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The Aftereffects of TC Heartland: How to Effectively Approach Motions to Dismiss and Motions to Transfer on the Basis of Improper Venue

Jennifer Rosenblatt
jrosenblatt5@fordham.edu

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Cover Page Footnote

Senior Articles Editor, Fordham Intellectual Property, Media & Entertainment Law Journal, Volume XXIX; J.D. Candidate, Fordham University School of Law, 2019; B.A. in Biology and Psychology, Concentration in Cognitive Neuroscience, and Minor in Music, The George Washington University, 2016. I would like to thank the members of the Journal for their assistance and, in particular, Sean Corrado for his valuable advice and insights throughout the editorial process. I would also to like my family - David, Gwen, Jessie, and Matthew Rosenblatt - for their love, support, and encouragement.

The Aftereffects of *TC Heartland*: How to Effectively Approach Motions to Dismiss and Motions to Transfer on the Basis of Improper Venue

Jennifer Rosenblatt*

Prior to the Supreme Court's decision in TC Heartland*, the law of venue in patent infringement actions fluctuated over time. In recent history, the Eastern District of Texas became a notoriously plaintiff-friendly forum in which to litigate patent infringement actions; it was also a widely available choice of forum due to the Court of Appeals for the Federal Circuit's broad reading of the patent venue statute, 28 U.S.C. § 1400(b). However, the Supreme Court in* TC Heartland *adopted its earlier interpretation of the patent venue statute that is much narrower than subsequent interpretive expansions.*

*This Note surveys and categorizes motions to dismiss and motions to transfer on the basis of improper venue in patent infringement actions in the post-*TC Heartland *era through an overview of applicable law and an analysis of motion outcomes. The Note concludes with an issue-specific explanation of trends in such motion outcomes, suggests that the Court of Appeals for the Federal Circuit's recent decision to place the burden of proof in these motions on plaintiffs will result in disproportionate victories*

* Senior Articles Editor, Fordham Intellectual Property, Media & Entertainment Law Journal, Volume XXIX; J.D. Candidate, Fordham University School of Law, 2019; B.A. in Biology and Psychology, Concentration in Cognitive Neuroscience, and Minor in Music, The George Washington University, 2016. I would like to thank the members of the Journal for their assistance and, in particular, Sean Corrado for his valuable advice and insights throughout the editorial process. I would also to like my family - David, Gwen, Jessie, and Matthew Rosenblatt - for their love, support, and encouragement.

for defendants, and proposes strategies for plaintiffs to mitigate this burden.

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INTRODUCTION

An examination of proper venue in patent infringement actions essentially requires an inquisition into the role of the United States District Court for the Eastern District of Texas.[1] In the United States, in addition to pertinent statutory law, (1) substantive patent law is consistently governed by the laws of the United States Court of Appeals for the Federal Circuit and the United States Supreme Court, and (2) procedural law applicable to patent litigation is uniformly governed by the Federal Rules of Civil Procedure.[2] However, local rules of procedure, both in general and specific to patent litigation, result in procedural distinctions among federal district courts.[3]

By adopting a series of plaintiff-friendly rules, the Eastern District of Texas became notorious for speedy patent litigation beneficial to plaintiffs.[4] Judge T. John Ward, in 2001, adopted patent rules favorable for plaintiffs, which were later adopted by the entire Eastern District of Texas in 2005.[5] Benefits to plaintiffs included predictability and uniformity brought by the rules, quick advancement to trial, large patent infringement damage awards, and economic benefits to the nearby localities.[6] Forum shopping for district courts such as this one, according to Judge Moore of the Federal Circuit, is critical to the outcome of the litigation, as the party filing the suit and selecting the forum is indicative of the outcome of the litigation.[7] *TC Heartland LLC v. Kraft Foods Group Brands LLC*, however, has significantly limited the choice of forum in patent litigation through the adoption of a restrictive interpretation of the applicable patent venue statute, 28 U.S.C. § 1400(b).[8]

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1 *See* J. Jonas Anderson, *Reining in a "Renegade" Court:* TC Heartland *and the Eastern District of Texas*, 39 CARDOZO L. REV. 1569, 1574 (2018).

2 *See* J. Jonas Anderson, *Court Competition for Patent Cases*, 163 U. PA. L. REV. 631, 642–43 (2015).

3 *Id.*

4 *See id.* at 651–53.

5 *See id.*

6 *See id.* at 653–54.

7 *See id.* at 650.

8 *See generally* Jamie McDole et al., *Venue Options for Patent Owners After* TC Heartland *and* In re Cray, IPWATCHDOG (Dec. 19, 2017), https://www.ipwatchdog.com

This Note, in four parts, will (1) survey the current rules governing venue in patent infringement actions and post-*TC Heartland* motions to dismiss or transfer on the basis of improper venue in accordance with such rules and (2) deduce trends in the outcomes of such motions. Part I provides a comprehensive examination of the historical and current laws concerning venue in patent infringement actions. Part II addresses issues that arise directly from the interpretation of the venue statute specific to patent infringement actions, 28 U.S.C. § 1400(b), through an overview of applicable law and an analysis of pertinent motion outcomes. Part III discusses disputes that arise over venue in patent infringement actions beyond the scope of 28 U.S.C. § 1400(b), also through an overview of applicable law and an exploration of motion outcomes. Part IV provides a consolidated explanation of the trends in venue analysis in patent infringement actions with respect to individual issues. It then suggests that the recent decision of the Federal Circuit in *In re ZTE (USA) Inc.*[9] to place the burden of proof on plaintiffs in such motions will lead to frequent victories for defendants and proposes possible strategies for plaintiffs to combat defendants' likely success.

I. PATENT VENUE LAWS FROM 1789 TO 2017

The basic procedural requirements for properly filing a patent infringement suit in federal court are subject matter jurisdiction, personal jurisdiction, and venue.[10] Section A describes the history of the venue requirement prior to *TC Heartland*, while Section B lays out how *TC Heartland* has altered the world of patent litigation.

A. Pre-TC Heartland

The history of the venue requirement begins with Section 11 of the Judiciary Act of 1789, which stated that "no civil suit in a

/2017/12/19/venue-options-patent-owners-tc-heartland-re-cray/id=91320/ [https://perma.cc/Y6KZ-US5R] (explaining the impact of *TC Heartland* on patent infringement actions).

9 890 F.3d 1008 (Fed. Cir. 2018).

10 8 DONALD S. CHISUM, CHISUM ON PATENTS § 21.02 (2018).

Circuit or District Court shall be brought against an inhabitant of the United States by any original process in any other district than that whereof he is an inhabitant, or in which he shall be found at the time of serving the writ."[11] This statutory provision served to jointly set forth the requirements for both personal jurisdiction and venue.[12] Then, in *Chaffee v. Hayward*,[13] the Supreme Court held that this statutory provision applied to all civil suits, including patent suits.[14] The Jurisdiction and Removal Act of 1875 subsequently altered the "against an inhabitant" language of the 1789 Act to instead read "against any person."[15] Section 373 of the Act of 1887 then provided:

> no civil suit shall be brought before either of said courts [circuit or district courts] against any person by any original process of proceeding in any other district than that whereof he is an inhabitant; but where the other jurisdiction is founded only on the fact that the action is between citizens of different States, suit shall be brought only in the district of the residence of either the plaintiff or the defendant. . . .[16]

While this provision first noted the distinction between federal question jurisdiction and federal diversity jurisdiction, the Supreme Court in *In re Hohorst*[17] also found that the relevant provision of the Act of 1887 did not apply to non-resident aliens, which gave rise to a split as to whether the statutory provision limited proper patent venue in the United States to domestic defendants.[18] The next relevant statutory innovation, the 1897 Act, broadened permissible patent venue to the district that the defendant inhabited or the district in which the defendant committed acts of

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11 *Id.* § 21.02(2)(a).
12 *See id.*
13 61 U.S. 208 (1858).
14 *See id.* at 216; *see also* CHISUM, *supra* note 10, § 21.02(2)(a).
15 *See* CHISUM, *supra* note 10, § 21.02(2)(a).
16 Act of Mar. 3, 1887, ch. 373, § 1, 24 Stat. 552.
17 150 U.S. 653 (1893).
18 *See* CHISUM, *supra* note 10, § 21.02(2)(a).

infringement and had a regular and established place of business.[19] The Supreme Court in *Stonite Products Co. v. Melvin Lloyd Co.*[20] then found that this provision of the 1897 Act exclusively controlled proper venue in suits for patent infringement,[21] which is a point particularly poignant to the recent *TC Heartland* decision. With the passing of the Judiciary Act of 1948[22] came a considerable overhaul regarding the federal statutory law on general venue, providing that a defendant corporation "may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes."[23] Although this change in the law did not alter the federal patent venue statute, the Supreme Court in *Fourco Glass Co. v. Transmirra Products Corp.*[24] reiterated the holding in *Stonite* that the federal patent venue statute was the sole and exclusive statutory provision governing venue in patent infringement suits. In its 1957 opinion, in addition to the above holding,[25] the Supreme Court held that the residence prong is synonymous with "domicile, and, in respect of corporations, mean[s] the state of incorporation only."[26] *Fourco* also added that, for venue to be proper, the defendant must either (1) reside in the jurisdiction of its incorporation, meaning that it is incorporated in the state, or (2) do business and commit an act of infringement in the jurisdiction in which the suit is filed.[27]

In 1972, the Supreme Court revisited the issue of patent venue in suits against non-resident alien defendants in *Brunette Machine Works, Ltd. v. Kockum Industries, Inc.*[28] and held that such suits may be filed in any district.[29] Subsequently, a 1988 amendment to

