

In re TS Tech USA Corp.

Misc. No. 888, Fed. Cir. (Michel, Rader,* Prost)

[Under the] public interest factor [of a 28 U.S.C. § 1404(a) analysis, where the] allegedly infringing [products] were sold throughout the United States, . . . the citizens of [that particular judicial district] have no more or less of a meaningful connection to this case than any other venue.

On December 29, 2008, the Federal Circuit issued a writ of mandamus directing the Texas district court to vacate its denial of TS Tech's motion to transfer venue and to transfer to the Ohio district court Lear's suit for infringement of a U.S. patent, which related to pivotally attached vehicle headrest assemblies. The Federal Circuit stated:

The writ of mandamus is available in extraordinary situations to correct a clear abuse of discretion or usurpation of judicial power. A party seeking a writ bears the burden of proving that it has no other means of obtaining the relief desired, and that the right to issuance of the writ is "clear and indisputable." . . . Change of venue in patent cases, like other civil cases, is governed by 28 U.S.C. § 1404(a) [which provides that] "[f]or the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to another district court or division where it might have been brought." Under Fifth Circuit law, a motion to transfer venue should be granted upon a showing that the transferee venue is "clearly more convenient" than the venue chosen by the plaintiff.

The Fifth Circuit applies the "public" and "private" factors for determining forum non conveniens when deciding a § 1404(a) venue transfer question. The "private" interest factors include: (1) the relative ease of access to sources of proof; (2) the availability of compulsory process to secure the attendance of witnesses; (3) the cost of attendance for willing witnesses; and (4) all other practical problems that make a trial easy, expeditious and inexpensive. The "public" interest factors to be considered are: "(1) the administrative difficulties flowing from court congestion; (2) the local interest in having localized interests decided at home; (3) the familiarity of the forum with the law that will govern the case; and (4) the avoidance of unnecessary problems of conflicts of laws [or in] the application of foreign law." [B]ecause TS Tech is requesting extraordinary relief in the form of a petition for a writ of mandamus, it must meet an even higher burden of demonstrating that the denial was a "clear" abuse of discretion such that refusing transfer produced a "patently erroneous result." . . .

TS Tech's extensive contacts in the Southern District of Ohio indisputably make it a venue in which the patent infringement suit could have been brought. . . . Despite correctly applying some of the factors, the district court's § 1404(a) analysis contained several key errors. First, the district court gave too much weight to Lear's choice of venue Second, the district court ignored [the Fifth Circuit's] "100-mile" rule, which requires that "[w]hen the distance between an existing venue for trial of a matter and a proposed venue under § 1404(a) is more than 100 miles, the factor of inconvenience to witnesses increases in direct

relationship to the additional distance to be traveled.” All] of the identified key witnesses in this case are in Ohio, Michigan, and Canada. [B]ecause the identified witnesses would need to travel a significantly further distance from home to attend trial in Texas than Ohio, the district court’s refusal to considerably weigh this factor in favor of transfer was erroneous. Third, the district court erred by reading out of the § 1404(a) analysis the factor regarding the relative ease of access to sources of proof. [N]one of the evidence is located in Texas. [T]he district court explained that since many of the documents were stored electronically, “the increased ease of storage and transportation” makes this factor “much less significant.” Because all of the physical evidence, including the headrests and the documentary evidence, are far more conveniently located near the Ohio venue, the district court erred in not weighing this factor in favor of transfer. Finally, the district court [concluded] that the public interest factor disfavored transfer—that the citizens of the Eastern District of Texas had a “substantial interest” in having the case tried locally because several of the vehicles were sold in that venue. [T]he vehicles containing TS Tech’s allegedly infringing headrest assemblies were sold throughout the United States, and thus the citizens of the Eastern District of Texas have no more or less of a meaningful connection to this case than any other venue. . . .

Lear contends that TS Tech cannot demonstrate that it had no other means of obtaining its request for relief. [T]he “no other means” requirement is not intended to ensure that TS Tech exhaust every possible avenue of relief at the district court before seeking mandamus relief. Reconsideration can be sought, of course, to bring to the attention of the trial court precedent that might have been overlooked. However, if reconsideration should always be sought, we might be unable to entertain a mandamus petition even where there is a clear usurpation of judicial power. Rather, the purpose of the “no other means” requirement [is] to “ensure that the writ will not be used as a substitute for the regular appeals process.” Third, [a] party seeking mandamus for a denial of transfer clearly meets the “no other means” requirement. Interlocutory review of a transfer order under 28 U.S.C. § 1292(b) is unavailable. [Moreover,] “a petitioner ‘would not have an adequate remedy for an improper failure to transfer the case by way of an appeal from an adverse final judgment because [the petitioner] would not be able to show that it would have won the case had it been tried in a convenient [venue].’” Thus, we reject Lear’s argument.

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