No. 19-

IN THE

Supreme Court of the United States

BOARD OF REGENTS, THE UNIVERSITY OF TEXAS SYSTEM AND TISSUEGEN, INC.,

Petitioners,

v.

BOSTON SCIENTIFIC CORPORATION,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

The question presented is:

Whether a state's sovereign right to try its causes within its borders when there is personal jurisdiction over the defendant renders unconstitutional a federal patent venue statute applied to force the state sovereign to sue the in-state infringer in a federal court located in another state.

PARTIES TO THE PROCEEDINGS

The parties to this proceeding include petitioners Board of Regents, The University of Texas System and TissueGen, Inc. and respondent Boston Scientific Corporation.

RULE 29.6 STATEMENT

The University of Texas System is a state entity created by Article VII, Section 10 of the Constitution of the State of Texas of 1876. UT System is governed by a board of regents, a constitutional corporation called Board of Regents, The University of Texas System.

TissueGen, Inc. is a privately held corporation, and there is no publicly held corporation that owns 10 percent or more of TissueGen's stock.

RELATED PROCEEDINGS

United States Court of Appeals for the Federal Circuit:

Board of Regents, The University of Texas System and TissueGen, Inc. v. Boston Scientific Corporation, No. 2018-1700 (Nov. 8, 2019) (order denying *en banc* rehearing)

Board of Regents, The University of Texas System and TissueGen, Inc. v. Boston Scientific Corporation, No. 2018-1700 (Sept. 5, 2019) (order affirming transfer of case to Delaware)

United States District Court (W.D. Tex.):

Board of Regents, The University of Texas System and TissueGen, Inc. v. Boston Scientific Corporation, No. 1:17-cv-1103 (W.D. Tex. March 12, 2018) (order transferring case to Delaware)

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OTHER AUTHORITIES

Petitioners Board of Regents, The University of Texas System ("UT" or "The Board") and TissueGen, Inc. ("TissueGen") respectfully petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit.

OPINIONS BELOW

The opinion of the Court of Appeals for the Federal Circuit (Pet. App. 1a-31a) is published at 936 F.3d 1365.

The opinion of the district court (*Board of Regents, The University of Texas System and TissueGen, Inc. v. Boston Scientific Corporation*, No. 1:17-cv-1103 (W.D. Tex. March 12, 2018)) is not published but is available at Pet. App. 32a-36a.

JURISDICTION

The judgment of the Court of Appeals for the Federal Circuit was entered September 5, 2019. Pet. App. 1a-31a. This Court has jurisdiction pursuant to 28 U.S.C. § 1254(1).

RELEVANT CONSTITUTIONAL, STATUTORY, AND REGULATORY PROVISIONS

There are no relevant constitutional, statutory, or regulatory provisions herein that have not been discussed in the record below.

INTRODUCTION

"Dual sovereignty is a defining feature of our Nation's constitutional blueprint." *Fed. Mar. Comm'n v. S.C. State Ports Auth.*, 535 U.S. 743, 751 (2002). Indeed, the

Framers "intended that the States retain many essential attributes of sovereignty, including, in particular, the sovereign power to try causes in their courts." *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 293 (1980). "The sovereignty of each State, in turn, implied a limitation on the sovereignty of all of its sister States—a limitation express or implicit in both the original scheme of the Constitution and the Fourteenth Amendment." *Id.*

In Article III, Section 2 of the Constitution, the states affirmatively granted this Court original jurisdiction in all suits brought by a state sovereign against a sister state or its citizens. U.S. CONST. art. III, § 2, cl. 2 ("Original Jurisdiction Clause"). As this Court has recognized, sovereign dignity underlies this grant of original jurisdiction; sister state sovereigns should not be forced to cross one another's borders to seek redress for harms. *Ohio v. Wyandotte Chems. Corp.*, 401 U.S. 493, 500 (1971).

Neither the Constitution nor any other act of Congress affirmatively grants any other court jurisdiction over a state sovereign party. So unless a state sovereign voluntarily brings an action in the borders of a sister state, no federal district court inside the sister state can exercise jurisdiction over the state sovereign plaintiff. Indeed, "[a]part from specific exceptions created by Congress the jurisdiction of the district courts is territorial." *Georgia v. Pa. R.R. Co.*, 324 U.S. 439, 467 (1945), *superseded by statute as recognized in Pinney Dock & Transp. Co. v. Penn Cent. Corp.*, 838 F.2d 1445, 1450 (6th Cir. 1988); *Robertson v. R.R. Labor Bd.*, 268 U.S. 619, 623, 627 (1925).

Thus, in the context of our nation's dual sovereignty blueprint and preexisting attributes of sovereignty retained by the states, *World-Wide Volkswagen*, 444 U.S. at 293, the Original Jurisdiction Clause proves that each state sovereign retains its right to try its causes within its borders if its resident federal courts enjoy personal jurisdiction over the defendant; a state cannot be compelled to enter a sister state's territory to seek redress for harm. U.S. CONST. art. III, § 2, cl. 2; *Wyandotte*, 401 U.S. 493, 500; *Georgia*, 324 U.S. at 466-68.

The patent venue statute, 28 U.S.C. § 1400(b), should not be interpreted to force a state sovereign plaintiff to bring its patent infringement actions in the borders of a sister state, particularly if infringement occurred within the plaintiff state's borders. Yet, in this case, that is exactly what happened. On behalf of the State of Texas, UT sued Boston Scientific in a Texas federal district court and intended to enforce Texas's property rights there. But because Boston Scientific is incorporated in Delaware and lacks a physical building in Texas, the district court and the Federal Circuit decided that Texas must enforce its property rights in Delaware.

Where, as here, a nonresident infringer violates a state sovereign's property rights *within the sovereign's borders*, the state sovereign should not be forced to chase the infringer into a sister state to seek redress. Left alone, this outcome will be a boon for private wrongdoers, but it will offend the Constitution and the dignity it extends to state sovereigns. Accordingly, the Court should grant the petition.

STATEMENT OF THE CASE

I. Legal Background

A. State Patent Enforcement Before *TC Heartland*

Before this Court's 2017 decision in *TC Heartland LLC v. Kraft Foods Grp. Brands LLC*, 137 S. Ct. 1514 (2017), there was no readily apparent need to resolve the potential conflict between the patent venue statute and a state sovereign's right to try its causes within its borders when there is personal jurisdiction over the defendant. The reason for this is two-fold. First, before the Federal Circuit's 1990 decision in *VE Holding Corp. v. Johnson Gas Appliance Co.*, 917 F.2d 1574, 1584 (Fed. Cir. 1990), state-initiated patent infringement lawsuits were rare.[1]

Second, in *VE Holding Corp.*, the Federal Circuit interpreted the patent venue statute together with amendments to the general venue statute to permit plaintiffs to file suit in any court with personal jurisdiction over the defendants.[2] For almost the next three decades after *VE Holding* in 1990, states were thus permitted

1. *See* Jacob H. Rooksby, *University Initiation of Patent Infringement Litigation*, 10 J. Marshall Rev. Intell. Prop. L. 623, 627 (2011) ("most universities' patent activity was quite modest before 1980").

2. In 1988, Congress added the words "[f]or 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" to the general venue statute. *See TC Heartland*, 137 S. Ct. at 1519. Because § 1400(b) is under the same chapter, the Federal Circuit modified the effect of § 1400(b) to reconcile it with the general venue statute. *See id.* at 1520.

to try their patent causes within their borders so long as their chosen court had personal jurisdiction over the defendant. *See TC Heartland*, 137 S. Ct. at 1520.

By 2015, two years before this Court's decision in *TC Heartland*, state patent enforcement activities had become more common,[3] and, based on *VE Holding*, the law permitted states to bring suit within their own borders so long as personal jurisdiction requirements were met.

Then, in 2017, this Court handed down its *TC Heartland* opinion, holding that the patent venue statue alone governs venue in patent cases and that amendments to the general venue statute cannot be read to permit venue wherever personal jurisdiction could be found.[4] Instead, this Court held venue is proper in patent cases only where the defendant is incorporated or maintains a regular and established place of business. *See TC Heartland*, 137 S. Ct. at 1517.

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3. Andrew Chung, *Schools That Sue: Why More Universities File Patent Lawsuits*, REUTERS, Sept. 15, 2015, https://www.reuters.com/article/university-patents/schools-that-sue-why-more-universities-file-patent-lawsuits-idUSL1N11G2C820150915.

4. This Court held that when Congress amended § 1391(c) in 1988, that amendment should not have affected the interpretation of "resides" in § 1400(b) because there was not "a relatively clear indication of its intent in the text of the amended provision." *TC Heartland*, 137 S. Ct. at 1520. As the Court also noted, the 2011 amendment to § 1391(a) further supports this conclusion due to the "saving clause" that § 1391(a) "does not apply when 'otherwise provided by law.'" *Id.* at 1521. In other words, the Court reiterated its 1957 holding in *Fourco Glass Co. v. Transmirra Prods. Corp.*, 353 U.S. 222 (1957), defining "resides" to be synonymous with "inhabit[s]." *TC Heartland*, 137 S. Ct. at 1520.

TC Heartland involved two private parties, and no state sovereigns. *Id.* While the impact of *TC Heartland* on non-state plaintiffs was proper and clear, the decision has brought to the forefront the potential conflict between the patent venue statute and a state sovereign's right to try its causes within its borders when personal jurisdiction over the defendant is present. Indeed, while the patent venue statute might set venue in patent cases in a defendant's home state, this Court's precedents show that such venue provisions should not be interpreted to compel a state sovereign to litigate its claims in a sister state. *See Georgia*, 324 U.S. at 465-68.

