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OPINIONS AND ORDERS

REHEARING ORDER

ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT GRANTING PETITION FOR MANDAMUS TRANSFERRING VENUE TO THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA (APRIL 22, 2022)

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

Note: This order is nonprecedential

IN RE: APPLE INC.,

Petitioner,

No. 2022-128

On Petition for Writ of Mandamus to the United States District Court for the Western District of Texas in No. 6:21-cv-00165-ADA, Judge Alan D. Albright.

ON PETITION

Before: DYK, REYNA, CHEN, Circuit Judges.

DYK, Circuit Judge.

ORDER

Apple Inc. petitions for a writ of mandamus directing the United States District Court for the Western District of Texas to transfer this case to

the United States District Court for the Northern District of California. CPC Patent Technologies PTY Ltd. opposes. Because the district court clearly abused its discretion in evaluating the transfer motion, we grant the petition and direct transfer.

BACKGROUND

CPC filed this suit in the Waco Division of the Western District of Texas, alleging that Apple's mobile phones, tablets, and computing products equipped with Touch ID, Face ID, or Apple Card features infringe three of CPC's patents relating to biometric security. It is undisputed that CPC, an Australian-based investment company, does not have any meaningful connection to the Western District of Texas and that the inventor of the asserted patents also resides outside of the United States.

Apple moved to transfer under 28 U.S.C. § 1404(a) to the Northern District of California. Apple noted that its employees responsible for the design, development, and engineering of the accused functionality reside in the Northern District of California, where Apple maintains its headquarters, or outside of Western Texas, in the Czech Republic and Florida; its employees most knowledgeable about the marketing, licensing, and financial issues relating to the accused products were also located in the Northern District of California; and, to its knowledge, no Apple employee involved in the development of the accused functionality worked from Western Texas.

On February 8, 2022, the district court denied Apple's motion. After finding that the threshold requirement for transfer under § 1404(a) that the action "might have been brought" in the Northern District of

California was satisfied, the district court analyzed the private and public interest factors that traditionally govern transfer determinations. The district court determined that the factor concerning the convenience of willing witnesses slightly favored transfer. Conversely, the district court determined that the factor accounting for the availability of compulsory process weighed strongly against transfer and that the court congestion and practical problems factors also weighed against transfer based on its ability to quickly reach trial, Appx15, and CPC having another pending suit alleging infringement in the Western District of Texas against a different defendant. The remaining transfer factors, the court found, favored neither forum.

Notably, the district court recognized that Apple had identified seven witnesses in the Northern District of California, but the district court found that inconvenience was mostly counterbalanced by the presence of two Apple employees in Austin that CPC had insisted as having relevant information and an Apple party witness in Florida the court said would "find it about twice as inconvenient to travel to NDCA than to WDTX because Texas sits halfway from Florida to California." Appx11–12. In addition, the court relied on its ability to compel the third party "Mac Pro manufacturer in Austin to attend trial," finding that product is "properly accused and its assembly relevant to infringement" and that the product's manufacturer "is likely to testify about technical information or assembly information that is relevant to infringement and production information that may affect damages." Appx9–10. It also relied on that manufacturer as a basis for weighing the local interest and sources of proof factors as neutral. Appx17 ("The third-party Mac Pro manufacturer in

Austin will want to know if it is making a patented product. . . . "); Appx8 (noting the Mac Pro manufacturer "is likely to have electronic documents, such as technical documents needed to assemble the accused product").

On balance, the court determined that Apple had "failed to meet the burden of proving that NDCA is 'clearly more convenient' than WDTX," and thus, this case should "proceed in WDTX, where Apple employs thousands of people, where Apple is building a 15,000 employee campus, where a third-party manufactures the accused product, where two of Apple's witnesses reside, where other witnesses find it more convenient to travel to, where the parties can reach trial sooner, and where a related case is pending." Appx17. For those reasons, the court denied Apple's transfer motion. This petition followed.

DISCUSSION

Our review is governed by the law of the regional circuit, which in this case is the United States Court of Appeals for the Fifth Circuit. *See In re TS Tech USA Corp.*, 551 F.3d 1315, 1319 (Fed. Cir. 2008). Fifth Circuit law provides that a motion to transfer venue pursuant to section 1404(a) "should be granted if 'the movant demonstrates that the transferee venue is clearly more convenient.'" *In re Radmax, Ltd.*, 720 F.3d 285, 288 (5th Cir. 2013) (quoting *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 315 (5th Cir. 2008) (en banc)). The Fifth Circuit generally reviews a district court's decision to deny transfer for an abuse of discretion. *See Volkswagen*, 545 F.3d at 310. A district court abuses its discretion "if it based its ruling on an erroneous view of the law or on a clearly erroneous assessment of the evidence."

Cooter & Gell v. Hartmarx Corp., 496 U.S. 384, 405 (1990). "Errors of judgment in weighing relevant factors are also a ground for finding an abuse of discretion." *In re Nitro Fluids L.L.C.*, 978 F.3d 1308, 1310 (Fed. Cir. 2020) (citing *TS Tech*, 551 F.3d at 1320). "We may grant mandamus when the denial of transfer was a clear abuse of discretion under governing legal standards." *Nitro*, 978 F.3d at 1311 (citations omitted). Applying those standards, we agree that Apple has shown clear entitlement to transfer to the Northern District of California here.

