least for cases filed against corporate infringers. Plaintiffs no longer needed to invoke the alternative of regular and established place of business plus an act of infringement. Usage of that method vanished from the patent litigation scene.

Concomitantly, corporate defendants after 1988 sensed a heightened need to invoke the convenience transfer provision of the Judicial Code as the only viable way to escape a forum they did not like. The Eastern District of Texas was one such forum. It has

25 See Flowers Indus., Inc. v. Fed. Trade Comm’n, 835 F.2d 775, 776 (11th Cir. 1987) (under then-existing venue statute, a corporation resides only in its state of incorporation). The court cited for this proposition Suttle v. Reich Bros. Constr. Co., 333 U.S. 163 (1948). See also Pure Oil Co. v. Suarez, 346 F.2d 890, 892 (5th Cir. 1965), in which the court said, based on Suttle, that it was well settled that for venue purposes a corporation’s residence was limited to its state of incorporation.

26 See supra note 23.


28 28 U.S.C. § 1400(b) (2006). Where individuals or non-corporate entities are named as defendants or co-defendants, the special patent provisions of Section 1400(b) continue to apply and to make a difference because the corporate residence redefinition did not affect such parties. They continue to be suitable for patent infringement only (i) where they reside (in the normal sense of the word), or (ii) where they have a regular and established place of business and have allegedly committed an act of infringement.
almost uniformly been seen as more pro-plaintiff and more pro-patent than any other in the country,\textsuperscript{29} a proposition I do not intend to challenge. Rather, the purpose of this article is to determine whether this district, perceived this way, has been harder to exit than other districts by the mechanism of convenience transfer.

III. THE HOLDINGS IN \textit{VOLKSWAGEN II} AND \textit{TS TECH}

A. \textit{Volkswagen II}

\textit{Volkswagen II} is popularly called by that name to distinguish it from the 2004 Fifth Circuit convenience-transfer mandamus case now known as \textit{Volkswagen I}.\textsuperscript{30} The two cases are unrelated. \textit{Volkswagen II} was a product liability case brought by Ruth Singleton, the driver of a 1999 VW Golf, and by her husband Richard who was in the passenger seat. Both claimed their injuries sustained in a collision with another vehicle were due to the faulty design of their Volkswagen.\textsuperscript{31} Their daughter Amy was also a plaintiff in the case. Amy was not in the car but claimed wrongful death of her seven-year-old daughter Mariana, who was killed in the accident.\textsuperscript{32} Volkswagen of America, a New Jersey corporation, and its parent, Volkswagen AG of Germany were named as defendants.

The Singletons’ car was struck from behind by another vehicle on a Dallas highway.\textsuperscript{33} The impact spun the Volkswagen around and pushed it onto the highway shoulder, where it struck, rear first,
a flatbed truck parked there. The dual impacts were alleged to have pushed the grandfather Richard’s seatback rearwards to a fully reclined position, where it crushed Mariana who was riding in back. The little girl was taken to a hospital but died shortly afterward. The other vehicle’s driver, Colin Little, was not initially named as a party to the action.

The complaint was filed in Marshall, Texas, in the Eastern District, some 150 miles from the Dallas location, in the Northern District of Texas, where the accident occurred. At the time, the Singleton family resided in Plano, Texas, a city within the Eastern District but only about 20 miles from Dallas. Volkswagen filed a third-party complaint against Mr. Little in the Marshall action, asserting that all the injuries were due to his faulty operation of his vehicle. Mr. Little resided in the Dallas suburb of Garland, Texas, also in the Northern District.

Volkswagen moved for a convenience transfer to the Northern District of Texas, asserting that the car in question was purchased in Dallas; that the accident occurred there; that Dallas was nearer to the plaintiffs’ homes than Marshall; and that key witnesses—the police investigating the accident, ambulance drivers, and hospital personnel involved in treating the Singleton family and their granddaughter—were all in Dallas. In short, Volkswagen argued that there was no connection to Marshall.