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19 *Id.*
20 315 U.S. 561 (1942).
21 *See* CHISUM, *supra* note 10, § 21.02(2)(a).
22 28 U.S.C. § 1391(c) (2012).
23 CHISUM, *supra* note 10, § 21.02(2)(a).
24 353 U.S. 222 (1957).
25 Fourco Glass Co. v. Transmirra Prods. Corp., 353 U.S. 222, 229 (1957).
26 *Id.* at 226.
27 *See* CHISUM, *supra* note 10, § 21.02(2)(a).
28 406 U.S. 706 (1972).
29 *See* CHISUM, *supra* note 10, § 21.02(2)(a).

the Judicial Code[30] stated that, for the purposes of venue, a defendant resides in any district in which it is subject to personal jurisdiction.[31] Despite the Supreme Court's decision in *Fourco*, the Court of Appeals for the Federal Circuit in its 1990 *VE Holding Corp.* opinion held that, in light of these amendments to the general venue statute, *Fourco*'s reading of the venue statute governing patent infringement actions was an "anomaly," and "venue in a patent infringement case includes any district where there would be personal jurisdiction over the corporate defendant at the time the action is commenced," a broader conception of venue than that of *Fourco*.[32] The conflict between this broader conception of patent venue on the basis of the general venue statute, 28 U.S.C. § 1391(c), and *VE Holding Corp.* and the narrower view on patent venue premised on the specific patent venue statute, 28 U.S.C. § 1400(b), and *Fourco Glass Co.* led to the Supreme Court's decision in *TC Heartland LLC v. Kraft Foods Group Brands LLC*.[33]

Leading into *TC Heartland*, both 28 U.S.C. § 1391(c) and 28 U.S.C. § 1400(b) were the relevant statutory provisions, in light of the conflict as to whether the broader or narrower conception of proper venue governed patent infringement actions.[34] 28 U.S.C. § 1391(c), the general venue provision, provides that defendant entities reside in districts in which they are subject to personal jurisdiction and that plaintiff entities reside in districts in which they maintain their principal place of business.[35] 28 U.S.C. § 1400(b), the patent venue provision, provides that patent infringement actions may be brought in districts in which the defendant resides or in districts in which the defendant "has committed acts of infringement and has a regular and established place of business."[36]

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30 28 U.S.C. § 1391(c) (2012).

31 *See* CHISUM, *supra* note 10, § 21.02(2).

32 *See* VE Holding Corp. v. Johnson Gas Appliance Co., 917 F.2d 1574, 1582–83 (Fed. Cir. 1990).

33 *See generally* 137 S.Ct. 1514 (2017); CHISUM, *supra* note 10, § 21.02(2).

34 *See* CHISUM, *supra* note 10, § 21.02(2).

35 *Id.*

36 *Id.*

B. TC Heartland LLC *v.* Kraft Foods Group Brands LLC

TC Heartland is a landmark Supreme Court case addressing the issue of "where proper venue lies for a patent infringement lawsuit brought against a domestic corporation."[37] The petitioner, TC Heartland, was an Indiana corporation headquartered in Indiana that shipped allegedly infringing products into Delaware.[38] The respondent, Kraft Foods, was a Delaware corporation principally operating in Illinois.[39] Kraft Foods initially filed suit for patent infringement against TC Heartland in the District of Delaware.[40] TC Heartland subsequently filed a motion to dismiss or transfer to the Southern District of Indiana on the basis of improper venue in Delaware pursuant to 28 U.S.C. § 1400(b), claiming that it neither resided in the state of Delaware according to the definition of residence in *Fourco* nor had a regular and established place of business in Delaware.[41] The District Court for the District of Delaware found the arguments put forth by TC Heartland unpersuasive, and the Federal Circuit also found the same on the premise that 28 U.S.C. § 1391(c), as amended, amended the definition of "resides" in 28 U.S.C. § 1400(b) to permit suit to be filed against a defendant in any district in which personal jurisdiction over that defendant exists.[42] The Supreme Court then granted certiorari on the issue.[43]

The Supreme Court noted that *Fourco* "definitively and unambiguously held that the word 'reside[nce]' in § 1400(b) has a particular meaning as applied to domestic corporations: [i]t refers only to the [s]tate of incorporation."[44] Since the relevant statutory provision was not amended between *Fourco* and the case at hand, and neither party challenged the original *Fourco* holding, the Supreme Court indicated that the only issue, a narrow subsection of the broad patent venue issue, to be considered was whether

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37 *TC Heartland LLC*, 137 S. Ct. at 1516.
38 *Id.* at 1517.
39 *Id.*
40 *Id.*
41 *See id.*
42 *See id.* at 1517–18.
43 *Id.* at 1518.
44 *Id.* at 1520.

amendments to 28 U.S.C. § 1391(c) altered 28 U.S.C. § 1400(b) as well.[45] In reversing the Federal Circuit and holding that the residence of a corporation pursuant to 28 U.S.C. § 1400(b) is solely its state of incorporation, the Court reasoned that (1) Congress would have provided a clear indication of an interpretive change to the patent venue provision contrary to *Fourco* if it intended to make such change, (2) the saving clause in the general venue provision renders the provision inapplicable when otherwise provided by law, such as in the case of the patent venue provision, and (3) Congress did not ratify the *VE Holding Corp.* decision in its amendments to 28 U.S.C. § 1391(c).[46]

II. POST-*TC HEARTLAND*: CONFLICTS WITHIN 28 U.S.C. § 1400(B)

Below is an aggregate of the decisions on motions to dismiss and/or transfer that are relevant to patent venue analysis in a post-*TC Heartland* era.[47]

A. Residence

The statutory provision, 28 U.S.C. § 1400(b), outlines the two prongs that independently satisfy the proper venue requirement in patent infringement actions, one of which is the residence prong.[48] The first prong provides that *"[a]ny civil action for patent*

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45 *Id.*

46 *See id.* at 1520–21.

47 Note that the decisions on motions to dismiss and/or transfer are all relevant motions to the current patent venue analysis, as of April 27, 2018, obtained through Westlaw and the docketing system on Bloomberg Law. This material excludes decisions on motions prior to the date of the *TC Heartland* decision, decisions on motions rendered moot based on the now current state of the law (for example, pre-*In re Micron* decisions made on the basis of waiver of the venue defense on the assumption that *TC Heartland* did not constitute a change in the law), decisions on motions lacking an analysis of the merits of the decision, decisions on motions that have been subsequently overruled, decisions on motions and issues that are unopposed or joined by the opposing party, decisions on motions in cases not pending at the time of decision, decisions on motions for discovery related to venue, decisions on motions that address residence but principally address other issues (not included in the residence section), decisions on motions in courts other than district courts, and motions filed but not decided. This material includes some motions not solely to transfer and/or dismiss but that are still relevant and pertinent to the subject.

48 CHISUM, *supra* note 10, § 21.02(2)(c).

infringement may be brought in the judicial district where the defendant resides…."[49] The Supreme Court addressed the issue again most recently in 2017 in *TC Heartland*.[50] In *TC Heartland*, the Court explicitly reversed the Federal Circuit's *VE Holding* decision and held that the residence prong of 28 U.S.C. § 1400(b) refers solely to a defendant's state of incorporation.[51] In doing so, the Court reasoned that (1) *Fourco* is the valid and controlling precedent, (2) Congress did not intend to change the meaning of 28 U.S.C. § 1400(b) through its amendments to the general venue statute, especially in light of the saving clause in the current version of the general venue statute, and (3) Congress did not ratify *VE Holding*.[52]

Courts have been forced to reevaluate and alter their former analysis of patent venue, with respect to the residence prong, following the decision in *TC Heartland*.

1. First Circuit

In *Presby Patent Trust v. Infiltrator Water Technologies, LLC*, Judge John A. Woodcock, Jr. of the United States District Court for the District of Maine narrowly evaluated the residence prong of the patent venue statute.[53] Because the defendant was incorporated in Delaware, the court found that it simply did not reside in Maine and, therefore, granted the defendant's motion to dismiss for improper venue.[54]

2. Fifth Circuit

Although the defendant asserted improper venue based on its lack of presence in the Eastern District of Texas in *Diem LLC v. BigCommerce, Inc.*, Judge Rodney Gilstrap of the United States District Court for the Eastern District of Texas found venue to be proper in the district because the defendant was incorporated in the

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49 28 U.S.C. § 1400(b) (2012) (emphasis added).

50 *TC Heartland*, 137 S. Ct. at 1520–21.

51 *See id.* at 1521.

52 *See id.* at 1520–21.

53 *See* Presby Patent Tr. v. Infiltrator Water Techs., LLC, No. 2:17-CV-00068-JAW, 2017 WL 5895127, at *5 (D. Me. Nov. 29, 2017).

54 *See id.* at *5–7.

state of Texas and therefore resided in each district in the multi-district state.[55] Therefore, the court denied the defendant's motion to dismiss.[56]

3. Sixth Circuit

When faced with the issue of where an unincorporated association resides for the purposes of the patent venue statute in *Maxchief Investments Ltd. v. Plastic Development Group, LLC*, Judge Thomas W. Phillips of the United States District Court for the Eastern District of Tennessee held that an unincorporated association's residence is its principal place of business and therefore found venue to be improper and transferred the case.[57]

Judge Timothy S. Black of the United States District Court for the Southern District of Ohio also found venue to be improper in the district in *Proctor & Gamble Co. v. Ranir, LLC* because the defendant was not incorporated in the state.[58]

4. Ninth Circuit

In *Jinni Tech Ltd. v. Red.com, Inc.*, Judge James L. Robart of the United States District Court for the Western District of Washington similarly found venue to be improper as to one defendant because of its incorporation in another state and its lack of consent to venue.[59] In the same case, the court found venue to be proper as to another defendant because of its incorporation in the state.[60]

Judge S. James Otero of the United States District Court for the Central District of California addressed whether a defendant resided in the jurisdiction of the court in a multi-district state

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55 *See* Diem LLC v. BigCommerce, Inc., No. 6:17-CV-00186, 2017 WL 3187473, at *2–3 (E.D. Tex. July 26, 2017).