The district court noted that "[t]he most important factor in the transfer analysis is the convenience of the witnesses." Appx10 (citing *In re Genentech, Inc.*, 566 F.3d 1338, 1336, 1342 (Fed. Cir. 2009)). And the court acknowledged that Apple identified a significant number of witnesses residing in Northern California, including an Apple employee who worked at the company that created the Touch ID technology acquired by Apple, Appx127; two employees who work on the research, design, and development of the accused features, Appx 127–28; two employees who work on the marketing and promotion of the accused features, Appx129–30; an employee knowledgeable about Apple's licensing of intellectual property, Appx130; and an employee knowledgeable about sales and financial information concerning the accused products, *id.*

The court, however, found that this factor tilted only slightly in favor of transfer. We agree with Apple that this conclusion was erroneous. The court relied on two Apple employees in Austin that CPC indicated it may wish to call as potential witnesses. But it is far from clear that either of those employees has relevant or material information. One of the employees identified

as being knowledgeable about Touch ID said during his deposition that the internal Apple authentication application he worked on was entirely different from the functionality that appears to be the focus of the infringement allegations. Appx329–30. The other employee was found to be a potential witness only on the basis that he had "knowledge about surveys of customer satisfaction with" Apple Card. Appx3. And even without second guessing the district court's conclusion in these respects, this factor still strongly favors transfer where the transferee venue would be more convenient for the witnesses overall.

The court also pointed to an Apple witness in Florida who the court concluded would find it "about twice as inconvenient" to attend trial in the Northern District of California than in the Western District of Texas. Appx11. The sole basis for the district court's conclusion was that "Texas sits halfway from Florida to California." Appx11–12. But we have repeatedly rejected the view that "the convenience to the witnesses should be weighed purely on the basis of the distance the witnesses would be required to travel, even though they would have to be away from home for an extended period whether or not the case was transferred." *In re Pandora Media, LLC*, No. 2021-172, 2021 WL 4772805, at *6 (Fed. Cir. Oct. 13, 2021) (collecting cases); *In re Apple Inc.*, 979 F.3d 1332, 1341–42 (Fed. Cir. 2020). Here too, while trial in Northern California will require the Apple employee in Florida to spend significant time away from home, trial in Western Texas will undoubtedly impose a similar burden on the Apple employee. The willing witness factor accordingly weighs firmly in favor of transfer.

The district court also clearly erred in its determination that the compulsory process factor strongly weighed against transfer based on its ability to compel the testimony of a third-party manufacturer of an accused product. Critical to the district court's conclusion was its finding that the "Mac Pro" was "properly accused and its assembly relevant to infringement." Appx9–10. That finding, however, is entirely unsupported by the record. It is undisputed that CPC has not accused the Mac Pro of infringement in this litigation. Indeed, Apple states without challenge from CPC that the Mac Pro is not even compatible with Touch ID, Face ID, or Apple Card.

The court's confusion appears to have been caused by CPC incorrectly alleging, in its opposition to Apple's transfer motion, that Apple issued a press release indicating that the MacBook Pro would be manufactured in Austin.* However, the press release attached to CPC's filing clearly stated that the Mac Pro, not the accused MacBook Pro, would be produced in Austin. Apple states without dispute that the accused MacBook Pro is not manufactured in Austin. Because no other party was identified as relevant under the compulsory process factor, this court agrees withApple that there

* CPC argues that the confusion actually stems from statements made by one of Apple's employees during a deposition. The employee accidentally stated "Mac Pro" when he meant to say "MacBook Pro" in one statement. Apple points out, however, that this meaning was made clear one question later when he correctly described the MacBook Pro. Reply at 5. Apple also noted that the parties discussed the error in a later meet-and-confer. *Id.* Regardless of the source of confusion, it remains clear that the district court's conclusion is not supported by the record.

is no basis here to conclude that the factor weighs against transfer.

The district court similarly erred in its analysis of the local interest factor. The district court correctly recognized that the Northern District of California had a local interest in resolving this dispute because research, design, and development of the accused functionality occurred in that district. Appx16; *see Apple*, 979 F.3d at 1345. Despite this finding, the court held that the local interest factor weighed in favor of neither of the two forums. But it failed to provide any plausible basis for that conclusion. The district court first connected this case to the Mac Pro manufacturer, *see* Appx17, but, as noted above, that manufacturer has no connection to this case.

The court's second and only other stated rationale for its decision was Apple's "thousands of employees in Austin," *id*., and echoing CPC's argument, the fact that "advertising and sale of the accused products occurs in WDTX," Appx16. But those activities are immaterial to the local interest analysis in this case. We have held that a party's "general presence in a particular district" does not alone "give that district a special interest in the case." *In re Google LLC*, No. 2021-171, 2021 WL 4592280, at *5 (Fed. Cir. Oct. 6, 2021); *see also In re Juniper Networks, Inc*., 14 F.4th 1313, 1320 (Fed. Cir. 2021); *Apple*, 979 F.3d at 1345. Rather, "what is required is that there be 'significant connections between a particular venue and *the events that gave rise to a suit*.'" *Google*, 2021 WL 4592280, at *5 (citations omitted). Here, no such connection between the Western District of Texas and the events giving rise to this infringement suit is reflected by the record. We have also explained that "the sale of an

accused product offered nationwide does not give rise to a substantial interest in any single venue." *In re Hoffmann-La Roche Inc.*, 587 F.3d 1333, 1338 (Fed. Cir. 2009). Thus, the local interest factor favors transfer.

The access to sources of proof factor should likewise have been weighed in favor of transfer, not neutral, as the district court found it. Apple submitted a sworn declaration stating that "working files, electronic documents, and any hard copy documents concerning the Accused Features reside on local computers and/or servers either located in or around" the Northern District of California, the Czech Republic, and Florida, where Apple's employees who are knowledgeable about the design and development of those features work. Appx125. Apple also informed the court that relevant source code associated with the accused functionality was developed at these Apple offices and that "this source code is controlled on a need-to-know basis." Appx 126. Apple also informed the court that its documents concerning the marketing, licensing, and financial records related to the accused products would be in the Northern District of California. *See* Appx129. Apple added that it was unaware of any relevant source code or documents being created or stored from its offices in Western Texas. *See* Appx125–26, Appx129.

Aside from erroneously relying on the presence of potential evidence from the Mac Pro manufacturer (irrelevant to this case as we addressed above), the district court faulted Apple for not clearly showing that the bulk of the documentary evidence was located or stored in the Northern District of California. Appx7–8. Even so, with nothing on the other side of the ledger in the Western District of Texas, the Northern District of California would still have a comparative advantage

with regard to the ease of access to the sources of proof located within that district. *See Juniper*, 14 F.4th at 1321 ("We have held that the fact that some evidence is stored in places other than either the transferor or the transferee forum does not weigh against transfer."); *In re Toyota Motor Corp.*, 747 F.3d 1338, 1340 (Fed. Cir. 2014) ("The comparison between the transferor and transferee forums is not altered by the presence of other witnesses and documents in places outside both forums.").