The district court denied the motion, giving two main reasons: (i) the significant weight to be given a plaintiff’s choice of forum, and (ii) the fact that Marshall, while farther away than Dallas for the witnesses identified by Volkswagen, was not an especially

34 Id.
35 Id. at 319–20.
36 Id. at 307.
37 Id.
39 Volkswagen II, 545 F.3d at 307.
40 Id.
41 Singleton, 2006 WL 2634768 at *3.
inconvenient town to get to from Dallas.\textsuperscript{42} The court also referenced certain public-interest factors relating to the Eastern District, e.g., that the same model of Volkswagen was being sold there and that the citizens of the district had an interest in knowing if it had a faulty design.\textsuperscript{43} Hence, concluded the court, the case had some local overtones, and therefore would not place an unfair burden upon Marshall residents who may have to sit as jurors in the case.\textsuperscript{44}

Upon reconsideration, the district court amplified and adhered to its ruling.\textsuperscript{45} Volkswagen challenged the ruling by seeking a writ of mandamus from the Fifth Circuit to direct the district judge to transfer the case.\textsuperscript{46} Initially the appeal was assigned to a panel which ruled 2-1 against the writ, mainly on the ground that a convenience transfer was a matter of judicial discretion, not an absolute right, and hence was inappropriate for mandamus.\textsuperscript{47} However, that opinion was withdrawn, and rehearing before a different panel led to the writ being granted.\textsuperscript{48} Rehearing \textit{en banc} was then ordered, and the writ was granted by a vote of 10-7.\textsuperscript{49} Citing several errors committed by the district court, the full court found that the district judge had clearly abused his discretion in refusing transfer.\textsuperscript{50} The appellate majority held that the judge should not have given any independent weight to the plaintiff’s choice of forum,\textsuperscript{51} which it viewed as merely placing the burden of proof on the defendant to show that another district was more

\textsuperscript{42} Id. The court also noted that the Dallas witnesses, being located within the state, were within trial subpoena reach pursuant to Fed. R. Civ. P. 45(c)(3). Id.

\textsuperscript{43} Singleton, 2006 WL 2634768 at *4.

\textsuperscript{44} Id.


\textsuperscript{46} Volkswagen II, 545 F.3d at 308.

\textsuperscript{47} In re Volkswagen of America Inc., 223 Fed. Appx. 305, 307 (5th Cir. 2007).

\textsuperscript{48} In re Volkswagen of America Inc., 506 F.3d 376 (5th Cir. 2007).

\textsuperscript{49} In re Volkswagen of America Inc., 545 F.3d 304 (5th Cir. 2008), cert. denied, 129 S.Ct. 1336 (2009).

\textsuperscript{50} Id. at 318.

\textsuperscript{51} Id. n.10 (“A plaintiff’s choice of forum, however, is not an independent factor within the \textit{forum non conveniens} or the § 1404(a) analysis.”).
Patent Venue and Convenience Transfer

The court found that any of the various convenience factors that carried weight were transferred to the Northern District of Texas in Dallas. The court noted the more certain subpoena power of the Dallas court for issuance of deposition and trial subpoenas. It also referred to the 100-mile “threshold” rule for inconvenience that it had established in Volkswagen I. Adding this rule of thumb to the trial subpoena power of a federal district court under Rule 45 seemed to persuade the Court of Appeals that there was no good reason for keeping the case in Marshall. The seven-judge minority expressed the view that no showing of abuse of the trial court’s discretion had been made, especially under the tighter constraints of a mandamus proceeding.

The majority’s lengthy opinion in Volkswagen II did not accuse the district judge of any particular bias toward keeping cases in the

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52 Id. (“Although a plaintiff’s choice of venue is not a distinct factor in the venue transfer analysis, it is nonetheless taken into account as it places a significant burden on the movant to show good cause for the transfer.”).

53 Id. at 316–18.

54 Id. at 316–17. The district court had noted that for witnesses having to travel more than 100 miles to trial, subpoenas for their attendance might be subject to motions to quash, but that the court could deny such motions. See also Singleton v. Volkswagen of Am. Inc., 2006 WL 2634768 (E.D.Tex. 2006) at *2 (weighing this factor in favor of transfer since compliance with subpoenas to attend in Dallas could not be quashed).

55 Id. at 318 (citing Volkswagen I, F.3d 201 (5th Cir. 2004). Volkswagen instituted the convenience-transfer mandamus proceeding in. Volkswagen I to exit the Eastern District of Texas in favor of the Western District where the accident actually occurred. A three-judge panel granted the writ. Volkswagen I, 371 F.3d at 203.

56 See Fed. R. Civ. P. 45(c)(3),directing courts to quash subpoenas to non-parties that require them to travel within the state but more than 100 miles from where they live or work to attend trial, if such travel subjects the witness to “substantial expense”.

