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Federal Circuit Ruling Makes It Possible To Move For A Change In Venue Even In Patent Infringement Cases In Which The Deadline For Such Motions Previously Had Passed

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November 16, 2017

On November 15, 2017, the U.S. Court of Appeals for the Federal Circuit issued a decision that could provide opportunities for defendants in pending patent litigation to file motions to change venue even in cases in which opportunities previously had passed for filing such motions.

Generally, under Rule 12 of the Federal Rules of Civil Procedure, a motion to change venue must be filed prior to a response to a complaint. A motion to change venue that is "*available to a party"* also must be filed along with any initial motion to dismiss or it will be deemed waived under Federal Rule of Civil Procedure Rules 12(g)(2) and 12(h)(1)(A) (commonly known as the "waiver rule"). However, courts will not apply the waiver when there has been an intervening change in the law.

Importantly, the Supreme Court's recent ruling in *TC Heartland LLC v. Kraft Foods Group Brands LLC*, 137 S. Ct. 1514 (2017), made it much easier for defendants to prevail in motions to change venue in patent infringement suits.

In the case entitled *In Re Micron Technology, Inc.* (Ct. No. 2017-138) Judge Taranto, writing in an opinion unanimously joined by Judges Chen and Hughes, ruled that the Supreme Court's *TC Heartland* decision "changed the controlling law" such that prior to *TC Heartland*, the venue defense was "not 'available,' thus making the waiver rule of Rule 12(g)(2) and (h)(1)(A) inapplicable." Prior to this Federal Circuit decision, the district courts were divided on the issue. Consistent with its ruling, the Federal Circuit remanded the case to the district court to consider allowing Micron to now move for a change of venue despite the fact that Micron had long ago filed a motion to dismiss and did not include along with that motion a motion to change venue.

The ruling likely will now enable other defendants in other pending patent litigation to similarly rely on the ruling in *TC Heartland* to move to change venue to a more favorable jurisdiction.

The *Micron* decision represents another ruling, after the Supreme Court's ruling in *TC Heartland*, in which the courts are making it easier for defendants to challenge venue in patent infringement cases. As a result of the decisions in *TC Heartland* and *In re Micron*, the number of cases in which defendants will be able to successfully change venue to a more preferred jurisdiction likely will increase.

However, defendants might find one drawback to a successful motion changing venue to a more favorable jurisdiction – plaintiffs could simply give up on the federal courts and instead bring their cases to the U.S. International Trade Commission ("ITC"). It is likely that if defendants are increasingly successful in changing venue to a more favorable jurisdiction, plaintiffs will file parallel actions in the ITC where they experience significant advantages over alleged patent infringers in terms of lightning

fast proceedings, broad discovery, no threat of stayed proceedings and a remedy that excludes infringing imports and is enforced by U.S. Customs and Border Protection at the border.

This appears to be what one plaintiff recently did in response to the recent decision in *TC Heartland*. On January 25, 2017, Kyocera Senco Brands, Inc. filed a complaint in the U.S. District Court for the Southern District of Ohio alleging patent infringement by Hitachi Koki USA Limited (Civil Action No. 1:17-cv-00061). However, on July 24, 2017, Senco voluntarily withdrew its complaint, admittedly in response to "the Supreme Court's decision in *TC Heartland v. Kraft Foods Group Brands*," and filed a new complaint in the United States District Court for Delaware (Civil Action No. 17-598-GMS). It then filed a parallel action in the ITC against the same party on October 16, 2017 asserting infringement of the same patents in the matter entitled, *Certain Gas Spring Nailer Products and Components Thereof*, Docket No. 337-1082 (now pending institution by the ITC).

In light of the favorable rulings in *TC Heartland* and *In re Micron*, defendants in patent infringement suits should be careful what they ask for -- they might get it. If defendants ask for a change of venue, they now might get it. However, in response, plaintiffs might then file a parallel action in the ITC to *re-level* the litigation playing field.

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