The district court also supported its decision to weigh the sources of proof factor as neutral based on its view that Apple had the capability of accessing its own electronic documents from its Austin offices. Appx8. But we rejected very similar reasoning in *In re Apple Inc.*, No. 2021-181, 2021 WL 5291804, at *2 (Fed. Cir. Nov. 15, 2021). There, despite Apple having identified source code to which access was restricted to employees working at its Northern District of California headquarters and no potential evidence in the Western District of Texas, the district court found the factor neutral based on its view that Apple could give employees in Austin the proper credentials to access the information from Apple's offices in Austin. In finding the court erred, we explained that "[t]he district court should have compared the ease of access in the Western District of Texas *relative* to the ease of access in the Northern District of California." *Id.* (citing *Juniper*, 14 F.4th at 1321). The district court here similarly failed to ask the correct question, and in doing so, improperly discounted the relative convenience of the transferee venue with regard to sources of proof. The court therefore erred in not weighing this factor in favor of transfer.

When we turn to the remaining factors, we see no sound basis for keeping this case in the Western District of Texas. We have "rejected as a general proposition that the mere co-pendency of infringement suits in a particular district automatically tips the balance in the non-movant's favor." *In re NetScout Sys., Inc.*, No. 2021-173, 2021 WL 4771756, at *5 (Fed. Cir. Oct. 13, 2021); *see In re Samsung Elecs. Co., Ltd.*, 2 F.4th 1371, 1379–80 (Fed. Cir. 2021); *In re EMC Corp.*, 501 F. App'x 973, 976 (Fed. Cir. 2013). Here, the district court appears to have overstated the concern about waste of judicial resources and risk of inconsistent results in light of CPC's co-pending suit in the Western District of Texas. That suit involves a different defendant with different hardware and different software and thus is likely to involve significantly different discovery and evidence. *See Samsung*, 2 F.4th at 1379–80. Thus, any "incremental gains in keeping [this] case[] in the Western District of Texas" are insufficient "to justify overriding the inconvenience to the parties and witnesses" if the case were transferred to the Northern District of California. *Id.* at 1380.

Finally, there is no sound basis for the district court here to premise its denial of transfer on the court congestion factor. We have held that when other relevant factors weigh in favor of transfer or are neutral, "then the speed of the transferee district court should not alone outweigh all of those other factors." *Genentech*, 566 F.3d at 1347. Under this relevant precedent, we conclude that the evidence cited by the district court to support its conclusion that the Western District of Texas could schedule a trial sooner than if trial was held in the Northern District of California is insufficient to warrant keeping this case in plaintiff's chosen

forum, given the striking imbalance favoring transfer based on the convenience factors and lack of any cited reason for why a more rapid disposition of the case that might be available in the Western District of Texas would be important enough to be assigned significant weight in the analysis.

Accordingly,

IT IS ORDERED THAT:

The petition is granted. The district court's February 8, 2022 order is vacated, and the district court is directed to transfer this matter to the United States District Court for the Northern District of California.

FOR THE COURT

/s/ Peter R. Marksteiner
Clerk of Court

Date: April 22, 2022

MEMORANDUM OPINION AND ORDER OF THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF TEXAS DENYING MOTION TO TRANSFER VENUE (FEBRUARY 8, 2022)

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

CPC PATENT TECHNOLOGIES PTY LTD.,

Plaintiff,

v.

APPLE INC.,

Defendant.

Civil No. 6:21-cv-00165-ADA

Before: Alan D. ALBRIGHT,
United States District Judge.

PUBLIC VERSION OF SEALED MEMORANDUM OPINION AND ORDER

Before the Court is Defendant Apple Inc.'s ("Apple" or "Defendant") Motion to Transfer Venue from the Western District of Texas ("WDTX") to the Northern District of California ("NDCA") under 28 U.S.C. § 1404(a). Dkt. No. 22. After careful consideration of the relevant facts, applicable law, and the parties' briefs

(Dkt. Nos. 22, 30, 32, 42, 44-1), the Court DENIES Defendant's Motion to Transfer.

I. BACKGROUND

Plaintiff CPC Patent Technologies Pty Ltd. ("CPC" or "Plaintiff") filed this lawsuit accusing Defendant of patent infringement. Dkt. No. 1. CPC alleges infringement of U.S. Patent Nos. 9,269,208 and 9,665,705 (collectively, "Asserted Patents") by "iPhones and iPads equipped with Touch or FaceID," "products equipped with Apple Card loaded into the iPhone Wallet," and "any Apple product or device that is substantially or reasonably similar" such as the Mac Pro.[1] *Id.* ¶ 2; Dkt. No. 22 at 2; Dkt. No. 30 at 8.

CPC is an Australian corporation with its principal place of business in Australia. Dkt. No. 1 ¶ 3.

Apple is a California corporation with a principal place of business in Cupertino, California and regular and established places of business at 12535 Riata Vista Circle, Austin, Texas and 5501 West Parmer Lane, Austin, Texas. *Id.* ¶ 5. Apple has about 35,000 employees near its Cupertino campus. Dkt. No. 22-2 ¶ 3. Apple employs thousands of people in Austin and is building a 15,000 employee campus in Austin. Dkt. No. 1 ¶¶ 6-7. Apple operates and sells accused products in Austin at the retail establishments at Barton Creek Square and at Apple Domain Northside. *Id.* ¶ 8.