57 Volkswagen II, 545 F.3d at 319–23 (King, J., dissenting) (“In order to grant mandamus here, the majority proceeds by plucking the standard ‘clear abuse of discretion’ out of the narrow context provided by the Supreme Court’s mandamus precedent and then confecting a case—not the case presented to the district court—to satisfy its new standard. Notwithstanding almost two hundred years of Supreme Court precedent to the contrary, the majority utilizes mandamus to effect an interlocutory review of a nonappealable order committed to the district court’s discretion.”).
district when they should go elsewhere. However, the opinion could lead one to speculate whether that is what induced the Court of Appeals to issue a writ of mandamus. The present article attempts to determine whether any such systematic bias existed.

B. TS Tech

Shortly before the Fifth Circuit decided Volkswagen II en banc, the same Eastern District of Texas judge ruled on a convenience transfer in a patent infringement case, In re TS Tech USA Corp. In that case, the appeal route was not to the Fifth Circuit, but rather, to the Federal Circuit.

The patent in suit involved automobile seat headrests. The defendants, TS and its parent company, sold the headrests to Honda for installation in its vehicles. No party involved in the case was incorporated in Texas or even had an office there. The defendants did, however, have arguable contacts with the Eastern District of Texas through their sales of headrests destined to be installed on cars to be sold in the district. The defendants identified four of their employees as key witnesses, three from

58 See generally Volkswagen II, 545 F.3d at 304.
59 551 F.3d 1315 (Fed. Cir. 2008).
60 All appeals in patent infringement suits go to the U.S. Court of Appeals for the Federal Circuit. See 28 U.S.C. § 1295(a)(1) (2006). Interlocutory rulings in such cases are subject to review by that court. See 28 U.S.C. § 1292 (2006). The Federal Circuit has held that it has authority under the All Writs Act to issue a writ of mandamus to correct clear abuses of discretion in cases where it would have appellate jurisdiction. See Mississippi Chem. Corp. v. Swift Agric. Chemical Corp., 717 F.2d 1374, 1379 (Fed. Cir. 1983) (holding that the Federal Circuit has mandamus power to correct clear abuse of discretion); Baker Perkins Inc. v. Werner & Pfeiderer Corp., 710 F.2d 1561, 1565 (Fed. Cir. 1983) (holding that the Federal Circuit has mandamus power where appeal route is to the Federal Circuit).
61 In re TS Tech USA Corp., 551 F.3d 1315, 1318 (Fed. Cir. 2008).
62 The plaintiff, Lear Corporation, was based in Southfield, Michigan; TS Tech USA was based in Reynoldsburg, Ohio; its parent company, TS Tech Canada, was based in Ontario, Canada. Id. at 1318.
63 Id.
Ohio and one from Canada.\textsuperscript{64} The defendants moved for a convenience transfer to the Southern District of Ohio.\textsuperscript{65} The district court denied the motion.\textsuperscript{66} It conceded that Ohio would be more convenient for the four employee witnesses identified by the defendants, but was “not persuaded to give great weight” to this factor.\textsuperscript{67} The judge noted that defendants had not discussed other, non-party witnesses, and, thus, considered any inconvenience to non-party witnesses a neutral factor.\textsuperscript{68} As for documentary evidence, the court said such evidence today is usually in electronic form and hence is as convenient to access in one place as another.\textsuperscript{69} The judge expressed his view that because the sale of the headrests at issue occurred within the Eastern District citizens of the district “have a substantial interest in whether acts of infringement have occurred in this District.”\textsuperscript{70} All factors considered, the court found the defendants had not sustained their burden of showing good cause why a transfer was necessary.\textsuperscript{71} The defendants petitioned the Federal Circuit for mandamus.

The Federal Circuit took up the mandamus petition shortly after the Fifth Circuit decided \textit{Volkswagen II}.\textsuperscript{72} The Federal Circuit panel was strongly influenced by the Fifth Circuit decision, citing \textit{Volkswagen II} fourteen times in its opinion.\textsuperscript{73} The panel found, as had the majority in \textit{Volkswagen II}, that the trial court clearly abused its discretion in not sending the case to Ohio. After a brief review of public and private convenience factors in the case, the panel stated, “there is no relevant connection between the actions giving rise to this case and the Eastern District of Texas except that certain vehicles containing TS Tech's headrests

\ \textsuperscript{64} Lear Corp. v. TS Tech USA Corp., 2008 U.S. Dist. LEXIS 105072, at *6 (E.D. Tex. 2008).
\textsuperscript{65} Id. at *1.
\textsuperscript{66} Id. at *9.
\textsuperscript{67} Id. at *6.
\textsuperscript{68} Id.
\textsuperscript{69} Id. at *7.
\textsuperscript{70} Id. at *8.
\textsuperscript{71} Id. at *9.
\textsuperscript{72} In re TS Tech USA Corp., 551 F.3d 1315 (Fed. Cir. 2008).
\textsuperscript{73} See generally id.
assembly have been sold in the venue."\textsuperscript{74} This, it said, was insufficient to keep the case in the Eastern District, when "[n]one of the companies has an office in the Eastern District of Texas; no identified witnesses reside in the Eastern District of Texas; and no evidence is located within the venue."\textsuperscript{75}