B. A State's Right To Try Its Causes At Home If There is Personal Jurisdiction

A state sovereign's right to try its causes within its borders so long as personal jurisdiction is present predates the Constitution. As this Court recognized in *World-Wide Volkswagen*, 444 U.S. at 293, the Framers intended that "the States retain many essential attributes of sovereignty, including, . . . the sovereign [right] to try causes in their courts." Further, the Original Jurisdiction Clause, U.S. CONST. art III, § 2, cl. 2, states that in "all Cases . . . which a State shall be party, the supreme Court shall have original jurisdiction."

This express grant of jurisdiction gives state sovereign plaintiffs a proper tribunal to try disputes, since "parochial factors" in other states' courts "might often lead to the appearance, if not the reality, of partiality to one's own" local interests in the dispute. *Wyandotte*, 401 U.S. at 500. Of course, states need only resort to this Court when no federal district court within a state's boundaries

has requisite personal or territorial jurisdiction over a defendant.

The sovereign right at issue here has been enshrined in law since the Constitution was ratified. The Judiciary Act of 1789, 1 Stat. 73, 80 (1789), long considered weighty evidence of the Framers' original intent, granted this Court original jurisdiction over all suits brought by a state sovereign against a sister state or its citizens.[5] This grant of original jurisdiction is codified in 28 U.S.C. § 1251.[6] No other court enjoys this affirmative jurisdictional grant.

This Court's precedents in *Wyandotte*, *Georgia*, and *Robertson* further strongly support the existence, necessity, and power of the right at issue today. In *Wyandotte*, this Court expressly recognized that the primary principle underlying the Original Jurisdiction Clause is "[t]he belief that no State should be compelled to resort to the tribunals of other States for redress." 401 U.S. at 500. This Court also observed that in instances where personal jurisdiction might be lacking, "a State, needing an alternative forum, of necessity had to resort

5. In relevant part, the Judiciary Act of 1789 provided "the supreme court shall have exclusive jurisdiction of controversies of a civil nature where a state is a party, except between a state and its citizens, and except also between a state and citizens of other states or aliens, in which latter case it shall have original but not exclusive jurisdiction." 1 Stat. 73, 80 (1789).

6. In relevant part, 28 U.S.C. § 1251 provides "(a) The Supreme Court shall have original and exclusive jurisdiction of all controversies between two or more States" . . . "(b) The Supreme Court shall have original but not exclusive jurisdiction of . . . (3) [a] ll actions or proceedings by a State against the citizens of another State or against aliens." 28 U.S.C. § 1251.

to this [Supreme] Court in order to obtain a tribunal competent to exercise jurisdiction over the acts of nonresidents of the aggrieved State." *Id.* This necessity exists so state sovereigns are not forced to cross into each other's territories to redress harm. *See id.*

Further, in *Georgia*, 324 U.S. at 466-68, this Court demonstrated that it would not compel a state sovereign plaintiff to enter a sister state's territory to seek redress for harm caused by the sister state's citizens. Under the controlling antitrust venue statute, 15 U.S.C. § 22, Georgia could sue each railroad defendant only where it is an "inhabitant" or where "it may be found or transacts business." *Georgia*, 324 U.S. at 466. But most of the defendants were not citizens of Georgia or within the jurisdiction of Georgia's courts so it was unclear whether Georgia had personal jurisdiction over all of the defendants. *Id.* And even if the case proceeded in Georgia district court against some defendants, that court would have no power over out of state parties because "the jurisdiction of the district courts is territorial." *Id.* at 466-67.

On these facts, the Court concluded Georgia did not have a proper and adequate forum outside of the Supreme Court, which had both subject matter jurisdiction and nationwide territorial jurisdiction over all parties. *See id.* at 467-68. By exercising its original jurisdiction over Georgia's case, the Supreme Court made clear that the antitrust venue statute did not dictate where state party antitrust suits must be heard.

Moreover, this Court's opinions in *Georgia* and *Robertson* make plain that the federal district courts

are courts of limited territorial jurisdiction defined by the boundaries of the states in which they sit. *Georgia*, 324 U.S. at 467 ("Apart from specific exceptions created by Congress the jurisdiction of the district courts is territorial."); *Robertson*, 268 U.S. at 623. Thus, filing a suit in Texas district court does not give a Delaware district court territorial jurisdiction over the parties to the Texas district court suit.

This Court has further emphasized it is impossible to "accept[] the proposition that state lines are irrelevant for jurisdictional purposes" while "remain[ing] faithful to the principles of interstate federalism embodied in the Constitution." *World-Wide Volkswagen*, 444 U.S. at 293. And as Chief Justice Marshall recognized in *The Schooner Exch. v. McFaddon*, these territorial limitations are particularly potent and unique with respect to sovereigns. 11 U.S. 116, 137 (1812) (concluding a sovereign is "bound by obligations of the highest character not to degrade the dignity of his [state], by placing himself or its sovereign rights within the jurisdiction of another [sovereign]").

The Original Jurisdiction Clause, the Judiciary Act of 1789, and this Court's precedents establish a state sovereign's right to try its causes within its borders if personal jurisdiction is present and not to be forced to litigate in a sister state's borders. This is a right retained by all state sovereigns and is necessary to the functioning of our dual sovereignty system.

II. Factual and Procedural Background

The University of Texas System ("UT System") was created by the Texas Constitution of 1876 "for the

promotion of literature, and the arts and sciences." TEX. CONST. art. VII, § 10. The Board is the governing body of UT System, an arm of the State of Texas. UT sued Boston Scientific on November 20, 2017 for infringing U.S. Patent Nos. 6,596,296 and 7,033,603 (the "Patents-In-Suit"), which relate to novel drug-releasing biodegradable polymer fibers.[7]

It is undisputed that that the federal court in the Western District of Texas had requisite territorial jurisdiction over the parties. *See id.* at 2a-3a. However, Boston Scientific moved to dismiss for improper venue or alternatively to transfer the case to the District of Delaware, where it is incorporated. *See id.* at 4a. Relying solely on § 1400(b), the district court held that "venue was improper . . . as there was no dispute that Boston Scientific . . . does not reside in the [Western District of Texas]." *Id.* at 4a. Accordingly, the district court transferred the case to the District of Delaware, despite that court lacking territorial jurisdiction over UT. *See id.* at 4a-5a.

UT immediately appealed the district court's transfer to the Federal Circuit pursuant to 28 U.S.C. §§ 1291 and 1295 and the collateral order doctrine, because, as an arm of the State of Texas, UT has the sovereign right to try its causes in its borders where, as here, there is personal jurisdiction over Boston Scientific. *See id.* at 4a-5a. The Federal Circuit agreed the collateral order doctrine applied, but found no applicable sovereign right existed

7. The Board is the assignee and exclusive owner of the Patents-In-Suit, which resulted from UT System's constitutionally mandated research and development efforts. TissueGen is the exclusive licensee of the Patents-In-Suit. *See* Pet. App. 2a-3a.

and thus affirmed the district court's transfer. *See id.* at 14a, 31a.

To support its conclusion that UT lacked the right to sue within its borders, the Federal Circuit relied primarily on a separate and distinct sovereign right—sovereign immunity. *See* Pet. App. 16a-21a, 25a-31a. However, as Petitioners' briefing made clear, "this case is not about Eleventh Amendment immunity." *Id.* at 17a. Rather, it concerns a state's right to try its causes at home when personal jurisdiction over the defendant is present. The Federal Circuit did not squarely address this issue, spending only a few pages on the Original Jurisdiction Clause. *See id.* at 21a-25a.

Indeed, according to the Federal Circuit, *Wyandotte* "discuss[es] the principles underlying original jurisdiction and did not even consider whether original jurisdiction confers on states the right to bring suit in an improper venue." *Id.* at 20a. But its discussion of *Wyandotte* with respect to Petitioners' argument is misguided. Petitioners do not argue *Wyandotte* "confers" any right at all; rather, *Wyandotte* evidences a long-standing right that is evidenced in the Constitution.

UT timely filed a petition for *en banc* review on October 7, 2019, and the Federal Circuit denied it on November 8, 2019. *See* Pet. App. 37a-38a.

REASONS FOR GRANTING THE PETITION

Petitioners are unaware of any occasion where this Court has been asked to grant certiorari in a case involving the potential conflict between the patent venue

statute, 28 U.S.C. § 1400(b), and a state sovereign's right to try its causes within its borders when there is personal jurisdiction over the defendant infringer.

Thus, this issue is a novel issue of first impression for this Court. Further, the Federal Circuit's decision below directly conflicts with at least the Constitution, the Judiciary Act of 1789, and this Court's precedents. Additionally, the Federal Circuit itself recognized that "the state sovereignty issues raised here are [such] 'important issue[s],'" so as to justify review under the collateral order doctrine. Pet. App. 11a.

Finally, this case involves a suit to enforce a state's property rights, initiated in a forum within the state's borders having personal jurisdiction over the infringing actor. As such, it presents an appropriate vehicle upon which to resolve the existing conflict.

I. The Federal Circuit's Decision Directly Conflicts With A State's Power To Sue In Its Borders If There Is Personal Jurisdiction.

A. The Federal Circuit's Decision Ignores State Sovereignty.

In the context of our country's dual sovereignty framework, the Original Jurisdiction Clause preserves each state sovereign's right to try its causes within its borders when there is personal jurisdiction over the defendant, and protects it from being compelled to enter a sister state to seek redress for harm. U.S. Const. art. III, § 2, cl. 2; *World-Wide Volkswagen*, 444 U.S. at 293.

Additionally, this Court's precedents in at least *Wyandotte*, *Georgia*, and *Robertson* stand for three critical propositions. First, a sovereign enjoys the right to try its causes at home where there is personal jurisdiction over the defendant, and not to be forced into a sister state. *See Wyandotte*, 401 U.S. at 500. Second, even if personal jurisdiction does not exist, a state sovereign plaintiff cannot, and should not, be forced to litigate in a sister state, regardless of where venue provisions might suggest litigation should occur. *Georgia*, 324 U.S. at 466-68. Third, the jurisdiction of federal district courts is limited and in particular—territorial. *Id.* at 467; *Robertson*, 268 U.S. at 623, 627.