56 *See id.* at *4.

57 *See* Maxchief Invs. Ltd. v. Plastic Dev. Grp., LLC, No. 3:16-CV-63, 2017 WL 3479504, at *2, *5 (E.D. Tenn. Aug. 14, 2017).

58 *See* Proctor & Gamble Co. v. Ranir, LLC, No. 1:17-CV-185, 2017 WL 3537197, at *3 (S.D. Ohio Aug. 17, 2017).

59 *See* Jinni Tech Ltd. v. Red.com, Inc., No. C17-0217JLR, 2017 WL 4758761, at *8 (W.D. Wash. Oct. 20, 2017).

60 *Id.*

pursuant to the first prong of 28 U.S.C. § 1400(b) in *Realtime Data LLC v. Nexenta Systems, Inc.*[61] The defendant filed a motion to dismiss or transfer venue to the Northern District of California pursuant to Federal Rule of Civil Procedure 12(b)(3).[62] In considering the motion, the court first reasoned that 28 U.S.C. § 1400(b) is the sole statute governing patent venue and includes language "in the judicial *district* where the defendant resides."[63] It then considered *Stonite Prods.*, which held that the analogous statutory language from the time of the decision, "in the district of which the defendant is an inhabitant," meant only the district in which the defendant is an inhabitant or resident and not all districts of the multi-district state.[64] Filing in the defendant's state of incorporation was found to be necessary but not sufficient to satisfy the first statutory prong; the filing also had to be done in the proper district, which was the defendant's principal place of business.[65] In this case, the defendant's headquarters and principal place of business were in the Northern District of California; the majority of employees relevant to the patent infringement suit worked in the Northern District of California; and the defendant had no offices, places of business, property, or employees in the Central District of California.[66] The court ultimately found that, "in the context of 28 U.S.C. § 1400(b), a corporate defendant 'resides' only in the state of its incorporation and, within that state, only in the judicial district in which it maintains its principal place of business" and transferred the case to the Northern District of California.[67]

The decisions on motions referenced above found proper residence to be lacking in five cases and present in two cases.[68] The larger proportion of findings of a lack of proper residence may be attributable to filings prior to the *TC Heartland* decision in

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61 *See* Realtime Data LLC v. Nexenta Sys., Inc., No. CV 2:17–07690 SJO (JCx), 2018 WL 2724776, at *4 (C.D. Cal. Jan. 23, 2018).

62 *See id.* at *1.

63 *Id.* at *2, *3 (emphasis added).

64 *See id.* at *3.

65 *See id.* at *3.

66 *See id.* at *2.

67 *See id.* at *4.

68 *See* discussion *supra* notes 53–67.

reliance on the former definition of "residence," as opposed to the changed definition of "residence" set forth in *TC Heartland*.

TABLE 1:

Proper Residence Absent	Proper Residence Present
5	2

B. Regular and Established Place of Business

The second prong of 28 U.S.C. § 1400(b) requires that a defendant, to satisfy proper venue, have a regular and established place of business and have committed acts of infringement in the relevant district, providing that "*[a]ny civil action for patent infringement may be brought in the judicial district . . . where the defendant has committed acts of infringement and has a regular and established place of business*."[69] In declining to issue a writ of mandamus ordering the United States District Court for the District of Minnesota to dismiss the instant action on the basis of improper venue,[70] the Court of Appeals for the Federal Circuit held the proper inquiry regarding the regular and established place of business component of the second prong to be not whether the defendant has a fixed physical presence in the district but whether the "defendant does its business in that district through a permanent and continuous presence there."[71]

Following *TC Heartland*'s revival of 28 U.S.C. § 1400(b) and the uncertainty regarding the meaning of a regular and established place of business,[72] the Court of Appeals for the Federal Circuit addressed the issue again and held that a defendant has a regular and established place of business in the district if the place of business is (1) a physical place in the district; (2) a regular and established place of business; and (3) the place of the defendant.[73] Extrapolating upon these requirements, the place must be a physical location at which business is conducted but need not be a

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69 28 U.S.C. § 1400(b) (2012) (emphasis added).

70 *See In re* Cordis Corp., 769 F.2d 733, 734 (Fed. Cir. 1985).

71 *See id.* at 737.

72 *See In re* Cray Inc., 871 F.3d 1355, 1359–60 (Fed. Cir. 2017).

73 *Id.* at 1360.

traditional store or office.[74] The place must be regular, in that it is steady and consistent, and established, meaning that it is sufficiently permanent.[75] Lastly, the place must be of the defendant and ratified as such and not merely of the defendant's employee or employees.[76] This is evidenced through the defendant's exercise of possession or control and is considered in light of property ownership, employment conditioned upon employee residence in the district, the storage of materials at such place, advertisements and representations by the defendant holding the defendant out as having a place of business in the district, and comparisons to similar places of business in other venues.[77]

1. Second Circuit

After citing the three *In re Cray* elements in *Peerless Network, Inc. v. Blitz Telecom Consulting, LLC*, Judge J. Paul Oetken of the United States District Court for the Southern District of New York noted that the sole physical presence of the defendant in the jurisdiction was a shelf containing telecommunications equipment at the place of the plaintiff.[78] The court found that this shelf satisfied the physical place requirement and the requirement that it be of the defendant but that the shelf was not a regular and established place of business because no agents of the defendant engaged in business from the shelf.[79] Therefore, the court found the venue to be improper and transferred the case.[80]

2. Third Circuit

The court in *Telebrands Corp. v. Illinois Industrial Tool, Inc.* held that, because the defendant's primary offices and headquarters were in Illinois, its chief financial officer worked from an office in Illinois, the defendant was incorporated in Illinois, the majority of the defendant's employees worked in Illinois, and its related

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74 *Id.* at 1362.
75 *Id.*
76 *Id.* at 1363.
77 *See id.*
78 *See* Peerless Network, Inc. v. Blitz Telecom Consulting, LLC, No. 17-CV-1725 (JPO), 2018 WL 1478047, at *3 (S.D.N.Y. Mar. 26, 2018).
79 *See id.* at *3–5.
80 *See id.* at *5.

individuals and facilities did not exist in New Jersey, the defendant did not have a regular and established place of business in New Jersey.[81] Therefore, Chief Judge Jose L. Linares of the United States District Court for the District of New Jersey found venue to be improper and transferred the case.[82]

3. Fourth Circuit

In *Flexible Technologies, Inc. v. SharkNinja Operating LLC*, Magistrate Judge Jacquelyn D. Austin of the United States District Court for the District of South Carolina reasoned that merely doing business in a jurisdiction is insufficient to establish a regular and established place of business in that jurisdiction.[83]

In *Precision Fabrics Group, Inc. v. Tietex International, Ltd.*, Judge Thomas D. Schroeder of the Middle District of North Carolina applied the *In re Cray* elements but recognized the guidance by the Court of Appeals for the Federal Circuit that evaluating a regular and established place of business is a fact-specific inquiry.[84] After considering the factors of (1) ownership, lease, or control over the premises, (2) employment conditioned on residence in the jurisdiction, (3) storage of inventory at the place, and (4) representations by the defendant of the place as its place of business, the Court found the failure on the third *In re Cray* element to be determinative because the employee's presence and actions in the jurisdiction did not satisfy such.[85] Therefore, the Court found venue to be improper.[86]

4. Fifth Circuit

Judge Lee H. Rosenthal of the United States District Court for the Southern District of Texas also applied the *In re Cray* elements

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81 *See* Telebrands Corp. v. Ill. Indus. Tool, Inc., No. 17-3411 (JLL), 2017 WL 4157533, at *2 (D.N.J. Sept. 18, 2017).

82 *See id.* at *3.

83 *See* Flexible Techs., Inc. v. SharkNinja Operating LLC, No. 8:17-CV-00117-DCC, 2018 WL 1175043, at *4 (D.S.C. Feb. 14, 2018) *adopted by* No. 8:17-CV-00117-DCC, 2018 WL 1158425 (D.S.C. Mar. 5, 2018).

84 *See* Precision Fabrics Grp., Inc. v. Tietex Int'l, Ltd., Nos. 1:13-CV-645, 1:14-CV-650, 2017 WL 5176355, at *10 (M.D.N.C. Nov. 7, 2017).

85 *See id.* at *11–13.

86 *See id.* at *13.

in *Wet Sounds, Inc. v. Powerbass USA, Inc.*[87] With respect to the first requirement for a physical place in the district, the defendant had no physical presence or employees in the district, even though the plaintiff alleged that it was interspersed with third-party distributors in the district.[88] The third factor was also unsatisfied because of the lack of physical presence.[89] The court found venue to be improper and ultimately transferred the relevant claims to the Central District of California.[90]

In *Lites Out, LLC v. OutdoorLink, Inc.*, Judge Amos L. Mazzant of the United States District Court for the Eastern District of Texas found venue in the instant action to be improper and transferred the case because the defendant lacked a physical presence in the district, as required pursuant to the regular and established place of business requirement of the second prong of the patent venue statute.[91]

Judge Rodney Gilstrap of the United States District Court for the Eastern District of Texas considered a motion to dismiss for improper venue in *Uniloc USA, Inc. v. Nutanix, Inc.*[92] In reasoning as to whether the defendant had a regular and established place of business in the district, the court found *In re Cray* to be particularly relevant because of the factual similarities to the case at hand.[93] The defendant in that case was a seller of supercomputers incorporated in Washington that did not possess real estate in the district of suit but that did have a sales representative who worked in the district from his private residence.[94] This representative managed many of the accounts of the allegedly infringing products, communicated professionally through a phone number from the district, received reimbursement

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87 *See* Wet Sounds, Inc. v. Powerbass USA, Inc., No. H-17-3258, 2018 WL 1811354, at *2–3 (S.D. Tex. Apr. 17, 2018).