The following relevant groups and individuals of Apple are located in NDCA: Mr. Boshra, who has

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[1] Originally misidentified as the MacBook Pro. Dkt. No. 32 at 2 n.3. The Court otherwise strikes all footnotes in Apple's reply, apparently deployed to circumvent the 5-page limit. OGP at 6.

knowledge of the accused Touch ID technology from working at AuthenTec, which Apple acquired; Apple's designers, developers, and engineers including Mr. Yepez and Mr. Diedrich; marketers and product managers Mr. Silva and Mr. Nagre; and finance and licensing managers Mr. Ankenbrandt and Mr. Rollins. Dkt. No. 22 at 3-4. Altogether, Apple specifically identifies seven individuals in NDCA. Dkt. No. 32 at 1.

The following relevant groups and individuals of Apple are outside of NDCA: Mr. Setlak, who co-founded AuthenTec and resides in Florida; designers, developers, and engineers in the Czech Republic (including Mr. Sykora); and designers, developers, and engineers in Florida. Dkt. No. 22 at 3. Altogether, Apple specifically identifies two individuals outside of NDCA. Dkt. No. 32 at 1. In summary, Apple's anticipated witnesses are in NDCA, the Czech Republic, and Florida. *Id.* at 5.

Plaintiff identifies Apple employees Mr. Noumbissi and Mr. Jerubandi as relevant witnesses in Austin who can easily travel to Waco. Mr. Noumbissi is "the financial service provider for Apple Card," a feature accused of infringement. Dkt. No. 32 at 3. He has a business background, works in operations management, and uses surveys to improve customer satisfaction with Apple Card. Dkt. No. 30-1 at 21:9-25; Dkt. No. 32 at 3. Apple disputes Mr. Noumbissi's relevance, but his knowledge about surveys of customer satisfaction with the accused feature goes to the value of the patent and affects damages. Mr. Jerubandi is "a software engineer who works on integrating Touch ID for use with 'Apple internal applications used by Apple employees.'" Dkt. No. 32 at 3. Plaintiff accuses Touch ID technology of infringement. Apple argues that its internal Touch ID is "entirely different" from what is accused, which

Apple understands to be an external version of Touch ID. Mr. Jerubandi's testimony does not support this attorney argument. Dkt. No. 32 at 3. Instead, when asked about his knowledge of the external version of Touch ID, Mr. Jerubandi testified that he and his team "don't even know how it works," so Mr. Jerubandi has no basis to know if the internal Touch ID was entirely different from the external version. Dkt. No. 30-3 at 14:9-15.

The following third parties have relevant information: a manufacturer of the Mac Pro in Austin (Dkt. No. 30 at 8); the inventor, Mr. Burke, who resides either in Australia or Hong Kong (Dkt. No. 22 at 6); and Mr. Burke's Australian company Securicom in Australia (*id.*).

II. LEGAL STANDARD

In patent cases, motions to transfer under 28 U.S.C. § 1404(a) are governed by the law of the regional circuit. *In re TS Tech USA Corp.*, 551 F.3d 1315, 1319 (Fed. Cir. 2008). 28 U.S.C. § 1404(a) provides that, "[f]or the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought or to any district or division to which all parties have consented." "Section 1404(a) is intended to place discretion in the district court to adjudicate motions for transfer according to an 'individualized, case-by-case consideration of convenience and fairness.'" *Stewart Org., Inc. v. Ricoh Corp.*, 487 U.S. 22, 29 (1988) (quoting *Van Dusen v. Barrack*, 376 U.S. 612, 622 (1964)).

The preliminary question under Section 1404(a) is whether a civil action might have been brought in

the transfer destination venue. *In re Volkswagen, Inc.*, 545 F.3d 304, 312 (5th Cir. 2008) (en banc) ("*Volkswagen II*"). If the destination venue would have been a proper venue, then "[t]he determination of 'convenience' turns on a number of public and private interest factors, none of which can be said to be of dispositive weight." *Action Indus., Inc. v. U.S. Fid. & Guar. Co.*, 358 F.3d 337, 340 (5th Cir. 2004). The private factors include: "(1) the relative ease of access to sources of proof; (2) the availability of compulsory process to secure the attendance of witnesses; (3) the cost of attendance for willing witnesses; and (4) all other practical problems that make trial of a case easy, expeditious and inexpensive." *In re Volkswagen AG*, 371 F.3d 201, 203 (5th Cir. 2004) ("*Volkswagen I*") (citing *Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 241 n.6 (1981)). The public factors include: "(1) the administrative difficulties flowing from court congestion; (2) the local interest in having localized interests decided at home; (3) the familiarity of the forum with the law that will govern the case; and (4) the avoidance of unnecessary problems of conflict of laws of the application of foreign law." *Volkswagen I*, 371 F.3d at 203. Courts evaluate these factors based on the situation which existed at the time of filing, rather than relying on the conduct of a defendant after suit has been instituted. *Hoffman v. Blaski*, 363 U.S. 335, 343 (1960).

The burden to prove that a case should be transferred for convenience falls on the moving party. *Volkswagen II*, 545 F.3d at 314. The burden that a movant must carry is not that the alternative venue is more convenient, but that it is clearly more convenient. *Id.* at 315. Although the plaintiff's choice of forum is not a separate factor entitled to special

weight, respect for the plaintiff's choice of forum is encompassed in the movant's elevated burden to "clearly demonstrate" that the proposed transferee forum is "clearly more convenient" than the forum in which the case was filed. *Id.* at 314-315. While "clearly more convenient" is not necessarily equivalent to "clear and convincing," the moving party "must show materially more than a mere preponderance of convenience, lest the standard have no real or practical meaning." *Quest NetTech Corp. v. Apple, Inc.*, No. 2:19-cv-118, 2019 WL 6344267, at *7 (E.D. Tex. Nov. 27, 2019).

III. ANALYSIS

A. Threshold Inquiry Satisfied

The threshold determination in the § 1404(a) analysis is whether this case could initially have been brought in the destination venue. Apple asserts that this case could have originally been brought in NDCA because Apple has its headquarters there. Dkt. No. 22 at 6. Plaintiff does not contest this point. This Court finds that venue would have been proper in NDCA. Thus, the Court proceeds with its analysis of the private and public interest factors to determine if NDCA is clearly more convenient than WDTX.