Private parties should not be granted the right to force a sovereign state plaintiff to submit to the territorial jurisdiction of courts sitting in a sister state. That result dilutes sovereignty, compelling a sovereign whose patent rights cover the entire United States to chase multiple infringers into parochial venues across the country. Congress can certainly decide to disadvantage private patentees seeking to enforce their rights, but it cannot do the same for sovereigns who have a pre-existing, overarching Constitutional guarantee against such dilutions of sovereign dignity.

A sovereign's choice of forum within its boundaries still must be accompanied by the requisite personal jurisdiction over the defendant, and yet, the Federal Circuit deemed this factor irrelevant. In other words, although the nonresident defendant purposefully availed itself of the protections of the sovereign's laws by committing acts of infringement within the sovereign's boundaries, the Federal Circuit held a mere venue statute

to upend this bargain. The venue statute, however, is not the problem. The problem is the destruction of a sovereign right that pre-dates the Constitution.

B. The Federal Circuit's Decision Failed To Analyze Whether A Venue Statute Can Extinguish A Sovereign Right.

Because the Federal Circuit declined to recognize a state sovereign's right to try its causes at home where there is personal jurisdiction over the defendant, it never considered whether the patent venue statute could extinguish such a right.

Had the Federal Circuit considered the issue, it would have concluded that the patent venue statute gives way to the state sovereign right. This Court can clarify that principle, just as it clarified a related principle in *Georgia* which allowed a state-filed case against nonresident defendants to proceed although the forum arguably did not satisfy the applicable anti-trust venue statute. A venue statute should not override a state sovereign right, particularly where, as here, there is no indication, explicitly or implicitly, that Congress ever attempted to abrogate the sovereign right. Section 1400(b) in no way grants jurisdiction over a party as it only relates to the defendant. Therefore, there is nothing granting the District of Delaware jurisdiction over Petitioners in this case.

The Federal Circuit stated that "it would be 'anomalous or inconsistent' for UT to both invoke federal question jurisdiction [*i.e.*, subject-matter jurisdiction] and then to assert sovereignty to defeat federal jurisdiction."

Pet. App. 26a. Thus, the Federal Circuit appears to hold that when a sovereign sues a nonresident defendant in any federal district court, every federal district court suddenly has "federal jurisdiction" over the sovereign merely because subject-matter jurisdiction was invoked. This is wrong and must be corrected by this Court.

Taken to its logical conclusion, this reasoning would render concepts of territorial jurisdiction irrelevant even when the plaintiff is a sovereign. As Chief Justice Marshall observed, a sovereign is "in no respect amenable to another [sovereign]; and [is] bound by obligations of the highest character not to degrade the dignity of his nation, by placing himself or its sovereign rights within the jurisdiction of another [sovereign]." *McFaddon*, 11 U.S. at 137. Thus, territorial jurisdiction with respect to state sovereigns is not so easily satisfied, and certainly not satisfied merely by invoking separate and distinct subject-matter jurisdiction.[8]

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8. The Federal Circuit's decision is also inconsistent with *College Sav. Bank v. Fla. Prepaid Postsecondary Educ. Expense Bd.*, 527 U.S. 666 (1999), as a sovereign cannot be forced to give up its sovereign status to take part in commercial activities. There, Florida sought to engage in activity that the government argued would subject Florida to suit. *See* 527 U.S. at 671. However, this Court rejected the government's position that Florida could be sued because when commercial activity is involved, participating in such activity is not an "altogether voluntary" waiver of a sovereign right. *See id.* at 681, 687. *College Savings Bank* means Congress cannot force a state, as a condition of the state's participation in the lawful activities of obtaining and enforcing United States patents for state inventions, to give up its rights as a sovereign to try its causes in its borders where personal jurisdiction over the defendant is present. Such a forced waiver is coercive and violates state sovereignty. *See id.* at 687.

It is clear then that § 1400(b) cannot grant a federal district court within a state such as Delaware territorial jurisdiction over a state sovereign such as Texas. Thus, § 1400(b) becomes unconstitutional when applied to effectuate this result, as it violates a sovereign's right to try its causes at home when personal jurisdiction over the defendant exists.

This outcome does not have destabilizing implications; it merely allows those (states) with sovereign rights—and only those with sovereign rights—to maintain their dignity. This outcome also does not offend fairness to a particular defendant, as personal jurisdiction must still be satisfied. Thus, its practical effect is merely to allow a suit to go forward inside the boundaries of the sovereign plaintiff's state if there is personal jurisdiction over the defendant.

II. The Question Presented Is Important And Warrants Immediate Review.

The importance of this question cannot be denied as the Federal Circuit itself confirmed. Pet. App. 11a. Simply put, this case determines whether a centuries-old sovereign right—a sovereign's right to try its causes at home when there is personal jurisdiction over the defendant—still exists today; and if so, whether a venue statute can extinguish that right.

Moreover, the life of a patent is finite. State sovereigns cannot merely wait until a court later in time recognizes this right and finally allows them to maintain their dignity in addressing infringing acts within their own borders. By that time, the infringing acts may no longer be actionable, and the property may no longer have value.

The implications of postponing review for UT System—and by extension, all public state universities in the nation—are scientific and economic: while the federal government and respective state constitutions urge and oftentimes demand innovation and research, the universities lose their financial opportunity to accomplish those aims. In large part, private corporations patent technology with the sole intent of profiting. State sovereigns and their universities, on the other hand, pursue scientific innovation to fulfill their duties to their states and to the nation. If their patent enforcement mechanisms are impaired, these engines of innovation will sputter as private actors enjoy royalty-free infringement.

III. This Case Presents The Ideal Context For Resolving The Question Presented.

This case is arguably the perfect vehicle for resolving the question presented. There is no question that 1) the Western District of Texas has personal jurisdiction over Boston Scientific, 2) UT has the same sovereign rights as the State of Texas, and 3) appeal is immediately proper from the transfer order because sovereignty is at issue. Thus, the issue at this stage is naturally simplified—does a state sovereign's right to try its causes at home when there is personal jurisdiction over the defendant still exist? The second part of the question presented, the unconstitutionality of 28 U.S.C. § 1400(b) if applied to force a state sovereign to sue in a sister state, is a necessary and logical implication of a sovereign's right to try its causes within its own borders if personal jurisdiction exists.

Further, the Federal Circuit has essentially extinguished these sovereign rights in the patent context.

Thus, even if the Federal Circuit's ultimate conclusion is correct—a question for this Court to decide—it should not rest on the unrelated ground of sovereign immunity.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be granted.

March 6, 2020 Respectfully submitted,

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APPENDIX

APPENDIX A — OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT, FILED SEPTEMBER 5, 2019

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

September 5, 2019, Decided

2018-1700

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, TISSUEGEN, INC.,

Plaintiffs-Appellants,

v.

BOSTON SCIENTIFIC CORPORATION,

Defendant-Appellee.

Appeal from the United States District Court
for the Western District of Texas
in No. 1:17-cv-01103-LY, Judge Lee Yeakel.

Before PROST, *Chief Judge*, REYNA and STOLL, *Circuit Judges.*

STOLL, *Circuit Judge.*

The Board of Regents of the University of Texas System (UT) and TissueGen Inc. sued Boston Scientific

Corporation (BSC) for patent infringement in the Western District of Texas. The district court determined that venue was improper and transferred the case to the District of Delaware. UT, acting as an arm of the State of Texas, appeals the district court's transfer order on several grounds relating to its rights as a sovereign entity.

We hold that, as a threshold matter, we have jurisdiction to hear this appeal under the collateral order doctrine. On the merits, we conclude that the state sovereignty principles asserted by UT do not grant it the right to bring suit in an otherwise improper venue. We affirm.

BACKGROUND

The Board of Regents is the governing body for the University of Texas System, which includes eight universities and six health institutions. The Board's nine regents are appointed by the Governor of Texas and confirmed by the Texas Senate, and its authority to govern the University of Texas System is delegated to it by the Texas Legislature. It is undisputed that UT is an arm of the State of Texas.

UT is the assignee and exclusive owner of patents resulting from research conducted at the University of Texas System. Its portfolio includes U.S. Patent Nos. 6,596,296 and 7,033,603 (the "patents-in-suit"), which are directed to implantable drug-releasing biodegradable fibers. Dr. Kevin Nelson, co-inventor of the patents-in-suit, developed the claimed technology at the University

of Texas at Arlington and founded TissueGen Inc. as a vehicle for commercializing his inventions. UT exclusively licensed the patents-in-suit to TissueGen, which then commercialized its ELUTE® fiber product. According to UT, ELUTE® fiber is intended to replace standard fibers in medical devices like implantable stents, and it is capable of delivering therapeutic agents directly to the site of implantation.

In November 2017, UT and TissueGen sued BSC for patent infringement in the Western District of Texas. *See* Compl., *Bd. of Regents, the Univ. of Tex. Sys. v. Boston Sci. Corp.*, No. 1:17-cv-1103 (W.D. Tex. Nov. 20, 2017), ECF No. 1. UT alleged that several BSC stent products infringed the patents-in-suit. In its complaint, UT conceded that BSC is a Delaware corporation with a principal place of business in Massachusetts. It asserted that "[v]enue is proper in the Western District of Texas because UT has sovereign immunity and this Court has personal jurisdiction over [BSC]." *Id.* ¶ 7. Relying on state sovereignty as its hook for venue, UT explained:

> Venue is proper in the Western District of Texas because UT is an arm of the State of Texas, has the same sovereign immunity as the State of Texas, it would offend the dignity of the State to require it to pursue persons who have harmed the State outside the territory of Texas, and the State of Texas cannot be compelled to respond to any counterclaims, whether compulsory or not, outside its territory due to the Eleventh Amendment.