88 *Id.* at *2.

89 *See id.*

90 *See id.* at *4.

91 *See* Lites Out, LLC v. OutdoorLink, Inc., No. 4:17-CV-00192, 2017 WL 5068348, at *4 (E.D. Tex. Nov. 2, 2017).

92 *See* Uniloc USA, Inc. v. Nutanix, Inc., No. 2:17-CV-00174-JRG, slip op. at 1 (E.D. Tex. Dec. 6, 2017).

93 *See id.* at 3.

94 *See id.* at 3–4.

for various business activities, generated sales greater than $345 million, received support from the Minnesota office, could access sales materials in his private residence, but did not and could not store products in his private residence.[95] Based largely upon the failure to meet the requirements of a physical presence in the district and that the regular and established place of business in the district be of the defendant, the Court of Appeals for the Federal Circuit found the facts of the case insufficient to find a regular and established place of business in the district.[96] In this case, Judge Gilstrap emphasized that none of the private residences of the defendant's employees were the places of the defendant,[97] the responsibilities of the employees were not related to their residence in the district,[98] and the relatedness of the employees' knowledge to the alleged patent infringement did not substantiate a defendant having a place in the district.[99] Therefore, the court found that the defendant did not have a regular and established place of business in the Eastern District of Texas.[100]

Magistrate Judge Kimberly C. Priest Johnson of the United States District Court for the Eastern District of Texas considered a defendant's motion to dismiss for improper venue in *American GNC Corp. v. ZTE Corp.*[101] With respect to the motion regarding defendant ZTE USA, which was not incorporated in the state of Texas, the court had to consider whether it had a regular and established place of business in the Eastern District of Texas.[102] The presence of a call center with many of defendant's representatives, though a third-party call center, was found to effectively rebut the defendant's assertion that it did not have a regular and established place of business in the district.[103]

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95 *See id.* at 4.
96 *See id.* at 4–5.
97 *See id.* at 6.
98 *See id.* at 7.
99 *See id.* at 7–8.
100 *See id.* at 8.
101 *See* Am. GNC Corp. v. ZTE Corp., No. 4:17-CV-00620-ALM-KPJ, 2017 WL 5163605, at * 1 (E.D. Tex. Oct. 4, 2017) *adopted by* No. 4:17-CV-00620-ALM-KPJ, 2017 WL 5157700 (E.D. Tex. Nov. 7, 2017).
102 *See id.* at *3.
103 *See id.* at *3–4.

Magistrate Judge Johnson, therefore, recommended denial of the defendant's motion to dismiss for improper venue,[104] while Judge Amos L. Mazzant overruled all relevant defense objections to the recommendation, adopted Magistrate Judge Johnson's report, and denied the motion to dismiss for improper venue.[105]

In *GEODynamics, Inc. v. DynaEnergetics US, Inc.*, Magistrate Judge Roy S. Payne of the United States District Court for the Eastern District of Texas held that the testimony of the CEO of the defendant that the defendant was moving a distribution center to the district was sufficient to find a regular and established place of business in the district.[106] Therefore, the court denied the defense motion to dismiss or transfer the instant action.[107]

In *Intellectual Ventures II LLC v. FedEx Corp.*, Judge Rodney Gilstrap of the United States District Court for the Eastern District of Texas noted the presence of defendants' stores and facilities in the district and ultimately found that the defendants did have a regular and established place of business in the district.[108]

5. Sixth Circuit

In *Automated Packaging Systems, Inc. v. Free-Flow Packaging International, Inc.*, Judge Sara Lioi of the United States District Court for the Northern District of Ohio analyzed and applied the three *In re Cray* elements.[109] The court first found that the defendant neither had a physical place in the district nor had employees who used their homes in the district in a way that would constitute a physical place in the district.[110] Second, the defendant did not have a regular and established place of business in the district because the employees living in the district were not

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104 *See id.* at *7.

105 *See* Am. GNC Corp. v. ZTE Corp., No. 4:17-CV-00620-ALM-KPJ, 2017 WL 5157700, at *2–3 (E.D. Tex. Nov 7, 2017).

106 *See* GEODynamics, Inc. v. DynaEnergetics US, Inc., No. 2:17-CV-00371-RSP, 2017 WL 6452803, at *1 (E.D. Tex. Dec. 18, 2017).

107 *See id.* at *2.

108 Intellectual Ventures II LLC v. FedEx Corp., No. 2:16-CV-00980-JRG, 2017 WL 5630023, at *17 (E.D. Tex. Nov. 22, 2017).

109 *See* Automated Packaging Sys., Inc. v. Free-Flow Packaging Int'l, Inc., No. 5:14-CV-2022, 2018 WL 400326, at *7–10 (N.D. Ohio Jan. 12, 2018).

110 *See id.* at *7.

required to do so.[111] Third, any place in the district was not of the defendant because (1) it did not have property in the district, (2) the employment of the two employees who resided in the district was not conditioned on their residence in the district, (3) the homes of such employees were not represented as places of business of the defendant, (4) an employee's servicing of customers in the district was insufficient to establish it as the defendant's place without ratification by the defendant employer, (5) use of items in the district provided by the defendant employer to employees was not satisfactory to establish a place of the defendant, and (6) equipment provided to customers in the district was not a place over which the defendant could exercise authority.[112] Consequently, the court found venue to be improper and transferred the case.[113]

Because the defendant in *JPW Industries, Inc. v. Olympia Tools International, Inc.* lacked a physical place in the jurisdiction, Judge Jon P. McCalla of the United States District Court for the Middle District of Tennessee held that the defendant lacked a regular and established place of business in the district and found venue to be improper.[114]

6. Seventh Circuit

Judge Thomas M. Durkin of the United States District Court for the Northern District of Illinois found that the defendant did not have a regular and established place of business in the jurisdiction in *Talsk Research, Inc. v. Evernote Corp.* because it lacked any physical place in the district or full-time employees residing in the district and merely maintained virtual stores there.[115] In response to the plaintiff's assertion regarding the importance of the residents of the district who served as community members of the virtual stores, the court noted the lack of a fixed physical place in the

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111 *See id.* at *8.

112 *See id.* at *8–9.

113 *See id.* at *10–11.

114 *See* JPW Indus., Inc., v. Olympia Tools Int'l, Inc., No. 3:16-CV-03153-JPM). 2017 WL 4512501, at *3 (M.D. Tenn. Oct. 10, 2017).

115 *See* Talsk Research, Inc. v. Evernote Corp., No. 16-CV-2167, 2017 WL 4269004, at *2 (N.D. Ill. Sept. 26, 2017).

district, the lack of regularity and establishment of the community members' activities in the district, and the lack of the defendant's control over the community members sufficient to constitute any of their places being of the defendant.[116]

In *Niazi v. St. Jude Medical S.C., Inc.*, Judge James D. Peterson of the Western District of Wisconsin held that the defendants did not have a regular and established place of business in the district because the allegations that the defendants employed sales representatives in the jurisdiction and were registered with the state merely evidenced that the defendants did business in the jurisdiction and not that the defendants had a place of business in the jurisdiction.[117] Therefore, the court dismissed the case on the basis of improper venue.[118]

The plaintiff in *BillingNetwork Patent, Inc. v. Modernizing Medicine, Inc.* asserted that the defendant had a regular and established place of business in the jurisdiction on the basis of a business registration and an agent for service of process in the state in addition to a number of employees that worked from their homes in the jurisdiction.[119] Chief Judge Rubén Castillo of the United States District Court for the Northern District of Illinois, however, reasoned that (1) doing business in a jurisdiction does not establish a physical place in such jurisdiction, and (2) employing individuals who work from homes in the jurisdiction is also insufficient because the homes are not of the defendant, regardless of the listing of the home addresses for workers' compensation purposes.[120] The court granted the defense motion to dismiss for improper venue.[121]

In granting the defendant's motion to dismiss on the basis of improper venue in *SportPet Designs Inc. v. Cat1st Corp.*, Judge Lynn Adelman of the United States District Court for the Eastern

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116 *See id.* at *3–5.

117 *See* Niazi v. St. Jude Med. S.C., Inc., Nos. 17-CV-183-jdp, 17-CV-184-jdp, 17-CV-185-jdp, 17-CV-283-jdp, 2017 WL 5159784, at *3 (W.D. Wis. Nov. 7, 2017).

118 *See id.* at *5.

119 *See* BillingNetwork Patent, Inc. v. Modernizing Med., Inc., No. 17 C 5636, 2017 WL 5146008, at *2 (N.D. Ill. Nov. 6, 2017).

120 *See id.* at *2–3.

121 *See id.* at *4.