B. The Private Interest Factors Weigh Against Transfer

1. The relative ease of access to sources of proof is neutral

"In considering the relative ease of access to proof, a court looks to where documentary evidence, such as documents and physical evidence, is stored." *Fintiv Inc. v. Apple Inc.*, No. 6:18 cv-00372, 2019 WL

4743678, at *2 (W.D. Tex. Sept. 10, 2019). "[T]he question is *relative* ease of access, not *absolute* ease of access." *In re Radmax*, 720 F.3d 285, 288 (5th Cir. 2013) (emphases in original). "In patent infringement cases, the bulk of the relevant evidence usually comes from the accused infringer. Consequently, the place where the defendant's documents are kept weighs in favor of transfer to that location." *In re Apple Inc.*, 979 F.3d 1332, 1340 (Fed. Cir. 2020).

Although the physical location of electronic documents affects the outcome of this factor under current Fifth Circuit precedent, the Federal Circuit found that "electronic storage makes documents more widely accessible." *In re Atlassian Corp. PLC*, No. 2021-177, 2021 WL 5292268, at *2 (Fed. Cir. Nov. 15, 2021) (citing *Volkswagen II*, 545 F.3d at 316). "[A]ll (or nearly all) produced documents exist as electronic documents on a party's server. Then, with a click of a mouse or a few keystrokes, the party produces these documents" and makes them available at almost any location." *Uniloc 2017 LLC v. Apple Inc.,* 6-19-CV-00532-ADA, 2020 WL 3415880, at *9 (W.D. Tex. June 22, 2020). Other courts in the Fifth Circuit similarly found that access to documents that are available electronically provides little benefit in determining whether one particular venue is more convenient than another. *See, e.g., Uniloc USA Inc. v. Samsung Elecs. Am., Inc.*, No. 2:16-CV-638-JRG, 2017 WL 11631407, at *4 (E.D. Tex. Apr. 19, 2017) ("Despite the absence of newer cases acknowledging that in today's digital world computer stored documents are readily moveable to almost anywhere at the click of a mouse, the Court finds it odd to ignore this reality in favor of a fictional analysis that has more to do with early Xerox machines than modern server forms.").

This Court gives the physical location of electronic documents only minimal relevance.

In April 2021, Defendant understood that "virtually all" discovery from Plaintiff will come from NDCA. Dkt. No. 22 at 9. This understanding changed in May 2021 when Mr. Rollins declared, "I understand that working files, electronic documents, and any hard copy documents concerning the Accused features reside on local computers and/or servers either located in or around the NDCA, Prague, or Melbourne[2] or are accessible in the NDCA, Prague, or Melbourne [facilities]." Dkt. No. 22-2 ¶ 8.

i) No relevant physical evidence exists to influence this factor

The Court finds that no relevant physical evidence exists. Mr. Rollins would not plainly declare as fact that relevant physical documents exist. The Court understands Mr. Rollins's quote above to declare his understanding of where "any hard copy documents" should be if they did exist. *Id.* Mr. Rollins does not provide the basis of his understanding, explain the process he used to search for physical documents, or identify a relevant business practice of keeping physical documents for the accused products. Mr. Rollins does not identify any specific physical documents unavailable in electronic form. Indeed, Mr. Rollins stated that he does "not have personal or direct knowledge" and "here do not provide verification" of venue interrogatories. Dkt. No. 30-5.

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[2] Melbourne, Florida.

Instead, the testimony by Mr. Rollins repeatedly establishes that Apple's teams work internationally using electronic documents. Apple's teams routinely use electronic documents to collaborate from NDCA to Florida and to the Czech Republic. Because neither party convinces the Court that physical documents or other physical evidence exists, the convenience of physical evidence is neutral.

ii) The convenience of accessing electronic documents is either neutral or not meaningful

The Court evaluates the "relative ease of access to sources of proof" with regard to electronic documents. *Volkswagen I*, 371 F.3d at 203. Mr. Rollins testified that these documents "reside on local computers and/or servers either located in or around the NDCA, Prague, or Melbourne or are accessible in the NDCA, Prague, or Melbourne." Dkt. No. 22-2 ¶ 8. He gained this knowledge by speaking to Apple's teams who testified that they work with team members across NDCA, Florida, and the Czech Republic. *Id.* ¶¶ 9-13. However, this testimony does not support Apple's argument that the *bulk* of electronic evidence is in NDCA. Instead, the testimony merely establishes that the electronic documents are somehow spread out between NDCA, Florida, and the Czech Republic. Plaintiff can just as easily access its own electronic documents from any of its offices because its employees collaborate from NDCA to Florida and across the world to the Czech Republic. Plaintiff will have similarly convenient access to its own electronic documents at its 15,000-employee campus in Austin. Even if Plaintiff restricts access to its source code to its own campuses, Plaintiff's Austin

campus will make access to Plaintiff's source code in WDTX and NDCA equally convenient.

The Court further considers the manufacturer of the Mac Pro in Austin. This third party is likely to have electronic documents, such as technical documents needed to assemble the accused product. When considering Apple's electronic documents conveniently accessible from any of its offices in NDCA, Florida, the Czech Republic, and Austin in combination with the manufacturer's electronic documents in Austin, the Court finds this factor neutral.

Apple raises a disputes of law. The Court agrees with Apple that "accessibility alone is not the test." *Masterobjects, Inc. v. Facebook, Inc.*, No. 6:20-cv-00087-ADA, Dkt. 86 at 6 (W.D. Tex. Jul. 13, 2021). But the Court disagrees with Apple that Apple's access from Austin is "irrelevant to this factor." Dkt. No. 32 at 4. This factor evaluates the *relative* ease of access to sources of proof. *Volkswagen I*, 371 F.3d at 203. In other words, this Court considers the ease of access to evidence from NDCA, the ease of access to evidence from WDTX, and then compares their relative ease of access. Although Federal Circuit granted mandamus in the case *In re Apple*, 979 F.3d 1332, the Federal Circuit did not find the availability of documents in Texas irrelevant to this factor. Instead, the Federal Circuit corrected a "failure to even mention Apple's sources of proof in NDCA" when considering this factor. *In re Apple*, 979 F.3d at 1340. This opinion explicitly considers and weighs the convenience of access to the evidence in NDCA against the convenience of accessing evidence in Florida, Czech Republic, and Austin and finds them neutral.