Id. ¶ 10. UT further emphasized that it did not waive its sovereign immunity and did not "consent[] to any suit or proceeding filed separate from this action." *Id.* ¶ 2.

BSC filed a motion to dismiss under Federal Rule of Civil Procedure 12(b)(3) for improper venue. It requested that the case be dismissed or, in the alternative, transferred to the District of Delaware. BSC noted that it does not own or lease any property or maintain a business address in the Western District of Texas. BSC disclosed that it has approximately forty-six employees in the Western District of Texas, all of whom maintain home offices and do not work in spaces that are owned, leased, or controlled by BSC.

The district court granted BSC's motion and transferred the case to the District of Delaware. *See Bd. of Regents, the Univ. of Tex. Sys. v. Boston Sci. Corp.*, No. 1:17-cv-1103 (W.D. Tex. Mar. 12, 2018), ECF No. 27 ("*Order*"). It explained that "28 U.S.C. § 1400(b)[] is the 'sole and exclusive provision controlling venue in patent infringement actions,'" and that venue is proper under this section where a defendant resides or has a regular and established place of business. *Id.* at 2 (quoting *TC Heartland LLC v. Kraft Foods Grp. Brands LLC*, 137 S. Ct. 1514, 1519, 197 L. Ed. 2d 816 (2017)). Applying this court's decision in *In re Cray Inc.*, 871 F.3d 1355 (Fed. Cir. 2017), the district court found that BSC "does not maintain a 'regular and established place of business' in the Western District of Texas." *Id.* It rejected UT's sovereign immunity arguments, explaining that "[s] overeign immunity is a shield; it is not meant to be used

as a sword . . . There is no claim or counterclaim against The Board of Regents that places it in the position of a defendant." *Id.* at 3 (citing *Regents of the Univ. of Cal. v. Eli Lilly & Co.*, 119 F.3d 1559, 1565 (Fed. Cir. 1997)). The district court held that venue was improper under § 1400(b), as there was no dispute that BSC, a Delaware corporation, does not reside in the district. Accordingly, it transferred the case to the District of Delaware pursuant to 28 U.S.C. § 1406. *Id.* at 3-4. UT appeals the district court's transfer order.

Discussion

I

We first address whether we have appellate jurisdiction over UT's appeal. Transfer orders are interlocutory and generally cannot be appealed immediately. We conclude, however, that we have jurisdiction here. Because UT challenges the district court's transfer order based on state sovereignty, we hold that this case falls within the small class of orders excepted from the final judgment rule by the collateral order doctrine.

Section 1295(a)(1) of Title 28 grants this court jurisdiction over any "appeal from a final decision of a district court of the United States . . . in any civil action arising under . . . any Act of Congress relating to patents." Under the final judgment rule, a party may not appeal "until there has been a decision by the district court that ends the litigation on the merits and leaves nothing for the court to do but execute the judgment." *Robert Bosch,*

LLC v. Pylon Mfg. Corp., 719 F.3d 1305, 1308 (Fed. Cir. 2013) (en banc) (quoting *Firestone Tire & Rubber Co. v. Risjord*, 449 U.S. 368, 373, 101 S. Ct. 669, 66 L. Ed. 2d 571 (1981)). "Appeal is thereby precluded 'from any decision which is tentative, informal or incomplete,' as well as from any 'fully consummated decisions, where they are but steps towards final judgment in which they will merge.'" *Puerto Rico Aqueduct & Sewer Auth. v. Metcalf & Eddy, Inc.*, 506 U.S. 139, 142, 113 S. Ct. 684, 121 L. Ed. 2d 605 (1993) (quoting *Cohen v. Beneficial Indus. Loan Corp.*, 337 U.S. 541, 546, 69 S. Ct. 1221, 93 L. Ed. 1528 (1949)). A transfer order is not a final judgment. It "is interlocutory and thus not immediately appealable, but appealable only incident to a final judgment in a case (or a partial judgment pursuant to Fed. R. Civ. P. 54(b)) or as a certified question pursuant to 28 U.S.C. § 1292(b)." *FDIC v. Maco Bancorp, Inc.*, 125 F.3d 1446, 1447 (Fed. Cir. 1997).

The collateral order doctrine provides a "narrow exception" to the final judgment rule. *Amgen Inc. v. Hospira, Inc.*, 866 F.3d 1355, 1358-59 (Fed. Cir. 2017). An order that is not final will be immediately appealable under this doctrine if it "fall[s] in that small class which finally determine[s] claims of right separable from, and collateral to, rights asserted in the action, too important to be denied review and too independent of the cause itself to require that appellate consideration be deferred until the whole case is adjudicated." *Puerto Rico*, 506 U.S. at 143 (quoting *Cohen*, 337 U.S. at 546). "To come within the 'small class' of . . . [collateral order doctrine decisions], the order must [1] conclusively determine the disputed question, [2] resolve an important issue completely separate from the

merits of the action, and [3] be effectively unreviewable on appeal from a final judgment." *Id.* at 144-45 (quoting *Coopers & Lybrand v. Livesay*, 437 U.S. 463, 468, 98 S. Ct. 2454, 57 L. Ed. 2d 351 (1978)); *see also Cohen*, 337 U.S. at 546.

The Supreme Court has held that States and State entities may invoke the collateral order doctrine to immediately appeal an order denying a claim of sovereign immunity. In *Puerto Rico*, the Puerto Rico Aqueduct and Sewer Authority (PRASA)—an arm of the Puerto Rican government—sought to upgrade Puerto Rico's waste treatment plants and contracted with Metcalf & Eddy Inc. to assist with the task. 506 U.S. at 141. PRASA withheld payments on the contract due to alleged overcharging by Metcalf, and Metcalf sued PRASA in the District of Puerto Rico for breach of contract in response. *Id.* PRASA then moved to dismiss the case on grounds that sovereign immunity under the Eleventh Amendment prohibited the suit. *Id.* The district court denied the motion, PRASA appealed, and the First Circuit dismissed the appeal for lack of jurisdiction. *Id.* at 141-42. The First Circuit explained that its precedent barred States from taking an immediate appeal on a claim of sovereign immunity. *Id.* at 142.

The Supreme Court reversed. It determined that decisions denying claims of sovereign immunity by a State or its arms fall within the "small class" of decisions covered by the collateral order doctrine. *Id.* at 144-45. The Court explained that such decisions satisfy the three elements of the doctrine as set forth in *Cohen* and *Coopers & Lybrand*.

Id. It emphasized that the Eleventh Amendment confers on States the privilege not to be sued, and that decisions denying sovereign immunity "purport to be conclusive determinations that [States] have no right not to be sued in federal court." *Id.* at 145. The Court noted that resolving the issue of sovereign immunity "generally will have no bearing on the merits of the underlying action," and that the value of sovereign immunity to a State "is for the most part lost once litigation proceeds past motion practice." *Id.* Accordingly, the Court held that "States and state entities that claim to be 'arms of the State' may take advantage of the collateral order doctrine to appeal a district court order denying a claim of Eleventh Amendment immunity." *Id.* at 147; *see also Univ. of Minn. v. LSI Corp.*, 926 F.3d 1327, 1331 n.2 (Fed. Cir. 2019) ("It is well-established that decisions denying sovereign immunity are appealable as collateral orders, and the 'ultimate justification is the importance of ensuring that the States' dignitary interests can be fully vindicated.'" (quoting *Puerto Rico*, 506 U.S. at 146-47)).

Here, UT challenges the district court's transfer order on several grounds. It argues that the U.S. Constitution's Original Jurisdiction Clause ensures that a State cannot be forced to sue in a court located in another State. *See* Appellant's Br. 11-17. UT also argues that the Eleventh Amendment confirms that a State is entitled to control where it litigates against a private party. *See id.* at 18-21. Finally, it asserts that it did not consent to jurisdiction or waive its sovereignty rights in Delaware, and that the patent venue statute does not abrogate those rights. *See id.* at 26-36. UT generally invokes its rights as

a state sovereign to challenge the district court's transfer order—an order denying the application of the Eleventh Amendment. *See Order* at 3. We thus hold that, based on the Supreme Court's reasoning and analysis in *Puerto Rico*, the collateral order doctrine likewise applies here.

As in *Puerto Rico*, the district court's order satisfies all three elements of the collateral order doctrine. *See* 506 U.S. at 144-45. The first element is met because the order "conclusively determine[d]" that State sovereignty principles do not apply. *Id.* at 144. There is nothing "tentative, informal or incomplete" about the transfer order regarding this issue. *Cohen*, 337 U.S. at 546. As soon as the case proceeds in Delaware, UT is subject to suit there, and the issue of whether state sovereignty principles apply is conclusively determined in the negative. Contrary to BSC's argument, UT cannot simply "raise its sovereignty arguments in a 'different room,'" because UT's asserted right to not litigate in Delaware is immediately lost upon transfer. Appellee's Br. 9 (quoting *Carefirst of Md., Inc. v. Carefirst Urgent Care Ctr., LLC*, 305 F.3d 253, 255 (4th Cir. 2002)).

During oral argument, BSC conceded that, had UT unsuccessfully moved in the District of Delaware to retransfer the case back to Texas, then the issue would be conclusively determined and the collateral order doctrine would apply. Oral Arg. at 23:08, http://oralarguments.cafc.uscourts.gov/default.aspx?fl=2018-1700.mp3. That UT could have filed a motion to retransfer in Delaware does not alter our determination that the first element is satisfied. The Texas court already concluded that (1)

venue is improper in the Western District of Texas; and (2) venue is proper in the District of Delaware. As the Supreme Court has explained, these conclusions are law of the case:

> Federal courts routinely apply law-of-the-case principles to transfer decisions of coordinate courts . . . Indeed, the policies supporting the doctrine apply with even greater force to transfer decisions than to decisions of substantive law; transferee courts that feel entirely free to revisit transfer decisions of a coordinate court threaten to send litigants into a vicious circle of litigation.