District of Wisconsin focused on the three *In re Cray* elements.[122] Because the regular and established physical place of business in the district was of Amazon and not of the defendant, the court held venue in the district to be improper, even though the defendant shipped its goods through Amazon's place of business.[123]

7. Eighth Circuit

Judge Susan Richard Nelson of the United States District Court for the District of Minnesota also addressed the statutory requirement for a regular and established place of business in the district in *Regents of the University of Minnesota v. Gilead Sciences, Inc.*[124] The court relied upon *In re Cray* to decide the defendant's motion to transfer venue.[125] In noting that the first requirement mandates a physical and geographical location in the district that need not be fixed but cannot be virtual, Judge Nelson found this requirement to be unsatisfied because the defendant's employees did not work in a standalone office in the district and did not have homes that functioned as such, and the defendant had no secretarial or administrative support in the area.[126] With respect to the second requirement for a regular and established place of business, the court found that the defendant failed to meet this requirement, as the relevant employees could move their homes of their own volition, and the defendant's service to customers and significant sales figures in Minnesota were insufficient to establish such.[127] Finally, the court found the defendant's evidence as to the third requirement, that the place in the district be of the defendant, insufficient.[128] Judge Nelson ultimately granted the motion and transferred the case to the Northern District of California.[129]

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122 *See* SportPet Designs Inc. v. Cat1st Corp., No. 17-CV-0554, 2018 WL 1157925, at *3–4 (E.D. Wis. Mar. 2, 2018).

123 *See id.*

124 Regents of the Univ. of Minn. v. Gilead Scis., Inc., No. 3:17-CV-06056-JCS, slip op. at 10–20 (D. Minn. Oct. 20, 2017).

125 *See id.*

126 *See id.* at 10–13.

127 *See id.* at 14–15.

128 *See id.* at 15–20.

129 *See id.* at 21.

In *Post Consumer Brands, LLC v. General Mills, Inc.*, Judge Stephen N. Limbaugh, Jr. of the United States District Court for the Eastern District of Missouri held that the defendants did not have a regular and established place of business in the jurisdiction because the defendants did not have a physical place of business in the jurisdiction.[130]

8. Ninth Circuit

Judge Haywood S. Gilliam, Jr. of the United States District Court for the Northern District of California transferred *Gillespie v. Prestige Royal Liquors Corp.* to the Southern District of New York in response to the defendant's motion to dismiss or transfer for improper venue.[131] The court found that the defendant did not have a regular and established place of business in the district because the plaintiff merely alleged acts of infringement in the district and did not allege that the defendant had a regular and established place of business in the district.[132]

Judge Richard A. Jones of the United States District Court for the Western District of Washington found venue to be improper in *Allsop, Inc. v. Ambient Lighting, Inc.* because the plaintiff failed to allege that the defendant had a physical place that was a regular and established place of business in the district.[133] Therefore, the Court transferred the case.[134]

After finding "no factual basis upon which the Court can conclude that 3M has 'a regular and established' place of business in this District, and certainly no basis for concluding that Northstar does," Judge Ronald B. Leighton of the United States District Court for the Western District of Washington dismissed the case in *Westech Aerosol Corp. v. 3M Co.*[135]

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130 *See* Post Consumer Brands, LLC v. Gen. Mills, Inc., No. 4:17-CV-2471 SNLJ, 2017 WL 4865936, at *2–3 (E.D. Mo. Oct. 27, 2017).

131 Gillespie v. Prestige Royal Liquors Corp., No. 4:16-CV-02392-HSG., 2017 WL 3232462, at *5 (N.D. Cal. July 31, 2017).

132 *See id.*

133 *See* Allsop, Inc. v. Ambient Lighting, Inc., No. C17-549 RAJ, 2018 WL 828225, at *2 (W.D. Wash. Feb. 12, 2018).

134 *See id.* at *3.

135 Westech Aerosol Corp. v. 3M Co., No. C17-5067RBL, 2017 WL 6034222, at *2 (W.D. Wash. Dec. 6, 2017).

The issue of the regular and established place of business requirement was addressed again by Judge William H. Orrick of the United States District Court for the Northern District of California in *Fox Factory, Inc. v. SRAM, LLC*.[136] The court also found that a defendant must have more contact with the district in which suit is filed than only doing business or having sales representatives or independent dealers present in the district and consequently transferred the case to the District of Colorado in response to the defendant's motion to dismiss or transfer.[137]

In *Reflection, LLC v. Spire Collective LLC*, Judge Gonzalo P. Curiel of the United States District Court for the Southern District of California reasoned that (1) the storage and shipment of the defendant's goods through Amazon fulfillment centers in the district did not satisfy the first *In re Cray* factor; (2) the shipment of the defendant's goods to and from Amazon fulfillment centers in the district did not establish a regular and established place of business; and (3) the Amazon fulfillment centers were not the places of the defendant, even though the defendant paid a monthly fee, because the defendant did not control where Amazon directed its goods.[138] Consequently, the court dismissed the case.[139]

Citing the *In re Cray* requirements in *Nike, Inc. v. Skechers U.S.A., Inc.*, Magistrate Judge Paul Papak of the United States District Court for the District of Oregon concluded that the defendant did not have a regular and established place of business in the jurisdiction because it (1) did not have property in the district, (2) did not have a license to do business in the district, (3) did not have employees residing in the district, and (4) had employees that intermittently traveled to the district but used

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136 *See* Fox Factory, Inc. v. SRAM, LLC, No. 3:16-CV-00506-WHO, 2018 WL 317839, at *3 (N.D. Cal. Jan. 8, 2018).

137 *See id.* at *3–4.

138 *See* Reflection, LLC v. Spire Collective LLC, No. 17CV1603-GPC(BGS), 2018 WL 310184, at *2–4 (S.D. Cal. Jan. 5, 2018).

139 *See id.* at *4–5.

independent contractors within the district.[140] Therefore, the court found venue to be improper and transferred the case.[141]

After noting the three *In re Cray* elements, Judge David C. Nye of the United States District Court for the District of Idaho concluded in *CAO Lighting, Inc. v. Light Efficient Design* that the defendant did not have a regular and established place of business in the jurisdiction because (1) its sales representatives were not based in Idaho and therefore did not have a physical presence there, (2) its distributors' locations in the district were not of the defendant, and (3) neither the website of the defendant listing its contacts in the district nor its sales revenue from the district were sufficient to establish such.[142]

XpertUniverse, Inc. v. Cisco Systems, Inc., decided by Judge Richard Seeborg of the United States District Court for the Northern District of California, raised the issue of whether the regular and established place of business requirement was met in the instant case.[143] The court reiterated the *In re Cray* factors[144] and, in deciding to deny the defendant's motion to transfer the case to Delaware, noted that the defendant did not regularly engage in a substantial portion of its business on a permanent basis and at a physical location over which the defendant exercises control in Delaware.[145]

In denying the defendant's motion to dismiss or transfer the case in *Plexxikon Inc. v. Novartis Pharmaceuticals Corp.*, Judge Haywood S. Gilliam, Jr. of the United States District Court for the Northern District of California found the *In re Cray* requirements to be satisfied because the defendant leased and operated properties in the district and because there was no nexus requirement between the regular and established place of business

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140 *See* Nike, Inc. v. Skechers U.S.A., Inc., No. 3:16-CV-007-PK, 2017 WL 7275389, at *6–7 (D. Or. Nov. 14, 2017).

141 *See id.* at *8.

142 *See* CAO Lighting, Inc. v. Light Efficient Design, No. 4:16-CV-00482-DCN, 2017 WL 4556717, at *3 (D. Idaho Oct. 11, 2017).

143 *See* XpertUniverse, Inc. v. Cisco Sys., Inc., No. 3:17-CV-03848-RS, 2017 WL 4551519, at *2, *4 (N.D. Cal. Oct. 11, 2017).

144 *See id.* at *2.

145 *See id.* at *4, *6.

and the act of infringement requirements under the second prong of the patent venue statute.[146]

9. Tenth Circuit

Considering the regular and established place of business element of the second prong of the patent venue statute in *RMH Tech LLC v. PMC Industries, Inc.*, Judge Christine M. Arguello of the United States District Court for the District of Colorado found that the defendant lacked a physical place in the district, as it did not have any physical or geographical business location in the district, and concluded that the defendant did not have a regular and established place of business in the district. Therefore, venue was improper.[147]

Magistrate Judge Michael E. Hegarty of the United States District Court for the District of Colorado, in *Hildebrand v. Wilmar Corp*, found that the only possible physical locations in the district would be the distributors' locations, which are not "of the defendant" and also may not be regular and established places of business.[148] Consequently, the court held that the defendant did not have a regular and established place of business in the jurisdiction and dismissed the case.[149]

10. Eleventh Circuit

In *Patent Holder LLC v. Lone Wolf Distributors, Inc.*, after applying the *In re Cray* requirements and recognizing the intent of Congress to limit the venues to which a defendant can be subjected, Judge Robert N. Scola, Jr. of the United States District Court for the Southern District of Florida transferred the case because he found the plaintiff's assertions insufficient to sustain

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146 *See* Plexxikon Inc. v. Novartis Pharm. Corp., No. 17-CV-04405-HSG, 2017 WL 6389674, at *1–2 (N.D. Cal. Dec. 7, 2017).

147 *See* RMH Tech LLC v. PMC Indus., Inc., No. 16-CV-01762-CMA-KMT, 2018 WL 1566839, at *3 (D. Colo. Mar. 30, 2018).