Once again there was no explicit suggestion of a generic problem in the Eastern District with regard to holding too tightly to its civil cases. Still, there are hints that such a view might have been at work. Where an intervening appellate decision like that of the Fifth Circuit is given such significant play in the later decision, the appellate court might have been expected to remand to give the district judge an opportunity to consider the intervening case, especially inasmuch as the matter is a discretionary one. That did not happen in \textit{TS Tech}. Instead, the Federal Circuit issued a writ of mandamus commanding a convenience transfer.\textsuperscript{76} It again seems appropriate to look at the record of the Eastern District of Texas on transfers, and in this instance specifically in patent cases.

IV. \textbf{PRIOR TO VOLKSWAGEN II AND TS TECH, HOW DIFFICULT HAS IT BEEN TO TRANSFER OUT OF THE EASTERN DISTRICT?}

The electronic database created each year by the Federal Judicial Center (FJC) in Washington, DC, called the Federal Court Cases Integrated Database, allows researchers to examine all civil terminations during a given fiscal year.\textsuperscript{77} The Integrated Database is prepared and available for research in the following manner. From data reported by the district clerks, the Center compiles a database of some 240,000 rows, one for each civil case terminated

\textsuperscript{74} \textit{Id.} at 1321.

\textsuperscript{75} \textit{Id.}

\textsuperscript{76} \textit{Id.} at 1323. No reported decision to that effect has been found. It is possible that the court has issued such a writ in an earlier case in an unpublished order.

\textsuperscript{77} The database is maintained by the Inter-University Consortium for Political and Social Research at the University of Michigan. It is available online to researchers from participating institutions, primarily universities. \textit{See ICPSR Web Site}, http://www.icpsr.umich.edu/icpsrweb/ICPSR/ (last visited Dec. 3, 2009).
in a given fiscal year, with each row containing, inter alia, information on the mode of disposition of the case, such as trial-based judgment, motion-based judgment, settlement, or transfers.\(^{78}\) By sorting through the integrated database for a given fiscal year, we can readily find out how many cases in a given district were transferred to other districts.

One weakness of the FJC database is that it does not distinguish between transfers on convenience grounds and transfers where venue was completely lacking in the initial forum. Another is that it does not reflect whether or not the plaintiff opposed the transfer, or even instigated it.\(^{79}\) Yet another weakness is that the Federal Judicial Center’s data do not reflect how many transfers were sought during the years in question, but only how many were granted. It is certainly possible to conceive a first district that defendants generally regard as hostile to them, generating many hundreds of transfer motions, and a second district of equal business volume that is regarded as fairly balanced, generating only a few requests for transfer. Hence the fact that the first district transfers, say, five percent of its cases and the second only two percent does not resolve issues of overall fairness issue in the administration of justice. Notwithstanding these shortcomings, the database represents our only vehicle for a large-scale look at transfers from federal district courts in civil cases.

A. Civil Cases Generally

We first look at the proportion of transfers of all types of civil cases out of the Eastern District of Texas in relation to its total civil caseload, and compare this to (i) what has happened in all federal district courts nationally and (ii) to what has occurred in each of several large litigation districts. The national comparisons

\(^{78}\) For each terminated case, the database also identifies the court, civil action number, type of case, date of termination, and many other data items relating to the case.

\(^{79}\) This could occur, for example, where the plaintiff has related cases pending in another district and wishes to move the one under consideration to that district for efficiency and cost reasons.
for fiscal years 2006 and 2007 (the latest years currently available) are shown in Table 1:

<table>
<thead>
<tr>
<th>Year</th>
<th>E.D. Tex. total civil dispositions</th>
<th>E.D. Tex. transfers</th>
<th>All districts total civil dispositions</th>
<th>All districts transfers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>3,038</td>
<td>287</td>
<td>271,753</td>
<td>10,027</td>
</tr>
<tr>
<td></td>
<td>[9.4%]</td>
<td></td>
<td>[3.7%]</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>3,014</td>
<td>226</td>
<td>273,192</td>
<td>1,043</td>
</tr>
<tr>
<td></td>
<td>[7.5%]</td>
<td></td>
<td>[3.8%]</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>2,919</td>
<td>237</td>
<td>239,678</td>
<td>9,651</td>
</tr>
<tr>
<td></td>
<td>[8.1%]</td>
<td></td>
<td>[4.0%]</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>3,048</td>
<td>245</td>
<td>234,121</td>
<td>9,141</td>
</tr>
<tr>
<td></td>
<td>[8.0%]</td>
<td></td>
<td>[3.9%]</td>
<td></td>
</tr>
</tbody>
</table>