Christianson v. Colt Indus. Operating Corp., 486 U.S. 800, 816, 108 S. Ct. 2166, 100 L. Ed. 2d 811 (1988). "A court has the power to revisit prior decisions of its own or of a coordinate court in any circumstance, although as a rule courts should be loathe to do so in the absence of extraordinary circumstances such as where the initial decision was 'clearly erroneous and would work a manifest injustice.'" *Id.* at 817 (quoting *Arizona v. California*, 460 U.S. 605, 618 n.8, 103 S. Ct. 1382, 75 L. Ed. 2d 318 (1984)). Thus, the District of Delaware can revisit the Texas court's venue determination only under extraordinary circumstances, such as reaching a conclusion that the Texas court's decision was "clearly erroneous and would work a manifest injustice." *Id.* (quoting *Arizona*, 460 U.S. at 618 n.8). In the absence of such a conclusion, however, the law-of-the-case doctrine applies and the issue of whether UT is subject to jurisdiction in Delaware is conclusively

determined. We note that, in opposing appealability, BSC does not waive the law-of-the-case protection it has against the Delaware court drawing a different conclusion than the one it urged the Texas court to make. BSC does not argue that the Texas court's decision is implausible or clearly erroneous. Nor could it. After all, BSC's position is that, far from being clearly erroneous, the Texas court's decision is actually correct. We agree that the Texas court's ruling is not clearly erroneous or implausible and, as such, we are satisfied that the Texas court's transfer decision is conclusive for purposes of the collateral order doctrine.

The second element is also met because the state sovereignty issues raised here are "important issue[s]," the resolution of which are "completely separate from the merits" of the patent infringement suit. *Puerto Rico*, 506 U.S. at 144. In *Puerto Rico*, the Supreme Court explained that Eleventh Amendment immunity is "a fundamental constitutional protection" and that "its ultimate justification is the importance of ensuring that the States' dignitary interests can be fully vindicated." *Id.* at 145-46. The Court noted that the purpose of the Eleventh Amendment is to "prevent the indignity of subjecting a State to the coercive process of judicial tribunals at the instance of private parties," and that the Amendment "is rooted in a recognition that the States, although a union, maintain certain attributes of sovereignty, including sovereign immunity." *Id.* at 146. The state sovereignty principles claimed here are similar to the claims of Eleventh Amendment immunity in *Puerto Rico* because, in both instances, the claim invokes

sovereignty to protect a State's dignitary interest in not litigating under conditions to which it did not agree. We thus determine that resolving whether those principles apply here is also an "important issue." *Id.* at 144. And because resolution of this issue is "completely separate from the merits of" a patent infringement suit, the second element of the collateral order doctrine is satisfied. *See id.* Our determination here turns on UT's assertion of state sovereignty, and we recognize that transfer orders normally would not satisfy this element. *See* Appellee's Br. 10-11.

Finally, the third element of the collateral order doctrine is satisfied because the district court's order, which determined that Eleventh Amendment principles do not apply, is "effectively unreviewable on appeal from a final judgment." *See Puerto Rico*, 506 U.S. at 144-45. On appeal, UT asserts its rights as a sovereign entity to choose its forum and not litigate its case in Delaware. If the case proceeds to final judgment, an appeal of UT's claims of state sovereignty would be effectively pointless as UT would have been litigating in Delaware the entire time. Like the scenario in *Puerto Rico*, the value of UT's asserted rights "is for the most part lost as litigation proceeds past motion practice." *Id.* at 145; *see also Firestone*, 449 U.S. at 376-77 (explaining that the challenged order must constitute a final rejection "of a claimed right where denial of immediate review would render impossible any review whatsoever" (quoting *United States v. Ryan*, 402 U.S. 530, 533, 91 S. Ct. 1580, 29 L. Ed. 2d 85 (1971))).

We acknowledge that *Puerto Rico* differs because there the State entity stood as a defendant whereas here, UT stands as a plaintiff. The Supreme Court's decision in *Puerto Rico* turned on its recognition that the Eleventh Amendment confers on a State or state entity the right to not *defend* a suit, and that this important right is lost if the State's claim to sovereign immunity is denied. *See* 506 U.S. at 144-45. Here, in contrast, UT relies not on sovereign immunity under the Eleventh Amendment so much as on related principles that it labels as state sovereignty. We nonetheless conclude that *Puerto Rico*'s teachings apply here. As we explained above, UT's assertion of state sovereignty principles is similar to a claim of Eleventh Amendment immunity because both arguments invoke attributes of state sovereignty to preclude a suit from going forward. Even if we were to ultimately conclude that plaintiffs cannot assert state sovereignty to defeat a venue transfer, that determination goes to the merits of the state sovereignty issue in this case and cannot be the basis for denying jurisdiction.

Given the similarities between this case and *Puerto Rico*, we conclude that we have jurisdiction because the district court's transfer order fits within the small class of judgments excepted from the final judgment rule by the collateral order doctrine.

II

Turning to the merits, UT seeks reversal of the district court's transfer order on several grounds relating to state sovereignty. It argues that venue is proper in the

Western District of Texas because a State, as a sovereign entity, has the right to sue a nonresident in its forum of choice as long as personal jurisdiction is satisfied. According to UT, the federal patent venue statute cannot abrogate a State's right to choose the forum when asserting infringement of its federal patent rights. UT also argues that the District of Delaware lacks jurisdiction because UT never consented to suit in Delaware, never waived its sovereignty in Delaware, and never had its sovereignty abrogated by statute. We disagree with UT on all grounds. We hold that the state sovereignty principles asserted by UT do not grant it the right to bring a patent infringement suit in an improper venue. Accordingly, the district court did not err in transferring the case to the District of Delaware.

A. Standard of Review

The patent venue statute, 28 U.S.C. § 1400(b), "is the sole and exclusive provision controlling venue in patent infringement actions." *TC Heartland*, 137 S.Ct. at 1519 (quoting *Fourco Glass Co. v. Transmirra Prods. Corp.*, 353 U.S. 222, 229, 77 S. Ct. 787, 1 L. Ed. 2d 786 (1957)). Venue is proper under § 1400(b) only where a defendant resides or "has a regular and established place of business." 28 U.S.C. § 1400(b). "We review de novo the question of proper venue under 28 U.S.C. § 1400(b)." *Westech Aerosol Corp. v. 3M Co.*, 927 F.3d 1378, 1381 (Fed. Cir. 2019).

We apply Federal Circuit law to the questions of state sovereignty raised here, just as we have applied our own

law to questions of sovereign immunity. *See Delano Farms Co. v. Cali. Table Grape Comm'n*, 655 F.3d 1337, 1343 (Fed. Cir. 2011) ("In addressing the issue of sovereign immunity, we apply our own law in light of the special importance of ensuring national uniformity on such questions."); *see also Univ. of Utah v. Max-Planck-Gesellschaft zur Forderung der Wissenschaften E.V.*, 734 F.3d 1315, 1320 (Fed. Cir. 2013) ("We have held that the question of Eleventh Amendment waiver is a matter of Federal Circuit law."). We review these questions de novo. *See Univ. of Utah*, 734 F.3d at 1320 ("We review the district court's decision on Eleventh Amendment immunity de novo." (quoting *A123 Sys., Inc. v. Hydro-Quebec*, 626 F.3d 1213, 1219 (Fed. Cir. 2010))).

B. Venue in the Western District of Texas

The district court determined that BSC neither resides in nor has a regular and established place of business in the Western District of Texas under § 1400(b). *Order* at 2-3. UT does not appeal these determinations. It challenges the transfer order only on the basis of state sovereignty. There is no dispute that UT is an arm of the State of Texas and is entitled to the same sovereign rights as Texas. *See Tegic Commc'ns Corp. v. Bd. of Regents of Univ. of Tex. Sys.*, 458 F.3d 1335, 1340 (Fed. Cir. 2006) ("The University of Texas System is deemed to be an arm of the State of Texas, *see* Tex. Gov't Code § 441.101(3), . . . ").

UT argues that a State has the right to sue a private party in any forum as long as personal jurisdiction

requirements are met. *See* Appellant's Br. 11-20. UT asserts that this right "is an essential privilege of state sovereignty," and is established by several authorities including "the language and history of the Original Jurisdiction Clause and Eleventh Amendment," and Supreme Court precedents. *Id.* at 19. We disagree with UT. First of all, State sovereign immunity does not apply where a State acts solely as a plaintiff, as UT does here. We also discern nothing in the U.S. Constitution's Original Jurisdiction Clause or in UT's other asserted authorities that supports the proposition that a State has the right to bypass federal venue rules when it engages in patent litigation as a plaintiff. We thus conclude that UT does not have the right to bring a patent infringement suit against BSC in the Western District of Texas, an improper venue. We address UT's sovereign immunity, original jurisdiction, and state sovereignty arguments in detail below.