148 *See* Hildebrand v. Wilmar Corp., No. 17-CV-02821-PAB-MEH, 2018 WL 1535505, at *3 (D. Colo. Mar. 29, 2018)

149 *See id.* at *5.

venue.[150] The plaintiff claimed that the defendant derived revenue from products sold in the jurisdiction and that the defendant's website permitted dealers to sell its products in the jurisdiction.[151] The court rejected the claim because of the lack of a physical place in the district.[152]

In *Townsend v. Brooks Sports, Inc.*, Judge Sheri Polster Chappell of the United States District Court for the Middle District of Florida found it clear that the defendant lacked a regular and established place of business in the district and noted that it only had U.S. facilities in the state of Washington and engaged in all activities related to the allegedly infringing product in Washington.[153]

In *ParkerVision, Inc. v. Apple Inc.*, Judge Brian J. Davis of the United States District Court for the Middle District of Florida also applied the *In re Cray* factors in analyzing whether the defendant had a regular and established place of business in the district.[154] The court specifically focused on the requirement for a physical place in the district, by noting that the defendant had a physical and geographical location at which business was done, and the requirement that the defendant have a regular and established place of business in the district, a fact-specific inquiry.[155] Therefore, the court denied the defendant's motions to dismiss and transfer venue.[156]

The decisions on motions referenced above found a regular and established place of business to be lacking in twenty-six cases and present in six cases.[157] The disparity, as with the disparity in outcomes in the cases dealing with residence in a particular venue, is likely due to filings in the proper venue pursuant to the pre-*TC*

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150 *See* Patent Holder LLC v. Lone Wolf Distribs., Inc., No. 17-23060-Civ-Scola, 2017 WL 5032989, at *5–6, 8–9 (S.D. Fla. Nov. 1, 2017).

151 *Id.* at *6.

152 *See Id.*

153 *See* Townsend v. Brooks Sports, Inc., No. 2:17-CV-62-FtM-38MRM, 2017 WL 6417328, at *2 (M.D. Fla. Aug. 31, 2017).

154 ParkerVision, Inc. v. Apple, Inc., No. 3:15-CV-01477-BJD-JRK, 2018 WL 5084662, at *5–6 (M.D. Fla. Mar. 8, 2018).

155 *See id.* at *8–9.

156 *See id.* at *11.

157 *See supra* notes 78–154.

Heartland definition of "residence" but in the improper venue pursuant to the *TC Heartland* definition of "residence" and a subsequent attempt to fit the requirements for having a regular and established place of business in a particular venue instead. Additionally, the decision of the Federal Circuit in *In re Cray* prospectively clarified the requirements for having a regular and established place of business in a judicial district and will likely equalize the motion outcomes.

TABLE 2:

Regular and Established Place of Business Absent	Regular and Established Place of Business Present
26	6

C. Foreign Defendants

The Court in *TC Heartland* noted that its decision did not address the ramifications of patent venue for foreign defendants[158] and reiterated *Fourco*'s holding as applied to "domestic corporations."[159] The following cases demonstrate the current trends of district court venue requirements for foreign defendants.

1. Third Circuit

Judge Leonard P. Stark of the United States District Court for the District of Delaware reasoned in *3G Licensing, S.A. v. HTC Corp.* that the general venue statute, rather than the patent venue statute, governs venue in patent infringement actions for foreign defendants and therefore found that venue was proper in the district.[160]

2. Fourth Circuit

In *Mya Saray, LLC v. Dabes*, Senior Judge Glen E. Corlrad of the United States District Court for the Western District of Virginia

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158 *See* TC Heartland LLC v. Kraft Foods Grp. Brands LLC, 137 S. Ct. 1514, 1520 n.2 (2017).

159 *See id.* at 1520.

160 *See* 3G Licensing, S.A. v. HTC Corp., No. 17-83-LPS-CJB, 2017 WL 6442101, at *2 (D. Del. Dec. 18, 2017).

reiterated that the patent venue statute applies exclusively to domestic corporations and therefore held that the foreign defendant in the instant case could be sued in any judicial district, pursuant to the general venue provision.[161]

3. Ninth Circuit

As the defendants were foreign defendants in *Red.com, Inc. v. Jinni Tech Ltd.*, Judge Cormac J. Carney of the United States District Court for the Central District of California found that the patent venue statute did not apply and found venue to be proper.[162]

The decisions on the three motions referenced above all found venue to be proper as to the foreign defendant(s).[163] Although the motion outcomes with respect to foreign defendants were the same, the sample size is small, and *TC Heartland* did not affect the venue analysis with respect to foreign defendants.

TABLE 3:

Patent Venue Statute Applicable to Foreign Defendants	General Venue Statute Applicable to Foreign Defendants
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D. Acts of Infringement

The second component of the second prong of 28 U.S.C. § 1400(b), which provides that "*[a]ny civil action for patent infringement may be brought in the judicial district . . . where the defendant has committed acts of infringement and has a regular and established place of business*,"[164] requires that a defendant have committed acts of infringement in the relevant district.[165] Sufficient acts of infringement are making, using, offering to sell,

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161 *See* Mya Saray, LLC v. Dabes, No. 3:17CV00016, 2018 WL 1161145, at *5–6 (W.D. Va. Mar. 5, 2018).

162 *See* Red.com, Inc. v. Jinni Tech Ltd., No. SACV 17-00382-CJC(KESx), 2017 WL 4877414, at *7 (C.D. Cal. Oct. 11, 2017).

163 *See supra* notes 158–60.

164 28 U.S.C. § 1400(b) (2012) (emphasis added).

165 CHISUM, *supra* note 10, § 21.02(2)(e).

selling, or importing any patented invention into the United States;[166] inducement of patent infringement;[167] and contributory patent infringement.[168] However, 35 U.S.C. § 271(e) does provide that making, using, offering to sell, selling, or importing a patented invention into the United States, which would otherwise constitute an act of infringement, is not an act of infringement if such act is done "solely for uses reasonably related to the development and submission of information under a [f]ederal law which regulates the manufacture, use, or sale of drugs or veterinary biological products."[169] This carve-out provision does have exclusions, including Abbreviated New Drug Applications ("ANDAs") made pursuant to 21 U.S.C. § 355(j) of the Federal Food, Drug, and Cosmetic Act that have the purpose of obtaining "approval under such Act to engage in the commercial manufacture, use, or sale of a drug, veterinary biological product, or biological product claimed in a patent or the use of which is claimed in a patent before the expiration of such patent."[170]

1. Third Circuit

In *Bristol-Myers Squibb Co. v. Mylan Pharmaceuticals, Inc.*, Judge Leonard P. Stark of the United States District Court for the District of Delaware was presented with the issue of how the Hatch-Waxman Act[171] interacts with the acts of infringement requirement pursuant to the second prong of the patent venue statute, 28 U.S.C. § 1400(b).[172] In considering this issue, the court first addressed the "has committed" language in the patent venue statute and recognized an inherent temporal discord between the patent venue statute, which concerns the past or present, and the

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166 *See* 35 U.S.C. § 271(a) (2012).

167 *See id.* § 271(b).

168 *See id.* § 271(c); CHISUM, *supra* note 10, § 21.02(2)(e).

169 35 U.S.C. § 271(e)(1). Note that this excludes animal drugs and veterinary biological products "primarily manufactured using recombinant DNA, recombinant RNA, hybridoma technology, or other processes involving site specific genetic manipulation techniques." *Id.*

170 *Id.* § 271(e)(2).

171 The Hatch-Waxman Act is a variety of amendments to the Federal Food, Drug and Cosmetic Act, which is chapter 9 of title 21 of the United States Code.

172 *See* Bristol-Myers Squibb Co. v. Mylan Pharm. Inc., No. 17-379-LPS, 2017 WL 3980155, at *6 (D. Del. Sept. 11, 2017).

Hatch-Waxman Act, which concerns future acts.[173] While noting that an ANDA submission constitutes an artificial act of infringement that triggers the ability to file suit for patent infringement prior to the introduction of a generic pharmaceutical into the market, the court reasoned that, "in a Hatch-Waxman lawsuit, the patent infringement inquiry is necessarily based on future events that will occur following FDA approval, events that have not yet actually occurred" and requires "the same type of analysis involved in a typical patent infringement inquiry."[174] Consequently, the court found that it necessarily follows that the ANDA submission is the triggering act for the availability of a patent infringement suit but that considerations of the intent to market the allegedly infringing product are also relevant to the venue analysis.[175] In reaching his conclusion with respect to this issue, Judge Stark considered the above reasoning in conjunction with a number of other factors.[176] He additionally considered future intended acts by an ANDA filer in the personal jurisdiction analysis by the Court of Appeals for the Federal Circuit in *Acorda*.[177] The third consideration was the finding that the acts of infringement requirement pursuant to the second prong of the patent venue statute is applicable to Hatch-Waxman cases, even though there will never be an actual act of infringement in such a case.[178] Finally, Judge Stark considered the lack of compelling alternative conclusions and interpretations, including the assertion that the proper venue for a case such as this is the jurisdiction from which an ANDA submission is made, made from, or prepared.[179] In concluding that the defendant did not sufficiently demonstrate that it had not committed acts of infringement in the jurisdiction, the court held that the above considerations could be sufficient to evidence the commission of acts of infringement in the district.[180]

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173 *See id.*
174 *See id.* at *8.
175 *See id.*
176 *See id.* at *8–12.
177 *See id.* at *8–9.
178 *See id.* at *10.
179 *See id.* at *11.
180 *See id.* at *13.