Table 1

As seen, prior to Volkswagen II and TS Tech the Eastern District of Texas had been transferring a significantly greater proportion of its civil docket to other federal districts than the national average. A view that it was impossible, or nearly so, to get a case transferred out of the Eastern District appears unsupported. However, as with all statistics, care should be taken not to read too much into them. In theory, it is possible that the Eastern District was so obviously pro-plaintiff that a great many defendants sought to get their cases out of the district, and that even more of them than shown in Table 1 should, as a matter of good administration of justice, have succeeded. We do not know how many transfer motions were made and denied. As will be seen later, we do know something about that for patent
infringement cases, but it cannot be deduced from the FJC database.

Before leaving the subject of transfers in all kinds of civil cases, we should compare the Eastern District’s transfer rate with that of other major litigation districts. For that purpose I have chosen the Central District of California, the Northern District of Illinois, and the District of New Jersey. The results are shown in Tables 2 through 5.

<table>
<thead>
<tr>
<th>District</th>
<th>Total civil dispositions</th>
<th>Transfers</th>
<th>Percent transferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>C.D. Cal.</td>
<td>13,944</td>
<td>382</td>
<td>2.7</td>
</tr>
<tr>
<td>N.D. Ill.</td>
<td>8,027</td>
<td>219</td>
<td>2.7</td>
</tr>
<tr>
<td>D.N.J.</td>
<td>6,412</td>
<td>345</td>
<td>5.4</td>
</tr>
<tr>
<td>E.D. Tex.</td>
<td>3,038</td>
<td>288</td>
<td>9.5</td>
</tr>
</tbody>
</table>

**Table 2 (2005)**

<table>
<thead>
<tr>
<th>District</th>
<th>Total civil dispositions</th>
<th>Transfers</th>
<th>Percent transferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>C.D. Cal.</td>
<td>11,732</td>
<td>412</td>
<td>3.5</td>
</tr>
<tr>
<td>N.D. Ill.</td>
<td>7,432</td>
<td>181</td>
<td>2.4</td>
</tr>
<tr>
<td>D.N.J.</td>
<td>6,433</td>
<td>412</td>
<td>6.4</td>
</tr>
<tr>
<td>E.D. Tex.</td>
<td>3,014</td>
<td>226</td>
<td>7.5</td>
</tr>
</tbody>
</table>

**Table 3 (2006)**

80 As will be seen later herein, the selection was driven by the fact that these are all, in addition to being large-volume civil venues, heavy patent litigation districts. See Tables 7–9 infra.
Once again, no endemic urge to hold onto cases can be seen from these figures. The Eastern District of Texas has been transferring more of its civil cases than the national average of federal districts and more than the three districts chosen for comparison in this study. We do not know how often such transfers were sought.
Patent Venue and Convenience Transfer

B. Patent Cases in Particular

We now turn to patent infringement cases. Here we have the same Federal Judicial Center (hereafter FJC) database to draw upon, but we are also aided by a new data service from Stanford Law School that enables researchers to reach into docket sheets of patent cases by using key words. This will allow us to gain some insight not only into the number of transfers granted, but into the proportion of transfer motions granted and denied, something we were not able to do for civil cases generally. The FJC data for patent case transfers from all districts and from the Eastern District of Texas are shown in Table 6.

<table>
<thead>
<tr>
<th>Year</th>
<th>E.D. Tex. total patent dispositions</th>
<th>E.D. Tex. patent transfers</th>
<th>All districts total patent dispositions</th>
<th>All districts patent transfers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>72</td>
<td>10 [13.9%]</td>
<td>2,708</td>
<td>138 [5.1%]</td>
</tr>
<tr>
<td>2006</td>
<td>128</td>
<td>5 [3.9%]</td>
<td>2,782</td>
<td>115 [4.1%]</td>
</tr>
<tr>
<td>2007</td>
<td>206</td>
<td>26 [12.6%]</td>
<td>2,777</td>
<td>167 [6.0%]</td>
</tr>
<tr>
<td>2008</td>
<td>267</td>
<td>20 [7.5%]</td>
<td>2,980</td>
<td>142 [4.8%]</td>
</tr>
</tbody>
</table>

Table 6: Patent Case Transfers

81 As used herein, this category also includes declaratory judgment actions commenced by potential infringers. The Federal Judicial Center’s databases do not distinguish between these and infringement suits, since both are jurisdictionally based on 28 U.S.C. § 1338(a) (2006).