1. State Sovereign Immunity

We first address the doctrine of state sovereign immunity, "sometimes referred to" as "Eleventh Amendment immunity." *See Alden v. Maine*, 527 U.S. 706, 713, 119 S. Ct. 2240, 144 L. Ed. 2d 636 (1999). The Eleventh Amendment immunizes the States from suits "commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State." U.S. Const. amend. XI. In its opening appellate brief, UT asserted that the Eleventh Amendment allows a State "to control where it litigates against a private party." Appellant's Br. 18 (capitalization altered). According to

UT, state sovereign immunity provides that "only the state can dictate where it litigates its property rights; a private party cannot dictate the forum."[1] *Id.*

We have previously held, however, that "the Eleventh Amendment applies to suits 'against' a state, not suits by a state." *Eli Lilly*, 119 F.3d at 1564. In *Eli Lilly*, the Regents of the University of California (UC)—an arm of the State of California—sued Eli Lilly & Co. for patent infringement in the Northern District of California. *Id.* at 1562. The Judicial Panel on Multidistrict Litigation consolidated the case with five other related cases for pretrial proceedings in the Southern District of Indiana. *Id.* at 1563. UC then filed a petition for a writ of mandamus to this court, seeking to vacate the transfer order as barred by the Eleventh Amendment. *Id.* We denied UC's petition, holding that "the transfer did not force unconsented suit upon UC and thus was permissible for purposes of pretrial discovery." *Id.* Lilly subsequently filed a motion to have the case transferred under 28 U.S.C. § 1404(a) to the Southern District of Indiana for trial. *Id.* The District Court for the Southern District of Indiana granted the motion, transferred the case to itself, and a trial proceeded on the merits. *Id.* The district court ruled

1. While UT expressly relied on sovereign immunity in district court and in its opening appellate brief, it appears to have shifted course during the appeal. Indeed, in its reply, UT asserted that "this case is not about Eleventh Amendment immunity." Reply Br. 5 (capitalization altered). Likewise, during oral argument, UT's counsel stated that "[t]his is not an Eleventh Amendment case." Oral Arg. at 6:57. We nonetheless address this argument since it was presented to the district court and raised here.

in favor of Lilly on infringement and validity, and UC appealed to this court. *Id.* at 1564.

UC argued on appeal that Eleventh Amendment immunity deprived the Southern District of Indiana of jurisdiction. Specifically, UC asserted that by choosing to bring suit in the Northern District of California, it waived its Eleventh Amendment immunity only in California federal courts. *Id.* We explained that Eleventh Amendment immunity applies only in situations where a State is a defendant. *See id.* at 1564-65. We determined that UC's reliance on *Port Authority Trans-Hudson Corp. v. Feeney*, 495 U.S. 299, 110 S. Ct. 1868, 109 L. Ed. 2d 264 (1990), was misplaced because the Court in that case "did not construe the Eleventh Amendment to apply to suits in which a state is solely a plaintiff," and noted that "we do not believe that the Court has ever so construed the Eleventh Amendment." *Eli Lilly*, 119 F.3d at 1564. Because UC was acting solely as the plaintiff, we explained that "we need not determine whether UC waived its immunity only in California, because this case does not create an Eleventh Amendment jurisdictional issue concerning which the question of waiver even arises." *Id.* at 1564-65. Recognizing that there were no claims or counterclaims that placed UC in the position of a defendant, we concluded that "the Eleventh Amendment does not deprive the Indiana district court of jurisdiction in this case." *Id.* at 1565.

Our interpretation of the Eleventh Amendment in *Eli Lilly* was guided by the Supreme Court's reasoning in *United States v. Peters*, 9 U.S. (5 Cranch) 115, 3 L. Ed. 53

(1809) (Marshall, C.J.), a case where the Court declined to apply the Eleventh Amendment in a suit instituted against the heirs of a deceased State treasurer. *See Eli Lilly*, 119 F.3d at 1564. The Court in *Peters* instructed:

> The right of a state to assert, *as plaintiff*, any interest it may have in a subject, which forms the matter of controversy between individuals, in one of the courts of the United States, *is not affected by [the Eleventh] amendment*; nor can it be so construed as to oust the court of its jurisdiction, should such claim be suggested. The amendment simply provides, that no suit shall be commenced or prosecuted against a state. The state cannot be made a defendant to a suit brought by an individual; but it remains the duty of the courts of the United States to decide all cases brought before them by citizens of one state against citizens of a different state, where a state is not necessarily a defendant.

Peters, 9 U.S. at 139 (emphases added). This is consistent with other guidance from the Supreme Court. "[W]here a state voluntarily become[s] a party to a cause, and submits its rights for judicial determination, it will be bound thereby, and cannot escape the result of its own voluntary act by invoking the prohibitions of the 11th Amendment." *Gunter v. Atl. Coast Line R.R. Co.*, 200 U.S. 273, 284, 26 S. Ct. 252, 50 L. Ed. 477 (1906). Moreover,

> [i]t would seem anomalous or inconsistent for a State both (1) to invoke federal jurisdiction,

> thereby contending that the "Judicial power of the United States" extends to the case at hand, and (2) to claim Eleventh Amendment immunity, thereby denying that the "Judicial power of the United States" extends to the case at hand.

Lapides v. Bd. of Regents of Univ. Sys. of Ga., 535 U.S. 613, 619, 122 S. Ct. 1640, 152 L. Ed. 2d 806 (2002).

Our decision in *Eli Lilly* controls here. Similar to UC in *Eli Lilly*, UT here invokes sovereign immunity to challenge the transfer to the District of Delaware. *See* Appellant's Br. 18-20. Because UT is acting solely as a plaintiff, however, sovereign immunity does not apply, and UT cannot rely on it to challenge the transfer. *See Eli Lilly*, 119 F.3d at 1564-65. We thus hold that sovereign immunity cannot be asserted to challenge a venue transfer in a patent infringement case where a State acts solely as a plaintiff.

UT nonetheless argues that "State sovereign immunity—a complementary attribute of state sovereignty—confirms that only the state can dictate where it litigates its property rights." Appellant's Br. 18. For support, it quotes *Ex parte Ayers*, 123 U.S. 443, 505, 8 S. Ct. 164, 31 L. Ed. 216 (1887), for the proposition that "[t]he very object and purpose of the eleventh amendment [serves] to prevent the indignity of subjecting a state to the coercive process of judicial tribunals at the instance of private parties." Appellant's Br. 18-19. UT also quotes *Pennhurst State School & Hospital v. Halderman*, 465

U.S. 89, 99, 104 S. Ct. 900, 79 L. Ed. 2d 67 (1984), for the proposition that a "State's constitutional interest in immunity encompasses not merely *whether* it may be sued, but *where* it may be sued." Appellant's Br. 19. Finally, UT relies on *Feeney*, where the Supreme Court "reiterated that a state may control the venue in which it litigates, holding that 'issues of venue are closely related to those concerning sovereign immunity.'" Appellant's Br. 19 (quoting *Feeney*, 495 U.S. at 307). While UT accurately quotes these cases, we disagree with UT's reliance on them. *Ayers, Pennhurst*, and *Feeney* are all distinguishable as none involved the assertion of sovereign immunity by a State *as a plaintiff*. We are aware of no cases in which the Supreme Court has applied the Eleventh Amendment to suits in which a State is solely a plaintiff. Our reading of *Ayers, Pennhurst*, and *Feeney* here is consistent with *Eli Lilly*, where we previously distinguished *Feeney*, emphasizing that "the Court did not construe the Eleventh Amendment to apply to suits in which a state is solely a plaintiff." *Eli Lilly*, 119 F.3d at 1564.

2. The Original Jurisdiction Clause

UT next argues that "the Original Jurisdiction Clause ensures a State cannot be forced to sue in a court located in another State."[2] Appellant's Br. 11 (capitalization altered).

2. We note that UT did not present its original jurisdiction argument to the district court. We exercise our discretion and reach UT's argument rather than finding that UT waived this issue by failing to present it below. *See e.g., In re DBC*, 545 F.3d 1373, 1378-79 (Fed. Cir. 2008) (noting "discretion to reach issues raised for the first time on appeal").

Appendix A

The U.S. Constitution grants the Supreme Court original jurisdiction over cases "in which a State shall be a Party." U.S. CONST. art. III, § 2, cl. 2. This grant is codified at 28 U.S.C. § 1251(b)(3), which provides: "The Supreme Court shall have original but not exclusive jurisdiction of . . . All actions or proceedings by a State against the citizens of another State or against aliens." UT argues that certain Supreme Court decisions on original jurisdiction—namely *Ames v. Kansas*, 111 U.S. 449, 4 S. Ct. 437, 28 L. Ed. 482 (1884), *Georgia v. Pennsylvania Railroad Co.*, 324 U.S. 439, 65 S. Ct. 716, 89 L. Ed. 1051 (1945), and *Ohio v. Wyandotte Chemicals Corp.*, 401 U.S. 493, 91 S. Ct. 1005, 28 L. Ed. 2d 256 (1971)—establish that a State has the "right to control the forum with requisite jurisdiction in which it sues a citizen of another state." Appellant's Br. 12-17. In so arguing, UT asserts not only that (a) it has a Constitution-rooted right to avoid out-of-state venues, but also that (b) it has an affirmative right to sue in a federal district court that Congress has deemed unavailable. We disagree with UT's generous reading of these cases and address each case in turn below.

UT cites *Ames* for its statements that States "were left free to seek redress for their own grievances in any court that had requisite jurisdiction" and "no limits were set on their powers of choice in this particular." *See id.* at 13 (emphasis omitted) (citing *Ames*, 111 U.S. at 465). But these statements must be read in context. In *Ames*, the State of Kansas filed suit in its own courts to challenge a corporate consolidation by a national railway company. *See Ames*, 111 U.S. at 452-53. The defendants removed to federal court on grounds that the case presented a

federal question, and Kansas challenged the removal. *Id.* at 465. Kansas argued that the federal district court lacked jurisdiction due to the Original Jurisdiction Clause, which gives the Supreme Court "original Jurisdiction" in "all Cases . . . in which a State shall be Party." U.S. Const. art. III, § 2, cl. 2. The Supreme Court disagreed and held that where a State brings suit against private parties, the original jurisdiction of the Supreme Court is not exclusive, and those suits "may now be brought in or removed to" the lower federal courts. *Ames*, 111 U.S. at 470. *Ames* thus stands for the proposition that lower federal courts can exercise jurisdiction over suits filed by a State against a non-State.

In so holding, the Supreme Court explained that one of the practical effects of original jurisdiction was "to allow the state to sue for itself in any tribunal that could entertain its case." *Id.* at 465. The Court here refers to the ability of States to sue in lower courts *in addition to* the Supreme Court. These passages do not, as UT asserts, support the proposition that States may sue in any forum regardless of venue rules.