Judge Esther Salas of the United States District Court for the District of New Jersey was faced with the same issue of what acts by ANDA filers constitute acts of infringement sufficient to sustain proper venue in a patent infringement suit in *Celgene Corp. v. Hetero Labs Ltd*.[181] While the defendant argued that the "has committed" language in the patent venue statute expressly refers only to past acts, the plaintiff argued that the factual circumstances common to Hatch-Waxman cases necessarily require consideration of intended future acts following prospective ANDA approval.[182] The court found the plaintiff's argument to align with *BMS*, but the defendant argued that the *BMS* decision preceded the decision by the Court of Appeals for the Federal Circuit in *In re Cray*, which concluded that courts must not conflate the standards for proper venue and for personal jurisdiction, and, therefore, should not be followed.[183] However, the court did not find the defendant's argument convincing because other district courts in the circuit continued to follow *BMS* after *In re Cray*.[184] Therefore, the court found that the defendant did not show that it had not committed acts of infringement in New Jersey and also denied the motion to dismiss for improper venue.[185]

2. Fourth Circuit

In *Symbology Innovations, LLC v. Lego Systems, Inc.*, Judge Arenda L. Wright Allen of the United States District Court for the Eastern District of Virginia found allegations of infringement to be sufficient to sustain venue pursuant to the second prong of the patent venue statute.[186]

3. Fifth Circuit

Chief Judge Barbara M.G. Lynn of the United States District Court for the Northern District of Texas considered and decided a

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[181] *See* Celgene Corp. v. Hetero Labs Ltd., No. 17-3387 (ES) (MAH), 2018 WL 1135334, at *3 (D.N.J. Mar. 2, 2018).

[182] *See id.*

[183] *See id.*

[184] *See id.*

[185] *See id.* at *3, *5.

[186] *See* Symbology Innovations, LLC v. Lego Sys., Inc., 282 F. Supp. 3d 916, 928 (E.D. Va. 2017).

motion to dismiss for improper venue in a Memorandum Opinion and Order in *Galderma Laboratories, L.P. v. Teva Pharmaceuticals USA, Inc.*[187] Considering Teva's motion to dismiss for improper venue,[188] the court was faced with the issue of what acts by an ANDA filer, whose application contains a Paragraph IV certification (certification "that a patent is invalid, unenforceable, or will not be infringed"),[189] sufficiently constitute acts of infringement in a particular jurisdiction.[190] The court recognized that the filing of an ANDA containing a Paragraph IV certification, a certification by an ANDA filer as to patent invalidity, unenforceability, or non-infringement, is an act of infringement, but it then noted that whether the mere intent to market the allegedly infringing product in a particular jurisdiction in itself constitutes an act of infringement was still an unanswered inquiry.[191] In addressing this issue, the court noted problems with a decision by the United States District Court for the District of Delaware, *Bristol-Myers Squibb Co. v. Mylan Pharmaceuticals, Inc.*, which held that steps indicating the future intent of the ANDA filer to market the allegedly infringing product in a particular jurisdiction are sufficient to sustain proper venue with respect to the requirement for acts of infringement.[192] First, the court reasoned that such a reading of the patent venue statute is plainly contradictory to the statute's plain language when it uses the phrase "has committed."[193] Chief Judge Lynn noted that this reading is supported by the guidance from the Court of Appeals for the Federal Circuit and the U.S. Supreme Court to avoid a liberal interpretation of the patent venue statute.[194] Second, the court rejected the assertion that reading additional and future-oriented acts of infringement into the statute is required to effectuate all of 35 U.S.C. § 271(e)(2), as "[t]he statute itself recognizes the

187 *See* Galderma Labs., L.P. v. Teva Pharm. USA, Inc., No. 3:17-CV-01076-M, 2017 WL 6505793, at *3 (N.D. Tex. Nov. 17, 2017).
188 *See id.*
189 *See id.* at *2.
190 *See id.* at *2, *4.
191 *See id.* at *4.
192 *See id.* at *4–5.
193 *See id.* at *5.
194 *See id.*

forward-looking nature of the litigation and identifies the ANDA submission as an artificial act of infringement on which a lawsuit can be based."[195] Finally, the court criticized the Delaware Court's conflation of standards for personal jurisdiction with standards for proper venue.[196] The court then affirmatively provided that, "[i]n determining proper venue in a Hatch-Waxman Act case, it is appropriate to look to the forum where the ANDA submission itself was prepared and submitted."[197] Because of the failure to establish the occurrence of an act of infringement in the jurisdiction, the court granted the motion to dismiss on the basis of improper venue.[198]

Judge Rodney Gilstrap of the United States District Court for the Eastern District of Texas in *Intellectual Ventures II LLC v. FedEx Corp.* outlined the requirement for acts of infringement pursuant to 35 U.S.C. § 271.[199] The defendants argued that the plaintiff failed to make a plausible allegation of infringement and impermissibly grouped all defendants into a single entity for the purposes of the alleged infringement.[200] However, the court found the arguments unpersuasive because the plaintiff identified specific entities and paired them with specific acts of infringement in some circumstances, and the defendants acknowledged the existence of the alleged conduct in the district.[201] On the basis of this analysis, the court denied the defendants' motions to dismiss on the basis of improper venue.[202]

Magistrate Judge Kimberly C. Priest Johnson of the United States District Court for the Eastern District of Texas addressed the issue of the requirement for acts of infringement pursuant to the second prong of 28 U.S.C. § 1400(b) in her Order and Report and Recommendation on the motion to dismiss for improper venue in

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195 *See id.* at *6.

196 *See id.*

197 *See id.*.

198 *See id.* at *7.

199 *See* Intellectual Ventures II LLC v. FedEx Corp., No. 2:16-CV-00980-JRG, 2017 WL 5630023, at *8 (E.D. Tex. Nov. 22, 2017).

200 *See id.*

201 *See id.* at *8–9.

202 *See id.* at *1, *9.

Snyders Heart Valve LLC v. St Jude Medical S.C., Inc.[203] Though the defendants admitted to activity in the district solely in the form of clinical trials, they contended that this action was insufficient to establish acts of infringement in the district because the acts were not infringing pursuant to 35 U.S.C. § 271(e)(1).[204] The plaintiff, by contrast, asserted that the defendants' affirmative defense was irrelevant to the venue determination, relying principally upon *Amgen, Inc. v. International Trade Commission*, 565 F.3d 846 (Fed. Cir. 2009), and *Ventrassist Pty Ltd. v. Heartware, Inc.*, 377 F. Supp. 2d 1278 (S.D. Fla. 2005); the courts in these cases held, respectively, that a dispute as to the application of a safe harbor exemption concerns the merits of the claims and that a plaintiff need not negate an affirmative defense to prevail on a motion to dismiss for failure to state a claim.[205] The court found these cases raised by the plaintiff to be persuasive, and it recommended that the defendants' motions to reconsider their previous motion to dismiss on the basis of improper venue be denied.[206] Judge Amos L. Mazzant overruled all defense objections to the Order and Report and Recommendation by Magistrate Judge Johnson and denied the defendants' motions.[207]

4. Sixth Circuit

Magistrate Judge Karen L. Litkovitz of the United States District Court for the Southern District of Ohio found that unsupported allegations of infringement by the plaintiff in *Stuebing Automatic Machine Co. v. Gavronsky* did not sufficiently satisfy the acts of infringement requirement pursuant to the second prong of the patent venue statute.[208]

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[203] *See* Snyders Heart Valve LLC v. St. Jude Med. S.C., Inc., No. 4:16-CV-00812-ALM-KPJ, 2017 WL 4563076, at *3 (E.D. Tex. Aug. 29, 2017), *adopted by* No. 4:16CV812, 2017 WL 4552517 (E.D. Tex. Oct. 12, 2017).

[204] *See id.* at *3–4.

[205] *See id.* at *5.

[206] *See id.* at *5–6.

[207] *See* Snyders Heart Valve LLC v. St. Jude Med. S.C., Inc., No. 4:16CV812, 2017 WL 4552517, at *1–2 (E.D. Tex. Oct. 12, 2017).

[208] *See* Stuebing Automatic Mach. Co. v. Gavronsky, No. 1:16-CV-576, 2017 WL 3187049, at *3 (S.D. Ohio June 12, 2017).

5. Seventh Circuit

In deciding whether the defendant had committed sufficient acts of infringement to sustain a patent infringement action in the district pursuant to the second prong of the patent venue statute in *RAH Color Technologies, LLC v. Quad/Graphics, Inc.*, Judge Amy J. St. Eve of the United States District Court for the Northern District of Illinois reasoned that the plaintiff's allegations of infringement through the use of the allegedly infringing software in the district was sufficient to sustain the suit.[209] The court therefore denied the defendant's motion to dismiss on the basis of improper venue.[210]

6. Ninth Circuit

In *Prolacta Bioscience, Inc. v. Ni-Q, LLC*, Judge S. James Otero of the United States District Court for the Central District of California considered the standard for the requirement of acts of infringement pursuant to 28 U.S.C. § 1400(b).[211] Considering the requirement for acts of infringement in the district for proper venue, the court noted that the complaint had no allegations of substantive acts of infringement in the district, customers in the district, offers for sale in the district, or hospital or clinic distributors in the district.[212] In addition, the defendant could not legally sell or offer for sale the allegedly infringing product in the district or state because it required licensed sale at tissue banks, not had or done by the defendant.[213] Judge Otero also particularly noted that distribution of promotional materials in the district did not qualify as an offer for sale.[214] The court granted the defendant's motion to dismiss on the basis of improper venue pursuant to Federal Rule of Civil Procedure Rule 12(b)(3).[215]

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209 *See* RAH Color Techs., LLC v. Quad/Graphics, Inc., No. 17 C 4931, 2018 WL 439210, at *2–3 (N.D. Ill. Jan. 16, 2018).

210 *See id.* at *3.

211 *See* Prolacta Bioscience, Inc. v. Ni-Q, LLC, No. CV 17-04071 SJO (Ex), 2017 WL 5664985, at *4–5 (C.D. Cal. Aug. 7, 2017).

212 *See id.*

213 *See id.* at *5.