82 The Stanford service is called LexMachina and is available to researchers free of charge, at http://lexmachina.stanford.edu. It collects data from docket sheets of courts around the country in intellectual property cases, i.e., those involving patents, trademarks, copyrights, or trade secrets. It is unrelated to the Federal Judicial Center’s database, although each is drawn from the same original court information.
Patent dispositions were fairly modest in 2005 for Eastern Texas. The district had not fully caught attention as a preferred district at that time. For fiscal year 2006 we see the Eastern District transferring to other districts about the same proportion of its patent cases as the national average, and for 2007 significantly more. However, the 2007 figure includes ten patent infringement suits filed by the same plaintiff, Ronald A. Katz Technology Licensing L.P., against various defendants, all of which were transferred. If these are thought of as a single large dispute, the Eastern District figure would be reduced to 17 transfers, or 8.3%, still higher than the national rate of transfer for patent cases. In 2008 the picture was much the same, with Eastern District of Texas transferring a greater proportion of its patent cases than the federal system as a whole.

We now look at transfer rates from the three other districts considered earlier, for the latest three fiscal years for which FJC figures are available. In this instance the selections of comparator districts are not quite as arbitrary, since all three are high-volume patent litigation districts. The comparisons are shown in Tables 7 through 9.

<table>
<thead>
<tr>
<th>District</th>
<th>Total patent dispositions</th>
<th>Patent transfers</th>
<th>Percent transferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>C.D. Cal.</td>
<td>274</td>
<td>11</td>
<td>4.0</td>
</tr>
<tr>
<td>N.D. Ill.</td>
<td>143</td>
<td>8</td>
<td>5.6</td>
</tr>
<tr>
<td>D.N.J.</td>
<td>99</td>
<td>7</td>
<td>7.1</td>
</tr>
</tbody>
</table>

---


84 At present, the Central District of California is the #3 district for patent filings, Northern Illinois is #8, and New Jersey is #7. See Inter-University Consortium for Political Research, http://www.icpsr.umich.edu/icpsrweb/ICPSR/ (last visited Dec. 2, 2009).
### Table 7 (2006)

<table>
<thead>
<tr>
<th>District</th>
<th>Total patent dispositions</th>
<th>Patent transfers</th>
<th>Percent transferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>C.D. Cal.</td>
<td>273</td>
<td>18</td>
<td>6.6</td>
</tr>
<tr>
<td>N.D. Ill.</td>
<td>133</td>
<td>5</td>
<td>3.8</td>
</tr>
<tr>
<td>D.N.J.</td>
<td>153</td>
<td>9</td>
<td>5.9</td>
</tr>
<tr>
<td>E.D. Tex.</td>
<td>206</td>
<td>17(^{85})</td>
<td>8.3</td>
</tr>
</tbody>
</table>

### Table 8 (2007)

<table>
<thead>
<tr>
<th>District</th>
<th>Total patent dispositions</th>
<th>Patent transfers</th>
<th>Percent transferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>C.D. Cal.</td>
<td>307</td>
<td>12</td>
<td>3.9</td>
</tr>
<tr>
<td>N.D. Ill.</td>
<td>143</td>
<td>10</td>
<td>7.0</td>
</tr>
<tr>
<td>D.N.J.</td>
<td>187</td>
<td>7</td>
<td>3.7</td>
</tr>
<tr>
<td>E.D. Tex.</td>
<td>267</td>
<td>20</td>
<td>7.5</td>
</tr>
</tbody>
</table>

### Table 9 (2008)

\(^{85}\) This treats as a single ruling the transfer of ten cases filed by the same plaintiff, Ronald A. Katz Technology, to the Central District of California.
For 2006, the Eastern District was somewhat lower in its rate of patent case transfers, but not very much so. For 2007, its rate was higher than that of any of the other three districts; and it would have been higher even if the ten transferred Katz Technology cases were counted as only one case. For 2008, Eastern Texas continued to transfer more of its patent cases than the other districts studied. Unless one assumes the district should be transferring much more of its patent docket than other districts do, the data do not suggest any inordinate holding of patent cases in the district.

