

July 16, 2009

Eastern District of Texas Continues to Develop Standards for Transferring Venue in Light of *Volkswagen* and *TS Tech*¹

ICHL, LLC v. NEC Corp. of America, No. 5:08-cv-65, 2009 WL 1748573 (E.D. Tex. June 2, 2009) (and two related cases)

On June 2, Magistrate Judge Craven issued an opinion in *ICHL* recommending the denial of the defendants' motion to transfer the cases from the Texarkana Division of the Eastern District of Texas to the Central District of California. The court reviewed the recent case law and concluded that "the central question is whether or not the underlying dispute is focused on some localized region away from the Eastern District of Texas." Because the plaintiff was a Texas entity with witnesses, documents, and offices within the district (in Frisco, Texas), the court held that "[t]his is simply not a case where an out-of-state plaintiff has chosen to file suit in an arbitrary forum to which it is unconnected." Judge Craven further noted that the case at bar was not like *TS Tech* or *Volkswagen*, two cases "where the evidence [was] substantially located in or near the transferee forum." Instead, the relevant proof was "spread across the nation."

On June 19, Judge Folsom agreed with Magistrate Judge Craven's opinion.

Sipco LLC v. Amazon.com, Inc., No. 2:08-cv-359 (E.D. Tex. June 3, 2009)

On June 3, Judge Folsom denied a motion to sever several defendants from the case, along with a related motion to transfer those defendants to different districts. The *Sipco* motions aimed to create proceedings on the same patents and related products in three different courts. Citing the Federal Circuit, the judge stated, "[T]he existence of multiple suits involving the same issues is a paramount consideration when determining whether a transfer is in the interest of justice. . . . [A] situation in which two cases involving precisely the same issues are simultaneously pending in different District Courts leads to the wastefulness of time, energy and money that § 1404(a) was designed to prevent." (Internal citations and quotations omitted.) The most interesting comment in the brief two-page opinion was: "Defendants cannot argue that transfer of this case is appropriate for all parties because both the Plaintiff and multiple Defendants have offices in the state of Texas." Whereas past cases have mainly focused on a defendant's presence in the Eastern District, this statement is somewhat ominous for defendants who have offices in Texas that are not in the Eastern District.

Acceleron, LLC v. Egenera, Inc. et al., No. 6:08-cv-417, 2009 WL 1606961 (E.D. Tex. June 9, 2009)

¹ *In re Volkswagen*, 545 F.3d 304 (5th Cir. 2008); *In re TS Tech USA Corp.*, 551 F.3d 1315 (Fed. Cir. 2008).

On June 9, Judge Davis denied a motion to transfer venue and granted a motion to dismiss certain named Fujitsu defendants. The *Acceleron* defendants originally premised their transfer motion on a prior-filed, related case in Delaware, and that case was subsequently dismissed. Of note, he stated that the “median time to trial in the Eastern District of Texas is only 18 months”—less than half the median time of the proposed transferee venue (37.5 months). Judge Davis also pointed out that the fact that the majority of the parties were organized under Delaware law did not give Delaware a local interest in the dispute unless the parties had “substantial pecuniary interests in Delaware” or “any substantial business operations occur[ing] in Delaware.” The plaintiff and its sole employee were located in the Eastern District. Judge Davis dismissed the case against the named Fujitsu defendants, stating that the plaintiff had not shown minimum contacts, but granted *Acceleron* leave to amend its complaint to join the correct Fujitsu entity within 30 days.

Federal Circuit Holds that Certain Claims May Be Narrowed Based on the Language and Suggestions Contained in the Specification

PureChoice, Inc. v. Honeywell Int’l, Inc., No. 2008-1482, 2009 WL 1519887 (Fed. Cir. June 1, 2009)

On January 22, 2008, during claims construction, Judge Ward construed the term “air quality” as “concentration of pollutants or contaminants in the air.” The court rejected the plaintiff’s argument that “air quality” meant simply “a quality of the air” and narrowly limited the term because “the inventors did not disclose any reference to meteorological, climate, or thermal measurements in the specification.” Based on this construction, Judge Ward held the claims in *PureChoice* invalid for indefiniteness (E.D. Tex. Jan. 22, 2008).

On June 1, the Federal Circuit affirmed the construction in a per curiam opinion. *PureChoice, Inc. v. Honeywell Int’l, Inc.*, No. 2008-1482, 2009 WL 1519887 (Fed. Cir. June 1, 2009). In a passage that should be very helpful for defendants trying to limit claims based on the specification, the court concluded that “[t]he lack of any suggestion of meteorological attributes in air quality in the specification and the many mentions at various points of contaminants and particles is enough to conclude that the claimed invention is *narrower than the claim language might imply*, thus making it proper to limit the claims.” (Emphasis added.)

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