Apple's Reply then argues that the "location of electronic documents is not a meaningful metric." Dkt. No. 32 at 4. The Court disagrees but does not address this argument because it found this factor neutral, which has the same effect.

2. The availability of compulsory process to secure the attendance of witnesses weighs against transfer

Under the Federal Rules, a court may subpoena a witness to attend trial only (a) "within 100 miles of where the person resides, is employed, or regularly transacts business in person"; or (b) "within the state where the person resides, is employed, or regularly transacts business in person, if the person . . . is commanded to attend a trial and would not incur substantial expense." Fed. R. Civ. P. 45(c)(1)(A), (B)(ii); *Gemalto S.A. v. CPI Card Grp. Inc.*, No. 15-CA-0910, 2015 WL 10818740, at *4 (W.D. Tex. Dec. 16, 2015). Under this factor, the Court focuses on non-party witnesses whose attendance may need to be secured by a court order." *Fintiv Inc.*, No. 6:18-cv00372, 2019 WL 4743678 at *14 (citing *Volkswagen II*, 545 F.3d at 316). This factor "weigh[s] heavily in favor of transfer when more third-party witnesses reside within the transferee venue than reside in the transferor venue." *In re Apple*, 581 F. App'x 886, 889 (Fed. Cir. 2014).

Plaintiff does not argue this factor except that neither the Court in NDCA nor the Court in WDTX can compel inventor Christopher Burke or his company to attend trial. The Court finds this factor neutral as to Mr. Burke and his company.

Defendant argues the Court in NDCA cannot compel the Mac Pro manufacturer in Austin to attend

trial. This Court agrees. Apple does not dispute the assembly of the Mac Pro in Austin. Instead, Apple argues that the Mac Pro is not accused and not relevant. The Court finds the product properly accused and its assembly relevant to infringement. Moreover, the third-party manufacturer is likely to testify about technical information or assembly information that is relevant to infringement and production information that may affect damages. This factor strongly weighs against transfer.

3. The cost of attendance and convenience for willing witnesses only slightly favors transfer

The most important factor in the transfer analysis is the convenience of the witnesses. *In re Genentech, Inc.*, 566 F.3d at 1342. When analyzing this factor, the Court should consider all potential materials and relevant witnesses. *Alacritech Inc. v. CenturyLink, Inc.*, No. 2:16-CV00693, 2017 U.S. Dist. LEXIS 152438, 2017 WL 4155236, at *5 (E.D. Tex. Sept. 19, 2017).

This factor appropriately considers the cost of attendance of all willing witnesses including both party and non-party witnesses. *In re Pandora*, No. 2021-172, 2021 WL 4772805, at *2-3 (Fed. Cir. Oct. 13, 2021). "Courts properly give more weight to the convenience of non-party witnesses than to party witnesses." *Netlist, Inc. v. SK Hynix Inc.*, No. 6:20-CV-00194-ADA, 2021 WL 2954095, at *6 (W.D. Tex. Feb. 2, 2021).

"When the distance between an existing venue for trial of a matter and a proposed venue under § 1404(a) is more than 100 miles, the factor or inconvenience to witnesses increases in direct relationship to the additional distance to be travelled." *Volkswagen II*, 545

F.3d at 317 (quoting *Volkswagen I*, 371 F.3d at 203). The Federal Circuit has stated that courts should not apply this 100-mile rule "rigidly" in some cases where witnesses would be required to travel a significant distance no matter where they testify. *In re Apple*, 979 F.3d at 1342 (discussing witnesses traveling from New York) (citing *Volkswagen II*, 545 F.3d at 317).

"[T]he inquiry should focus on the cost and inconvenience imposed on the witnesses by requiring them to travel to a distant forum and to be away from their homes and work for an extended period of time." *In re Google, LLC*, No. 2021-170, slip op. at 9 (Fed. Cir. Sept. 27, 2021). The Federal Circuit has indicated that time away from an individual's home is a more important metric than distance. *Id.* Time and distance frequently and naturally overlap because witnesses usually take more time to travel farther away, thereby increasing the time away from home.

Apple argues, based on an unpublished case, that for this factor, "the relative proximity of one venue over another does not matter." Dkt. No. 22 at 11 (citing *In re TracFone Wireless, Inc.*, 852 F. App'x 537, 539 (Fed. Cir. 2021)). The Court disagrees because Apple wants to ignore the 100-mile rule entirely. Instead, the Federal Circuit ignores the 100-mile rule only when it produces results divorced from the underlying rationale. *TracFone*, 852 F. App'x at 539.

> In applying the 100-mile rule, this court has rejected a rigid approach that would produce results divorced from that underlying rationale. For example, in *In re Genentech, Inc.*, 566 F.3d 1338, 1344 (Fed. Cir. 2009), we held that "the '100-mile' rule should not be rigidly applied" where "witnesses . . . will be

> required to travel a significant distance no matter where they testify." We concluded that witnesses traveling from Europe, Iowa, and the East Coast would only be "slightly more inconvenienced by having to travel to California" than to Texas. *Id.* at 1348.

In re TracFone, 852 F. App'x at 539. Like the *Genentech* witnesses in Europe, Apple's Czech Republic witness will find it slightly more inconvenient to travel to California instead of Texas.