While the FJC databases do not allow calculation of transfers in relation to the number of transfers sought, but only in relation to the total civil dispositions of the district, that problem can be largely cured by recourse to Stanford’s LexMachina intellectual property database. By keyword searching patent case docket sheets, rulings refusing to transfer patent cases were identified. The results, using the FJC figures for transfers granted and the Stanford figures for transfers denied, are tabulated below for the same two years developed earlier, fiscal 2006 and 2007, as Table 10.

<table>
<thead>
<tr>
<th>District</th>
<th>Patent transfers granted</th>
<th>Patent transfers refused</th>
<th>Success rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>C.D. Cal. (2006)</td>
<td>11</td>
<td>3</td>
<td>79%</td>
</tr>
<tr>
<td>C.D. Cal. (2007)</td>
<td>18</td>
<td>7</td>
<td>72%</td>
</tr>
<tr>
<td>N.D. Ill. (2006)</td>
<td>8</td>
<td>2</td>
<td>80%</td>
</tr>
<tr>
<td>N.D. Ill. (2007)</td>
<td>5</td>
<td>1</td>
<td>83%</td>
</tr>
<tr>
<td>D.N.J. (2006)</td>
<td>7</td>
<td>1</td>
<td>88%</td>
</tr>
<tr>
<td>D.N.J. (2007)</td>
<td>9</td>
<td>1</td>
<td>90%</td>
</tr>
</tbody>
</table>

---

86 Federal fiscal years begin on October 1 and run until September 30 of the following year, taking the latter as the identifying year date. See 2 U.S.C. § 631 (2006).
The rate of granting transfer motions in 2006 in patent cases was generally lower in the Eastern District of Texas than in the other districts.\textsuperscript{88} For 2007 if the ten Katz cases transferred had been filed as a single case and transferred, the Eastern District transfer grant rate would drop to 47\%, which would still have been lower than the rate for other courts, but closer.

The number of patent cases in which transfer is sought does not correlate very well to the perceived attitudes about results obtained in patent cases for particular districts. Eastern Texas, thought to be strongly pro-patent,\textsuperscript{89} saw 568 patent cases filed in the two-year period 2006–2007,\textsuperscript{90} and transfer motions were filed in only 47 (8.3\%) of the cases. In Central California, a notoriously poor district as a patentee-plaintiff’s forum,\textsuperscript{91} 571 patent cases were nonetheless filed during the two-year period 2006 and 2007.\textsuperscript{92} Transfer motions were filed in 39 of them, or 6.8\% of the cases. We would have expected much greater disparities in transfer-out attempts in the two districts than were actually seen. Part of this may have been be due to the perception that it was impossible, or nearly so, to get a patent infringement case transferred out of the Eastern District of Texas,\textsuperscript{93} a view which as shown herein has little validity.

\begin{table}[h]
\centering
\begin{tabular}{|c|c|c|c|}
\hline
E.D. Tex. (2006) & 5 & 8 & 38\% \\
\hline
E.D. Tex. (2007) & 17\textsuperscript{87} & 8 & 68\% \\
\hline
\end{tabular}
\caption{Motion Success Rates}
\end{table}

\textsuperscript{87} See supra note 85. \\
\textsuperscript{88} See supra Table 10. \\
\textsuperscript{89} See, e.g., Leychkis, supra, note 15. \\
\textsuperscript{90} Sources: For 2006, Admin. Offc. of U.S. Courts, table S-23; for 2007, Lexis CourtLink. \\
\textsuperscript{91} For example, in fiscal year 2006, thirteen summary judgments were granted in that district in patent cases, all for the accused infringer. Only two cases made it past summary judgment to trial. See Federal Judicial Center, Integrated Data Base, 2006. 215 patent cases settled that year. Id. \\
\textsuperscript{92} Lexis CourtLink data, http://www.lexisnexis.com/courtlink/online. \\
\textsuperscript{93} See, e.g., Leychkis, supra, note 15.
V. TRANSFERS IN THE YEAR ENDED JUNE 30, 2009

Fiscal year 2008 is the latest for which Federal Judicial Center figures are available. The Volkswagen II decision came down from the Fifth Circuit on October 24, 2007, so there were about eleven months in which we could watch for changes in the district’s transfer rulings. At the end of the fiscal year the district’s transfer rate for all civil cases stood at 8.0%, slightly lower than the year before, while the national rate stood at 3.9%, likewise slightly lower than in 2007. For patent cases, the Eastern District of Texas had a transfer rate of 7.5% in fiscal year 2008, with the national average for patent transfers that year at 4.9%. It is therefore difficult to see any early significant impact of Volkswagen in how the Eastern District functioned on convenience transfers soon after that case came down.