Georgia also does not support UT's argument. In *Georgia*, the State of Georgia filed a bill of complaint in the Supreme Court, alleging that several railway companies had committed antitrust violations. 324 U.S. at 443. The defendants argued that the Supreme Court should decline to exercise original jurisdiction over the case because the action could have "conveniently proceed[ed] in the district court of the proper venue." *Id.* at 465. The Court exercised original jurisdiction anyway, noting that "it is apparent [from the complaint] that Georgia could not find all of the

defendants in one of the judicial districts of Georgia so as to maintain a suit of this character against all of them in a district court in Georgia." *Id.* at 466. While the Court did allow Georgia to proceed in its chosen forum—the Supreme Court—this case also does not support the proposition that a State has a right to proceed in *any* forum regardless of venue rules.

In *Wyandotte*, the State of Ohio attempted to invoke original jurisdiction in a suit against a Michigan chemical company. 401 U.S. at 494. The Supreme Court declined jurisdiction, noting that the issues raised were "bottomed on local law," that multiple regulatory bodies were already involved, and that the case presented technical and factual questions in which the Court had no expertise. *Id.* at 497, 502, 505. UT argues that *Wyandotte* supports a State's right to litigate in its forum of choice regardless of federal venue rules because the Court broadly stated that "no State should be compelled to resort to the tribunals of other States for redress." Appellant's Br. 17 (quoting *Wyandotte*, 401 U.S. at 500). But, again, the Court's statement must be read in the context of the dispute litigated. In *Wyandotte*, the Court was merely discussing the principles underlying original jurisdiction and did not even consider whether original jurisdiction confers on States the right to bring suit in an improper venue. *See* 401 U.S. at 500.

The original jurisdiction cases cited by UT do not support the proposition that a State can bring suit in any forum as long as personal jurisdiction requirements are met. These cases are further inapposite because UT never

even sought to invoke original jurisdiction. It brought this suit "pursuant to 28 U.S.C. §§ 1331 and 1338(a)." Compl. ¶ 5. Whether UT could have instituted this suit as an original proceeding in the Supreme Court is irrelevant because UT brought suit in a federal district court under federal question jurisdiction.

3. State Sovereignty

Finally, UT asserts that it has the right to sue for patent infringement in its forum of choice based on the inherent powers of a state sovereign. For example, it argues that each State has "residual and inviolable sovereignty," and retained the right "as a sovereign, to choose the forum with requisite jurisdiction in which to enforce its property rights against citizens of another state." Appellant's Br. 10-11. It further asserts that

> States, although a union, maintain attributes of sovereignty, including the (1) right to consent to or reject jurisdiction (the right to choose where it litigates its rights against a citizen); (2) immunity, *e.g.*, under the Eleventh Amendment or state tort claim acts;[] (3) eminent domain power; (4) power to try causes in its own courts; (5) power to tax; and (6) police power, among other attributes of sovereignty.

Reply Br. 5.

We acknowledge that States are sovereign entities that entered the Union with particular sovereign rights

intact. *See* Appellant's Br. 9-11; *see also* Reply Br. 5-6. We are not convinced, however, that the inherent powers of Texas as a sovereign allow UT to disregard the rules governing venue in patent infringement suits once it chose to file such a suit in federal court.

When a State voluntarily appears in federal court, as UT has done here, it "voluntarily invoke[s] the federal court's jurisdiction." *Lapides*, 535 U.S. at 620. It logically follows that the State must then abide by federal rules and procedures—including venue rules—like any other plaintiff. We see nothing in UT's cited authorities that suggests otherwise. Indeed, it would be "anomalous or inconsistent" for UT to both invoke federal question jurisdiction and then to assert sovereignty to defeat federal jurisdiction. *See id.* at 619.

Our conclusion here is consistent with sovereign immunity decisions in the removal context from the Supreme Court and from our sister circuits. *See, e.g., id.* at 620 (noting that the State of Georgia "voluntarily invoked the federal court's jurisdiction" by voluntarily agreeing to remove the case to federal court); *In re Methyl Tertiary Butyl Ether ("MTBE") Prods. Liab. Litig.*, 488 F.3d 112, 119 (2d Cir. 2007) ("The removal of the cases here was the result of the voluntary acts of California and New Hampshire in commencing the lawsuits against the defendants. Once having done so, these states subjected themselves to all of the rules and consequences attendant to that decision."); *In re Creative Goldsmiths of Washington, D.C., Inc.*, 119 F.3d 1140, 1148 (4th Cir. 1997) ("When a state authorizes its officials voluntarily

to invoke federal process in a federal forum, the state thereby consents to the federal forum's rules of procedure and may not invoke sovereign immunity to protect itself against the interposition of defenses to its action.").

When a State sues in federal court, it waives sovereign immunity with respect to its asserted claims, subjecting itself to the jurisdiction of the federal courts, and must accept the federal statutory provisions that govern the allocation of cases among the courts. The Supreme Court has explained that Congress's power to establish lower federal courts under Article III is not restricted. "The discretion, therefore, of Congress as to the number, the character, the territorial limits of the courts among which it shall distribute this judicial power, is unrestricted except as to the Supreme Court." *United States v. Union Pac. R.R. Co.*, 98 U.S. 569, 602, 25 L. Ed. 143 (1878).

Congress thus has the power to establish as many—or as few—federal district courts as it wishes, and to authorize nationwide assertion of jurisdiction by those courts. *See, e.g., Robertson v. R.R. Labor Bd.*, 268 U.S. 619, 622, 45 S. Ct. 621, 69 L. Ed. 1119 (1925) ("Congress clearly has the power to authorize a suit under a federal law to be brought in any inferior federal court. Congress has power, likewise, to provide that the process of every District Court shall run into every part of the United States."); *Union Pac.*, 98 U.S. at 604 ("There is, therefore, nothing in the Constitution which forbids Congress to enact that, as to a class of cases or a case of special character, a circuit court—any circuit court—in which the suit may be brought, shall, by process served anywhere

in the United States, have the power to bring before it all the parties necessary to its decision."); Henry M. Hart, Jr., *The Power of Congress to Limit the Jurisdiction of Federal Courts: An Exercise in Dialectic*, 66 Harv. L. Rev. 1362, 1365 (1953) ("Q. [] [D]oes the Constitution give people any right to proceed or be proceeded against in one inferior federal constitutional court rather than another? A. As to civil plaintiffs, no. Congress has plenary power to distribute jurisdiction among such inferior federal constitutional courts as it chooses to establish.").[3] It follows that Congress has the power to allocate cases, including patent cases, among the federal district courts and UT, having waived its sovereign immunity, cannot escape Congress's statutory provisions governing patent cases.

C. Jurisdiction in the District of Delaware

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3. *See also Toland v. Sprague*, 37 U.S. 300, 328, 9 L. Ed. 1093 (1838) ("Congress might have authorized civil process from any circuit court, to have run into any state of the Union."); *Martin v. Hunter's Lessee*, 14 U.S. 304, 331, 4 L. Ed. 97 (1816) ("[Congress] might establish one or more inferior courts; they might parcel out the jurisdiction among such courts, from time to time, at their own pleasure."); Robert Haskell Abrams, *Power, Convenience, and the Elimination of Personal Jurisdiction in the Federal Courts*, 58 Ind. L.J. 1, 1 (1983) ("Had Congress in the exercise of its article III powers to establish 'inferior courts'[] chosen to establish only one such tribunal, there would be little doubt of the constitutional permissibility of such a choice."); Jonathan Remy Nash, *National Personal Jurisdiction*, 68 Emory L.J. 511, 524 (2019) (commenting that, if the Supreme Court's explanation in *Union Pacific* is true, "then Congress could establish federal trial courts whose jurisdictional reach extends across state lines; indeed, it could even set up a single federal trial court with national jurisdiction.").

Finally, UT argues that the District of Delaware lacks jurisdiction over this case because it did not consent to suit in Delaware, did not waive its sovereignty in Delaware, and never had its sovereignty abrogated by statute. *See* Appellant's Br. 26-32. Citing *College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board*, 527 U.S. 666, 119 S. Ct. 2219, 144 L. Ed. 2d 605 (1999), UT asserts that waiver of sovereignty must be unequivocal and voluntary. *See* Appellant's Br. 26-29. In that case, College Savings Bank sued the State of Florida under the Lanham Act, alleging that Florida misrepresented its tuition prepayment program. *See College Savings*, 527 U.S. at 671. College Savings Bank argued that Florida waived its sovereign immunity by engaging in interstate marketing of its program. *See id.* The Supreme Court disagreed and held that Florida's sovereign immunity was not "voluntarily waived by the State's activities in interstate commerce." *Id.* at 691.

UT's reliance on *College Savings* is misplaced. As we explained above, sovereign immunity does not apply when a State proceeds as a plaintiff. Moreover, none of the authorities cited by UT support a broader privilege of state sovereignty that gives a State the right to bring suit in an improper venue. The issues of waiver and abrogation of such rights thus do not arise, because there is no sovereign immunity or relevant state sovereign right to waive or abrogate. *See Eli Lilly*, 119 F.3d at 1564-65.