Seven identified Apple witness in NDCA will find it inconvenient to travel to WDTX. When applying the 5th Circuit's 100-mile rule, Apple's Florida witnesses will find it about twice as inconvenient to travel to NDCA than to WDTX because Texas sits halfway from Florida to California. These Florida witnesses will spend a greater time away from home because it takes twice as long to get to California than to Texas. The Court does not find this inconvenience divorced from the underlying rationale and follows the Federal Circuit's *Genentech* precedent. *Genentech, Inc.*, 566 F.3d at 1344. If the *Genentech* witness in Iowa found California less convenient than Texas, then the Florida witnesses in this case will find California even less convenient because the Florida witnesses will need to travel all the way from southeast tip of the United States to the northwest. *Genentech, Inc.*, 566 F.3d at 1348.

Additionally, Plaintiff identified two Apple employees, Mr. Noumbissi and Mr. Jerubandi, in Austin with knowledge about the accused Touch ID technology. Both of these employees have knowledge relevant to the case. Mr. Noumbissi has business knowledge about surveys that go to the value of accused features. Mr. Jerubandi had technical knowledge of an "internal"

version of Touch ID. These Austin employees will find travel to NDCA inconvenient.

The Court considers the convenience of the seven Apple employees in NDCA mostly, but not completely, counterbalanced by the convenience of the two Apple employees in Austin and the two Apple employees in Florida and the Czech Republic. After weighing their relative conveniences, this factor favors transfer due to the inconvenience that transfer will cause to other witnesses.

4. All other practical problems that make trial of a case easy, expeditious, and inexpensive weighs against transfer

When considering the private interest factors, courts must consider "all other practical problems that make trial of a case easy, expeditious and inexpensive." *Volkswagen II*, 545 F.3d at 315. "Particularly, the existence of duplicative suits involving the same or similar issues may create practical difficulties that will weigh heavily in favor or against transfer." *PersonalWeb Techs., LLC v. NEC Corp. of Am., Inc.*, No. 6:11-cv-655, 2013 WL 9600333, at *5 (E.D. Tex. Mar. 21, 2013). "[W]here there is a co-pending litigation. . . involving the same patent-in-suit, . . . pertaining to the same underlying technology and accusing similar services, . . . the Federal Circuit cannot say the trial court clearly abuses its discretion in denying transfer." *In re Vistaprint Ltd.*, 628 F.3d at 1346 n.3.

Motions to transfer venue are to be decided based on "the situation which existed when suit was instituted." *In re EMC Corp.*, 501 F. App'x 973, 976 (Fed. Cir. 2013) (citations and quotations omitted). "While considerations of judicial economy arising *after* the

filing of a suit do not weigh against transfer, a district court may properly consider any judicial economy benefits which would have been apparent at the time the suit was filed." *Id.* at 976. A district court's "experience with a patent in prior litigation and the copendency of cases involving the same patent are permissible considerations in ruling on a motion to transfer venue." *Id.* "[C]ourts have consistently held that judicial economy plays a paramount role in trying to maintain an orderly, effective, administration of justice." *In re Vistaprint Ltd.*, 628 F.3d 1342, 1346 (Fed. Cir. 2010). "Judicial economy is served by having the same district court try . . . cases involving the same patents." *In re Volkswagen of Am., Inc.*, 566 F.3d 1349, 1351 (Fed. Cir. 2009).

CPC sued HMD Global Oy ("HMD") in this Court for infringing the same patents asserted against Apple. *CPC Pat. Techs. Pty Ltd. v. HMD Glob. Oy*, No. 6:21-CV-00166-ADA (W.D. Tex.). HMD and Apple are asserting a similar universe of prior art. Dkt. No. 44-1. Keeping these cases together promotes judicial efficiency and allows this Court to coordinate similar issues in Markman, invalidity, infringement, and trial.

Apple argues that the Federal Circuit ruled that "actions against different defendants are unlikely to result in inconsistent judgments" and "negated any concerns regarding coordination of claim construction and invalidity issues." Dkt. No. 32 at 4 (citing *In re Samsung Elecs. Co., Ltd.*, 2 F.4th 1371, 1379 (Fed. Cir. 2021)). *In re Samsung* involved co-pending cases that would have "significantly different discovery, evidence, proceedings, and trial." *In re Samsung*, 2 F.4th at 1379. This Court finds the facts here distinguished because Plaintiff asserted the same underlying patents

against both Apple and HMD such that similar discovery, evidence, proceedings, and trial will result. Additionally, this Court finds that coordinating claim construction and invalidity between the co-pending cases will promote efficiency. This is "based on the rational argument that judicial economy is served by having the same district court try the cases involving the same patents." *In re Volkswagen of Am., Inc.*, 566 F.3d 1349, 1351 (denying mandamus for this reason). Finally, if inconsistent judgments will not likely result, then this risk will not sway the Court.

Apple also argues that the Court should disregard HMD's case due to HMD's small size compared to Apple. The proper inquiry is whether this will make trial of a case easy, expeditious, and inexpensive. Disregarding HMD's case will not make Apple's trial of a case easy, expeditious, and inexpensive.

This Court finds that this factor weighs against transfer because keeping the co-pending litigation that the same patents in this Court will promote judicial efficiency.

C. The Public Interest Factors Weigh Against Transfer

1. Administrative difficulties flowing from Court congestion weighs against transfer

This factor concerns "whether there is an appreciable difference in docket congestion between the two forums." *Parsons v. Chesapeake & Ohio Ry. Co.*, 375 U.S. 71, 73 (1963); *Parkervision, Inc. v. Intel Corp.*, No. 6:20-CV-00108, 2021 WL 401989, at *6 (W.D. Tex. Jan. 26, 2021). This factor considers the "[t]he speed

with which a case can come to trial and be resolved[.]" *In re Genentech, Inc.*, 566 F.3d at 1347. Additionally, court congestion is considered "the most speculative" factor, and when "relevant factors weigh in favor of transfer and others are neutral, then the speed of the transferee district court should not alone outweigh all those other factors." *Id.*

Defendant argues that the judges in NDCA have fewer patent cases than this Court and speculates that this Court will not quickly try its patent cases. The correct inquiry should instead focus on the speed to trial, not the number of pending patent cases per judge. Despite the lower patent caseload, the Courts in NDCA suspended their trials for COVID-19 and will not resume jury trials until June 2022 or later. Dkt. No. 22 at 14.

