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BLOG

Contracted Forum Shopping in Waco

MARCH 8, 2021

On March 1, 2021, the court denied transfer motions by LG and Samsung in case Nos. 6:20-cv-257, -259. The defendants wanted to transfer to the Northern District of California. The court denied transfer about six months after the opening briefs were filed.

The denials were notable because they credited a unique approach by the plaintiffs to ensure that their chosen forum was transfer-proof. Here, one plaintiff (Ikorongo Technology, based in North Carolina) acquired the asserted patents in January 2019. Then, about two weeks before filing suit, Ikorongo assigned an exclusive right to sue in Texas to a newly formed "company": Ikorongo Texas (also listing a North Carolina address). The assignment is located here. The plaintiffs then filed suit and opposed transfer by arguing that Ikorongo Texas could not have sued in California. Therefore, the defendants could not meet the threshold transfer question of whether the suit could have been brought in the desired forum.

Judge Albright took note of this assignment and agreed with the plaintiffs. In making this finding, the court cited to a Supreme Court opinion for this proposition (*Waterman v. Mackenzie*, 138 U.S. 252 (1891)) – an opinion that was also identified in the plaintiffs' assignment contract. The court dismissed arguments that the assignment was blatant gamesmanship and generally cited to 28. U.S.C. 1400(b)'s requirement that the defendants reside in the original venue or have committed acts of infringement and have a regular and established place of business therein.

Judge Albright then doubled down and explained why he would have denied the motions to transfer regardless of the contracted forum-shopping. Notable takeaways are as follows:

- **Location of Source of Proof Factor**: This factor was found to favor transfer, but Judge Albright muted the weight of this finding by opining in a footnote that "the factor itself is at odds with the realities of modern patent litigation" and stating that the "Court expresses its hope that the Fifth Circuit will consider addressing and amending its precedent to explicitly give district courts the discretion to fully consider the ease of accessing electronic documents."
- **The Availability of Compulsory Process to Secure the Attendance of Witnesses**: This factor was found to neither weigh for nor against transfer. The court dismissed arguments about potential third-party California witnesses by stating that (i) third-party witnesses who work at companies with locations in the Western District of

Texas can be subpoenaed there and (ii) regardless, defendants had not shown that any potential third-party witnesses are unwilling to testify in Texas.

- **The Cost of Attendance for Willing Witnesses**: This factor was found to slightly favor transfer. The court noted that the convenience of party witnesses in California is given little weight because the defendant employer can compel their testimony in Texas. The court also credited plaintiffs' generous offer to cover the expenses for any third-party witnesses that would need to travel to Texas to testify.
- **Other Factors**: Other factors were found to weigh against transfer. The court noted that plaintiffs had sued other parties in Waco and judicial economy was better served by having one court handle allegations involving the same patent asserted in different cases. The court also distinguished *In re Google Inc*., No. 2017-107, 2017 WL 977038, at *2 (Fed. Cir. Feb. 23, 2017)'s holding that the co-pendency of other suits does not automatically tip this factor against transfer. Here, one defendant (Bumble) had presciently withdrawn its transfer motion and was staying in Waco. The court also stated that its analysis of Waco versus Northern District of California "indicate[d] a greater efficiency of bringing cases, especially patent cases, to trial in the Western District of Texas than in the Northern District of California."

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