TS Tech was decided on December 29, 2008, after the close of the 2008 fiscal year. Accordingly, for rulings in the year ended June 30, 2009, as stated at the beginning of this article, the new Docket Navigator service was used. As mentioned, in the Eastern District of Texas ten patent cases were transferred on contested motions and twenty-two transfers were refused. The success rate for patent transfer motions, 31%, is actually the lowest of any of the years studied. Total patent dispositions by the district for that time period are not yet known, but would be expected to be about the same as in fiscal 2008, i.e., around 267. That would mean an overall 3.7% transfer rate out of the district, also lower than in any of the prior years studied.

Patent venue disputes involving the Eastern District of Texas continue to emerge.

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94 The federal government’s fiscal year ends September 30.
96 The Federal Judicial Center database for fiscal 2009 will not become available until around June 2010.
V. CONCLUSIONS

We have seen that the overall proportion of patent cases transferred out of the Eastern District of Texas has not changed in the past year. Still, the situation has changed with regard to the likelihood of success of a motion for a convenience transfer motion out of that district. In a patent infringement case in Eastern Texas, the chances are now 31% for getting a favorable ruling on a contested convenience transfer motion.

In the wake of *Volkswagen II* and *TS Tech*, an increase in transfer motions is to be expected. Practitioners representing defendants will take heart that transferring out of the Eastern District, which they thought nearly impossible, at least in patent cases, is actually quite possible. As seen above, the perception of impossibility is not supported by the data. We may expect that a flurry of transfer motions will not change things very much. One such attempt, a mandamus effort in the Federal Circuit, has already failed.98

This piece does not address the underlying fairness issues generated by a patent venue statute that permits a patent

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98 See *In re Telular*, 319 F. App’x. 909 (Fed. Cir. 2009). A patent infringement case was brought in the Eastern District of Texas by a resident of Dallas (Northern District of Texas) against six corporate defendants, most being headquartered at various places on the east coast and one in Illinois, the district court again decided to keep the case in Marshall, rather than transferring it to Illinois as requested by one of the defendants, Telular. Gelman v. ADT Security Services, Inc., 2008 WL 4280351 (E.D. Tex. 2008). Telular had its principal offices in Illinois and said two of its witnesses were in Georgia and one in Illinois. The district court said Telular had not outlined the testimony of its Illinois witness or explained why they were important. Nor had it explained why the Georgia witnesses would find Illinois more convenient than Marshall. Documentary evidence, the court said, could be easily transported to Marshall. Upon denial of its motion, Telular sought mandamus from the Federal Circuit to order the district court to transfer the case to the Northern District of Illinois. This time the Federal Circuit backed the district court, finding no clear abuse of discretion, because the choice of Marshall was not irrational. *Telular*, 319 F. App’x at 912. The following month the court denied another mandamus effort, this time by Volkswagen, to move a patent case against several auto makers from Eastern Texas to the Eastern District of Michigan. *See In re Volkswagen of America, Inc.*, 566 F.3d 1349 (Fed. Cir. 2009).
infringement case to be filed in virtually any district in the country. Judges are human and often have differing philosophies of how the country should function and where the balance should be struck between competing economic and social interests. When dealing with statutes written in general terms like “negligence” or, in patent law, a “person skilled in the art,” different people can in good faith, come to different conclusions on the same facts. This is true as well for venue transfers, where weighing a number of imponderables like the convenience of a group of persons not yet fully identified to attend proceedings on dates not yet determined, and then deciding whether a movant has carried its burden of persuasion for transfer, has proved an exercise in something less than mathematical precision.

A few things are clear. One is that as long as Congress allows a wide choice of districts in which a particular type of action can be brought and allows the plaintiff, rather than a neutral public official, to make the initial determination of where to sue, forum shopping by plaintiffs’ counsel will continue. It is not to be blamed on the lawyers, who are duty-bound to select the district in which they think their clients have the best chance of prevailing. Another clear point is that defendants who file transfer motions to exit what they perceive as an unfavorable forum are doing just as much shopping as the plaintiffs have done by filing there. For large corporate defendants making transfer motions, no one seriously thinks they are really driven by “convenience” factors. They too are forum shopping and should not be blamed for it. If we really want fairness and a choice of forum that is not based on perceived better chances of winning, we may be approaching the day when cases having an interstate character will be assigned to districts by an official of the federal court system, much the way a district clerk assigns cases among the several judges of the district today.

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