In contrast, this Court conducted in person jury trials in a safe and efficient manner during the COVID-19 pandemic. Defendant agrees that this Court has "been able to proceed more quickly to trial recently." Dkt. No. 22 at 14. This Court began a trial for *NCS Multistage Inc. v. Nine Energy Servs., Inc.* on January 18, 2022, less than two years after its filing. No. 6:20-cv-00277-ADA (W.D. Tex. filed April, 2020). Last week, the Court began the trial for *EcoFactor, Inc. v. Google LLC*, exactly two years after its filing. No. 6:20-cv-00075-ADA (W.D. Tex. filed Jan. 31, 2020). This Court has demonstrated its ability to quickly reach trial beyond speculation, even with a large case load. In contrast, patent cases in NDCA expect to go to trial nearly three and a half years after the filing of the complaint. *See, e.g., Finjan LLC v. Cisco Sys. Inc.*, No. 17-cv-72-BLF (N.D. Cal.), Dkt. Nos. 1 (January 6, 2017 complaint) and 738 (ordering trial on June 3,

2021). Transferring this case to California would cause great delay due to the administrative difficulties there.

When comparing the times to trial, this Court finds that the administrative difficulties in NDCA weigh against transfer when compared to the administrative difficulties in WDTX.

2. Local interest in having localized interests decided at home is neutral

Under this factor, the Court must evaluate whether there is a local interest in deciding local issues at home. *Volkswagen II*, 545 F.3d at 317. Local interests in patent case "are not a fiction." *In re Samsung Elecs. Co.*, Nos. 2021-139, 2021-140, 2021 U.S. App. LEXIS 19522, at *20 (Fed. Cir. June 30, 2021). "A local interest is demonstrated by a relevant factual connection between the events and the venue." *Word to Info, Inc. v. Facebook, Inc.*, No. 3:14-cv-04387-K, 2015 WL 13870507, at *4 (N.D. Tex. Jul. 23, 2015). "[T]he sale of an accused product offered nationwide does not give rise to a substantial interest in any single venue." *In re Hoffmann-La Roche Inc.*, 587 F.3d 1333, 1338 (Fed. Cir. 2009). "This factor most notably regards not merely the parties' significant connections to each forum writ large, but rather the 'significant connections between a particular venue and *the events that gave rise to a suit*.'" *In re Apple*, 979 F.3d at 1344 (quoting *In re Acer Am. Corp.*, 626 F.3d 1252, 1256 (Fed. Cir. 2010)) (emphasis in original). But courts should not heavily weigh a party's general contacts with a forum that are untethered from the lawsuit, such as a general presence. *Id.* Moreover, "little or no weight should be accorded to a party's 'recent and

ephemeral' presence in the transferor forum, such as by establishing an office in order to claim a presence in the district for purposes of litigation." *In re Juniper Networks, Inc.*, 14 F.4th at 1320 (quoting *In re Microsoft Corp.*, 630 F.3d 1361, 1365 (Fed. Cir. 2011)). To determine which district has the stronger local interest, the Court looks to where the events forming the basis for infringement occurred. *See In re Juniper Networks, Inc.*, 14 F.4th at 1320.

Apple argues this factor in its favor because its headquarters and several witnesses are in NDCA, and because research, design, and development occurred there. These facts weight in favor of transfer. Plaintiff argues this factor in its favor because the advertising and sale of the accused products occurs in WDTX, as well as the manufacturer of the Mac Pro by a third party in Austin. The third-party Mac Pro manufacturer in Austin will want to know if it is making a patented product, for example, to seek indemnity or other assurances from Apple. Moreover, Plaintiff's thousands of employees in Austin establishes its interest here as well. These facts weigh against transfer. Thus, events in both NDCA and WDTX give rise to this lawsuit. This Court finds these competing local interests to cancel out. This factor is neutral.

3. Familiarity of the forum with the law that will govern the case is neutral

The parties agree this factor is neutral.

4. Avoidance of unnecessary problems of conflict of laws or in the application of foreign law is neutral

The parties agree this factor is neutral.

IV. Conclusion

Plaintiff has failed to meet the burden of proving that NDCA is "clearly more convenient" than WDTX. The convenience of Apple's seven NDCA witnesses weighs in favor of transfer, and although it is an important factor, this factor is mostly counterbalanced by other Apple witnesses in Austin, Florida, and the Czech Republic would find NDCA less convenient. The inability to compel the third-party Mac Pro manufacturer to trial in NDCA, the administrative difficulties in NDCA, and the lost efficiency from the co-pending related litigation in WDTX all weigh against transfer. This case shall proceed in WDTX, where Apple employs thousands of people, where Apple is building a 15,000 employee campus, where a third-party manufactures the accused product, where two of Apple's witnesses reside, where other witnesses find it more convenient to travel to, where the parties can reach trial sooner, and where a related case is pending.

Defendant's Motion to Transfer Venue to NDCA is DENIED. The parties are reminded to comply with their obligation to redact sealed opinions.

SIGNED this 8th day of February, 2022.

/s/ Alan D Albright
United States District Judge

ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DENYING PETITION FOR REHEARING EN BANC (JUNE 6, 2022)

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

Note: This order is nonprecedential

IN RE: APPLE INC.,

Petitioner,

No. 2022-128

On Petition for Writ of Mandamus to the United States District Court for the Western District of Texas in No. 6:21-cv-00165-ADA, Judge Alan D. Albright.

ON PETITION FOR REHEARING EN BANC

Before: MOORE, Chief Judge, NEWMAN, LOURIE, DYK, PROST, REYNA, TARANTO, CHEN, HUGHES, STOLL, CUNNINGHAM, and STARK, Circuit Judges.

PER CURIAM.

ORDER

CPC Patent Technologies Pty Ltd. filed a petition for rehearing en banc. The petition was first referred

as a petition for rehearing to the panel that issued the order, 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.

FOR THE COURT

/s/ Peter R. Marksteiner
Clerk of Court

Date: June 6, 2022