UT also argues that waiver of its sovereign immunity is "forum and claim specific," and that it did not waive sovereignty in Delaware by filing suit in Texas. Appellant's

Br. 29-30 (capitalization altered). We rejected the same argument in *Eli Lilly*, because sovereign immunity does not apply to "suits by a state." 119 F.3d at 1564. The cases UT cites as support are inapposite. UT cites to *Tegic* and *Hydro-Quebec*, to argue that "waiver of state sovereignty is limited to the state's chosen forum." Appellant's Br. 29. In both *Tegic* and *Hydro-Quebec*, we held that a state plaintiff that files a patent infringement suit in one case, does not waive its sovereign immunity in an *entirely different case. See Tegic*, 458 F.3d at 1343 ("Although here the University obviously 'made itself a party to the litigation to the full extent required for its complete determination, . . . it did not thereby voluntarily submit itself to a new action brought by a different party in a different state and a different district court." (quoting *Clark v. Barnard*, 108 U.S. 436, 448, 2 S. Ct. 878, 27 L. Ed. 780 (1883))); *see also Hydro-Quebec*, 626 F.3d at 1220 ("UT's waiver of Eleventh Amendment immunity in a patent infringement suit in the Northern District of Texas did not result in a waiver of immunity in this separate infringement action."). There is no second infringement suit here, so these cases do not apply.

Additionally, UT states that "to rule against the State of Texas, you would have to find that a venue provision is [a] substantive jurisdictional right to defendants to only be sued where they reside as opposed to where there is jurisdiction over them." Oral Arg. at 36:52. UT argues that this would be contrary to *Brunette Machine Works, Ltd. v. Kockum Industries, Inc.*, 406 U.S. 706, 92 S. Ct. 1936, 32 L. Ed. 2d 428 (1972). Oral Arg. at 37:10. In *Brunette*, Kockum Industries, Inc. sued Brunette Machine

Works—a Canadian corporation—for patent infringement in the District of Oregon, which dismissed the suit for improper venue under § 1400(b). *Id.* at 707. The Supreme Court ruled that, even though venue was improper under § 1400(b), that provision does not apply to suits against an alien defendant given the existence of 28 U.S.C. § 1391(d), a venue statute applicable to foreign entities. *Id.* at 713-14. The Court explained that "venue provisions are designed, not to keep suits out of the federal courts, but merely to allocate suits to the most appropriate or convenient federal forum." *Id.* at 710. The Court held that § 1391(d) controlled and that Brunette, an alien defendant, "cannot rely on § 1400" as a shield against suit in Oregon. *Id.* at 714. We do not find UT's reliance on *Brunette* persuasive because, unlike in *Brunette*, there is no authority asserted here that overrides the patent venue statute.

Because sovereign immunity does not apply to a State acting solely as a plaintiff, the issues of waiver and abrogation do not arise here. Accordingly, jurisdiction in the District of Delaware is proper.

Conclusion

We have considered UT's remaining arguments and find them unpersuasive. UT's sovereign rights do not allow it to escape application of the patent venue statute in this case. We affirm the district court's transfer order.

AFFIRMED

APPENDIX B — ORDER OF THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF TEXAS, AUSTIN DIVISION, FILED MARCH 12, 2018

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

CAUSE NO. A-17-CV-1103-LY

BOARD OF REGENTS, THE UNIVERSITY OF TEXAS SYSTEM, AND TISSUEGEN, INC.,

Plaintiffs,

v.

BOSTON SCIENTIFIC CORP.,

Defendant.

March 12, 2018, Decided
March 12, 2018, Filed

ORDER

Before the court are Defendant Boston Scientific Corporation's Motion to Dismiss Plaintiffs' Complaint under Fed. R. Civ. P. 12(b)(3) filed February 1, 2018 (Doc. #11); Plaintiffs' Response in Opposition to Motion to Dismiss filed February 15, 2018 (Doc. #14); and Defendant Boston Scientific Corporation's Reply in Support of its

Motion to Dismiss Plaintiffs' Complaint under Fed. R. Civ. P. 12(b)(3) filed February 22, 2018 (Doc. #16). Defendant Boston Scientific Corporation ("Boston Scientific") alternatively seeks transfer pursuant to Section 1400(b) of Title 28 of the United States Code. Having considered the motion, response, and reply, the court will grant the motion in the alternative and transfer the cause to the United States District Court for the District of Delaware for the reasons stated below.

Plaintiffs filed suit against Boston Scientific on November 20, 2017, alleging infringement of United States Patent Nos. 6,596,296 and 7,033,603 ("the asserted patents"). Plaintiffs claim that Boston Scientific infringed the asserted patents through the manufacture and sale of a range of coronary stent systems. Plaintiffs' complaint states that Boston Scientific is incorporated in the State of Delaware and headquartered in Boston, Massachusetts.

Boston Scientific does not own or lease any property in the Western District of Texas and does not maintain any business address in the Western District of Texas. Boston Scientific has approximately 46 employees in the Western District of Texas, all of whom maintain home offices and do not work in locations that are owned, leased, or otherwise controlled by Boston Scientific.

A defendant may request dismissal where venue is improper in the District where the case is filed. *See* FED. R. CIV. P. 12(b)(3). The patent venue statute, 28 U.S.C. § 1400(b), is the "sole and exclusive provision controlling venue in patent infringement actions." *TC Heartland LLC*

v. Kraft Foods Group Brands LLC, ___ U.S. ___, 137 S. Ct. 1514, 1515-19, 197 L. Ed. 2d 816 (2017).

"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." 28 U.S.C. § 1400(b). The term "resides" refers only to a defendant's state of incorporation. *See TC Heartland*, 137 S. Ct. at 1519.

Whether a defendant has a "regular and established place of business" has three general requirements: "(1) there must be a physical place in the district; (2) it must be a regular and established place of business; and (3) it must be the place of the defendant." *In re Cray Inc.*, 871 F.3d 1355, 1360 (Fed. Cir. 2017). Although Boston Scientific has 46 employees working in the Western District of Texas, they all work from home. Because Boston Scientific does not own or lease a place of business in the Western District of Texas and does not operate or otherwise control its employees' homes, the court finds that Boston Scientific does not maintain a "regular and established place of business" in the Western District of Texas. *See id.* at 1365 (finding venue improper in district where defendant's employees merely worked from home).

In response, Plaintiffs assert that "[b]ecause this court has personal jurisdiction over Boston Scientific, venue considerations related to convenience or other factors cannot overcome The Board of Regents' sovereign right to control the forum for this dispute." The court

disagrees. Sovereign immunity is a shield; it is not meant to be used as a sword. "The Eleventh Amendment applies to suits 'against' a state, not suits by a state." *Regents of the Univ. of California v. Eli Lilly & Co.*, 119 F.3d 1559, 1564-65 (Fed. Cir. 1997), *cert. denied*, 523 U.S. 1089, 118 S. Ct. 1548, 140 L. Ed. 2d 695 (1998).[1] This case does not create an Eleventh Amendment jurisdictional issue where the question of sovereign immunity even arises. Plaintiffs have asserted patent-infringement claims against Boston Scientific. There is no claim or counterclaim against The Board of Regents that places it in the position of a defendant. *See id.* at 1565. "[W]here a state voluntarily become [sic] a party to a cause, and submits its rights for judicial determination, it would be bound thereby, and cannot escape the result of its own voluntary act by invoking the prohibitions of the 11th Amendment." *Gunter v. Atlantic Coast Line R.R.*, 200 U.S. 273, 284, 26 S. Ct. 252, 50 L. Ed. 477 (1906) (*citing Clark v. Barnard*, 108 U.S. 436, 447, 2 S. Ct. 878, 27 L. Ed. 780 (1883)).

Section 1400(b) provides that venue is proper where a corporation is incorporated. Boston Scientific is incorporated in the District of Delaware. Venue is proper in the District of Delaware. "Section 1406 of Title 28 is addressed to a case in which venue has been laid in an improper district. It authorizes either a dismissal on that ground or, if the court finds that the interest of justice would be served by a transfer, then a transfer instead." 28 U.S.C. § 1406, Commentary on 1996 Amendment

1. In a patent suit, "the question of Eleventh Amendment waiver is a matter of Federal Circuit law." *Regents of Univ. of N.M. v. Knight*, 321 F.3d 1111, 1124 (Fed. Cir. 2003).

of Section 1406 (West 2006). "The decision whether a transfer or dismissal is in the interest of justice rests within the sound discretion of the district court." *Naartex Consulting Corp. v. Watt*, 722 F.2d 779, 789, 232 U.S. App. D.C. 293 (D.C. Cir. 1983). Transfer is typically considered more in the interest of justice than dismissal. Therefore,

IT IS ORDERED that Defendant Boston Scientific Corporation's Motion to Dismiss Plaintiffs' Complaint under Fed. R. Civ. P. 12(b)(3) filed February 1, 2018 (Doc. #11) is **GRANTED TO THE FOLLOWING EXTENT**: the above-styled cause of action is **TRANSFERRED** to the United States District Court for the District of Delaware.

SIGNED this 12th day of March, 2018.

/s/ Lee Yeakel
LEE YEAKEL
UNITED STATES DISTRICT JUDGE

APPENDIX C — DENIAL OF REHEARING OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT, FILED NOVEMBER 8, 2019

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

2018-1700

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, TISSUEGEN, INC.,

Plaintiffs-Appellants,

v.

BOSTON SCIENTIFIC CORPORATION,

Defendant-Appellee

Appeal from the United States District Court
for the Western District of Texas in
No. 1:17-cv-01103-LY, Judge Lee Yeakel

ON PETITION FOR REHEARING EN BANC

Before Prost, *Chief Judge*, Newman, Lourie, Dyk, Moore, O'Malley, Reyna, Wallach, Taranto, Chen Hughes, and Stoll, *Circuit Judges.*

Per Curiam.

ORDER

Appellant Board of Regents of the University of Texas System filed a petition for rehearing en banc. The petition

was first referred as a petition for rehearing to the panel that heard the appeal, and thereafter the petition for rehearing en banc was referred to the circuit judges who are in regular active service.

Upon consideration thereof,

IT IS ORDERED THAT

The Petition for panel rehearing is denied.

The Petition for rehearing en banc is denied.

The mandate of the court will issue on November 15, 2019

November 8, 2019
Date

FOR THE COURT
/s/ Peter R. Marksteiner
Peter R. Marksteiner
Clerk of Court