

Patent Litigation and Counseling

In re Adobe: Federal Circuit Directs Transfer of Patent Suit from Western District of Texas

By: [Nick G. Saros](#) and [Jay K. Simmons](#)

On July 28, the US Court of Appeals for the Federal Circuit [granted](#) a writ of mandamus and directed transfer of venue from the Western District of Texas,^[1] which is believed to be the first time the Federal Circuit directed a venue transfer from that district. In recent years, the Western District has become a hotspot for new patent case filings where transfer requests have been routinely denied. The Federal Circuit's order sends a clear message that its courts must give "proper weight to the convenience of the transferee forum" and may *not* give "dispositive weight to its ability to more quickly schedule a trial" under § 1401(a).^[2]

Similar to prior mandamus orders directed to the Eastern District of Texas,^[3] the court's analysis provides a roadmap for parties to transfer a patent case out of the Western District to a more convenient forum. We first summarize the case and the Federal Circuit's transfer analysis, and then discuss its implications that will guide transfer strategy in Western District patent disputes moving forward.

The District Court Proceedings

The plaintiff SynKloud is a Delaware company with its principal place of business in Delaware. SynKloud accused Adobe of infringement of six patents related to cloud storage, and alleged proper venue in the Western District because Adobe "transacts business" in the district, is registered to do business in Texas, and has a regular and established place of business in the Western District through offices in Austin, Texas. SynKloud acquired the asserted patents from a northern California company owned by the named inventor.

Adobe, a Delaware company headquartered in San Jose, California, sought to change venue out of Texas pursuant to § 1404(a) "[f]or the convenience of parties and witnesses, in the interest of justice."^[4] In its motion, Adobe underscored that SynKloud had no connection to Texas beyond the lawsuit, its executives resided in New York, it was not registered to do business in Texas, and it "did not appear to have any operations, employees, or customers in Texas."^[5]

Adobe also argued that its development, marketing, and sales teams responsible for the allegedly infringing product resided in northern California, and minimized its presence in Texas because its Austin offices were completely unrelated to the "design, development, or operation of the Accused Products" at issue. In addition, Adobe urged the court to transfer the case to California because the original inventor's conduct in the Northern District impacted the validity of the patents, and that only the Northern District would have subpoena power over this resident witness.

The district court denied transfer even after acknowledging no witnesses with knowledge of the relevant facts were in Texas, and recognizing the power of the transferee court to bind key witnesses to appear via compulsory process. The only factor the court identified favoring retaining the case in Texas involved "court congestion."^[6] Specifically, the court cited its "year and a half of experience" scheduling cases, and its standing order specifying that "trial will occur within roughly 44 to 47 weeks after a *Markman* hearing," a timetable the court anticipated no difficulty keeping in Adobe's case.^[7] In sum,

despite noting the transferee forum “might be more convenient,” the district court nevertheless denied transfer.

The Federal Circuit’s Order

The Federal Circuit reviewed the order on mandamus. The court identified three abuses of discretion in the district court’s cursory analysis and ultimately granted Adobe’s petition transferring the case out of the Western District.

First, the Federal Circuit found error because the district court did not give “full weight” to the convenience factors in favor of transfer. The Federal Circuit noted that despite accepting that no private convenience factor favored the plaintiff, and declining to credit any witnesses located in the Western District, the court improperly “weighed those factors as ‘slightly’ favoring the transferee forum,” instead of “significantly” favoring transfer.

Second, the Federal Circuit held the district court improperly ignored the “willing witness factor” when it did not properly account for costs that willing witnesses would incur if the case were to proceed in Western Texas. The Federal Circuit noted a number of participating Adobe witnesses residing in California, and that SynKloud’s employees travel to California instead of Texas did not favor denial of transfer given its “employees will be coming from outside both districts.”

Third, and perhaps most importantly, the Federal Circuit found clear error when the district court gave “dispositive weight to its ability to more quickly schedule a trial.” The Federal Circuit invoked its similar decision from *In re Genentech, Inc.*, 566 F.3d 1338, 1348 (Fed. Cir. 2009), where it granted mandamus due to a “stark contrast in convenience between the two forums,” which outweighed court congestion factors.^[8] The court explained that because several factors favored transfer while none favored retaining this case in Western Texas, court congestion could not be given “dispositive weight.” The court also rejected the district court’s justification that a general ability to set a schedule “directly speaks to” congestion, and determined the record failed to show any “appreciable” difference in congestion between the forums. Thus, the Federal Circuit flatly rejected the idea that Western District courts may deny transfer based solely on its ability to enact its own accelerated scheduling procedures.

Conclusion

In re Adobe will not stem the tide of patent filings in the Western District, and the district court’s analysis reflects its trend of rejecting motions to change venue from this busy patent forum.

But the Federal Circuit’s opinion is a significant step, nonetheless, for entities defending analogous lawsuits because the appellate court finally rejected a Western District court’s transfer analysis.

Moving forward, *In re Adobe* could help jump start a path for transfer out of the Western District in cases where another forum is clearly more convenient, although more transfer denials and mandamus petitions are likely. But attempts to diminish the impact of the case on Western District disputes based on its “nonprecedential” disposition should not obscure the Federal Circuit’s clear message: the failure to fully consider and properly balance factors bearing on the fairness and convenience of a transferee venue constitutes a clear abuse of discretion.

[1] See *In re Adobe Inc.*, No. 2020-126 (Fed. Cir. July 28, 2020) (Op.) (nonprecedential order).

[2] Op. at *5.

[3] See, e.g., *In re HP, Inc.*, No. 2018-149, 2018 WL 4692486 (Fed. Cir. Sept. 25, 2018) (granting mandamus petition seeking transfer of patent case from Eastern District of Texas under § 1404(a)) (nonprecedential order); see also *In re TS Tech USA Corp.*, 551 F.3d 1315 (Fed. Cir. 2008) (same, applying Fifth Circuit law).

[4] 28 U.S.C. § 1404(a) (West).

[5] Op. at *2.

[6] *Id.*

[7] *Id.* at *4.

[8] *Id.* at *6.



Contact Us



Nick G. Saros

nsaros@jenner.com | [Download V-Card](#)



Jay K. Simmons

jsimmons@jenner.com | [Download V-Card](#)

Meet Our Team

Practice Leaders

Reginald J. Hill

Co-chair

rhill@jenner.com

[Download V-Card](#)

Terrence J. Truax

Co-chair

ttruax@jenner.com

[Download V-Card](#)

© 2020 Jenner & Block LLP. **Attorney Advertising.** Jenner & Block is an Illinois Limited Liability Partnership including professional corporations. This publication is not intended to provide legal advice but to provide information on legal matters and firm news of interest to our clients and colleagues. Readers should seek specific legal advice before taking any action with respect to matters mentioned in this publication. The attorney responsible for this publication is Brent E. Kidwell, Jenner & Block LLP, 353 N. Clark Street, Chicago, IL 60654-3456. Prior results do not guarantee a similar outcome.