214 *See id.*

215 *See id.* at *1, *7–8.

In denying the defendants' motions to dismiss on the basis of improper venue in *IPS Group, Inc. v. CivicSmart, Inc.*, Judge Cathy Ann Bencivengo of the United States District Court for the Southern District of California concluded that allegations of infringement in the district, bolstered by factual support on the basis of information and belief of the plaintiff, were sufficient to sustain venue.[216]

In *Plexxikon Inc. v. Novartis Pharmaceuticals Corp.*, Judge Haywood S. Gilliam, Jr. of the United States District Court for the Northern District of California reasoned that allegations of infringement in the district, through sales and offers for sale of the allegedly infringing product, were sufficient to satisfy the requirement of an act of infringement pursuant to the second prong of the patent venue statute.[217]

7. Eleventh Circuit

In *Townsend v. Brook Sports, Inc.*, Judge Sheri Polster Chappell of the United States District Court for the Middle District of Florida found venue to be improper on the basis that the alleged acts of infringement that occurred were in Washington or in foreign countries.[218]

In *Patent Holder LLC v. Lone Wolf Distributors, Inc.*, because the plaintiff alleged infringing offers for sale and sales in its complaint, Judge Robert N. Scola, Jr. of the United States District Court for the Southern District of Florida found that it satisfied the acts of infringement requirement of the second prong of the patent venue statute.[219]

The decisions on motions referenced above found acts of infringement to be lacking in four cases and present in nine

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[216] *See* IPS Grp., Inc. v. CivicSmart, Inc., No. 17-CV-0632-CAB (MDD), 2017 WL 4810099, at *1 (S.D. Cal. Oct. 25, 2017).

[217] *See* Plexxikon Inc. v. Novartis Pharm. Corp., No. 17-CV-04405-HSG, 2017 WL 6389674, at *1–2 (N.D. Cal. Dec. 7, 2017).

[218] *See* Townsend v. Brooks Sports, Inc., No. 2:17-CV-62-FtM-38MRM, 2017 WL 6417328, at *2 (M.D. Fla. Aug. 31, 2017).

[219] *See* Patent Holder LLC v. Lone Wolf Distribs., Inc., No. 17-23060-Civ-Scola, 2017 WL 5032989, at *5 (S.D. Fla. Nov. 1, 2017).

cases.[220] The standard for determining the existence of acts of infringement also remained unaffected by the *TC Heartland* decision, and the distinctions in motion outcomes must therefore be attributable to other forces.

TABLE 4:

Acts of Infringement Absent	Acts of Infringement Present
4	9

III. POST-*TC HEARTLAND:* CONFLICTS IN ASSERTING AND DEFENDING AGAINST IMPROPER VENUE CLAIMS

A. Waiver or Forfeiture of Venue

"Improper venue is a defense and will be deemed waived by the defendant if not raised in a timely fashion."[221] Such waiver can come in the form of either failure to comply with Federal Rule of Civil Procedure 12 or by litigation conduct prior to making an objection on the basis of improper venue.[222] With respect to a procedural waiver, Federal Rule of Civil Procedure 12(b) provides in pertinent part:

> A motion asserting any of these defenses [including improper venue] must be made before pleading if a responsive pleading is allowed. If a pleading sets out a claim for relief that does not require a responsive pleading, an opposing party may assert at trial any defense to that claim. No defense or objection is waived by joining it with one or more other defenses or objections in a responsive pleading or in a motion.[223]

With respect to the possibility of waiver by litigation conduct, steps found to be sufficient include a motion for summary

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220 *See supra* text accompanying notes 170–217.

221 CHISUM, *supra* note 10, § 21.02(2)(g).

222 *See* Intellectual Ventures II LLC v. FedEx Corp., No. 2:16-CV-00980-JRG, 2017 WL 5630023, at *2–4 (E.D. Tex. Nov. 22, 2017).

223 FED. R. CIV. P. 12(b).

judgment, participation in another party's motion to change venue pursuant to 28 U.S.C. § 1404(a), and a motion to set aside a decree.[224]

In the instance of waiver as related to *TC Heartland*, the Court of Appeals for the Federal Circuit concluded in *In re Micron* that the *TC Heartland* decision represented a change in the law and made available an objection on the basis of improper venue that was not available prior to *TC Heartland*, rendering waiver pursuant to Rule 12 inapplicable under the circumstances.[225] However, the court found that "district courts have authority to find forfeiture of a venue objection" and, after noting the considerations of timeliness, consent, and "wait-and-see" tactical strategies, declined to identify "what if any other considerations could justify a finding of forfeiture even when the defendant has not waived its objection under Rule 12(g)(2) and (h)(1)(A)."[226]

1. Third Circuit

Judge Richard G. Andrews of the United States District Court for the District of Delaware noted in *T-Jat Systems 2006 Ltd. v. Expedia, Inc. (DE)* that, while "a party may not bring a venue defense it could have raised in its first responsive pleading" under Federal Rule of Civil Procedure 12, this Rule is excepted if the venue defense was unavailable when the first responsive pleading was filed.[227] Since the venue defense here was unavailable when the defendant filed its answer and pre-answer motion, the venue defense was not waived.[228]

Judge Leonard P. Stark of the United States District Court for the District of Delaware found the objection to venue to be timely in *3G Licensing, S.A. v. HTC Corp.*[229] Judge Stark similarly

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224 *See* CHISUM, *supra* note 10, § 21.02(2)(g) n.123 (quoting Marquest Med. Prod., Inc. v. EMDE Corp., 496 F. Supp. 1242, 1245 (D. Colo. 1980)).

225 *See In re* Micron Tech., Inc., 875 F.3d 1091, 1095–1101 (Fed. Cir. 2017).

226 *See id.* at 1101–02.

227 *See* T-Jat Sys. 2006, Ltd. v. Expedia, Inc. (DE), No. 16-581-RGA, 2018 WL 1525496, at *7 (D. Del. Mar. 28, 2018).

228 *See id.*

229 *See* 3G Licensing, S.A., v. HTC Corp., No. 17-83-LPS-CJB, 2017 WL 6442101, at *1 (D. Del. Dec. 18, 2017).

reasoned that the venue objection was unavailable prior to the *TC Heartland* decision.[230]

Judge Sherry R. Fallon of the United States District Court for the District of Delaware found no waiver or forfeiture of venue in *Treehouse Avatar LLC v. Valve Corporation*.[231] Because *In re Micron* held *TC Heartland* to be an intervening change in the law, the court concluded that there had been no waiver of the venue objection.[232] Additionally, the venue defense had not been forfeited, given the narrow ability to find forfeiture, because trial was not immediately impending, the defendant previously contested venue, and the defendant timely asserted its venue defense following *TC Heartland* and otherwise.[233]

In *Infinity Computer Products, Inc. v. OKI Data Americas, Inc.*, the plaintiff asserted that the defendants waived the improper venue defense because of (1) the six-month period between the *TC Heartland* decision and the filing of the motions on the basis of improper venue and (2) the other motions that did not include the improper venue objections.[234] Judge Nitza I. Quiñones Alejandro of the United States District Court for the Eastern District of Pennsylvania recognized that waiver is possible regardless of the *In re Micron* decision.[235] However, with respect to the first assertion, given that the delays in the filing of motions following the lifting of the stays in the cases were only in the range of three to five months and that the cases were relatively inactive during the delay periods, the venue objection was not waived.[236] The second alleged basis for waiver, the lack of inclusion of objections to improper venue in the prior motions filed for failure to prosecute, was not a sufficient basis for establishing the waiver of the improper venue objection because the motions were not

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230 *See id.*

231 *See* Treehouse Avatar LLC v. Valve Corp., No. 15-427-JFB-SRF, 2017 WL 5564153, at *3 (D. Del. Nov. 20, 2017) *adopted by* No. 1:15CV427, 2017 WL 6210506 (D. Del. Dec. 8, 2017).

232 *Id.*

233 *Id.*

234 *See* Infinity Comput. Prods., Inc. v. OKI Data Ams., Inc., Nos. 12-6797, 12-6799, 12-6800, 12-6806, 2018 WL 1035793, at *5 (E.D. Pa. Feb. 23, 2018)

235 *See id.*

236 *See id.*

substantive and were merely filed in response to a perceived abandonment of the cases by the plaintiff.[237] The court rejected the plaintiff's assertion that the defendants forfeited the venue objection based on their active litigation participation, reasoning that the conduct of the defendants after and not before the *TC Heartland* decision was pertinent to the inquiry and that such conduct was only the motions for failure to prosecute and compliance with a court order.[238]

In *Boston Scientific Corp. v. Cook Group Inc.*, Judge Leonard P. Stark of the United States District Court for the District of Delaware held that the defendants had not waived their venue challenge.[239] In making such decision, the court reasoned that the trial in the instant case was more than six months away and would likely be delayed because of a stay, the defendants filed the instant motion only one month after the *TC Heartland* decision, the plaintiffs would not suffer undue prejudice on the basis of transfer of venue, and the defense participation in the litigation should not be held against it as it was court-ordered.[240] Therefore, Judge Stark transferred the case.[241]

2. Fourth Circuit

Judge Richard L. Voorhees of the United States District Court for the Western District of North Carolina held that the defendant had not waived its venue objection.[242] The basis for this conclusion was that the defendant in *Simpson Performance Products, Inc. v. NecksGen, Inc.* filed its motion to dismiss on the basis of improper venue only two weeks after the *TC Heartland* decision, the instant case was in an early procedural posture, the plaintiff did not assert prejudice by the raising of the motion at this stage, and transfer

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237 *See id.* at *6.

238 *See id.* at *6–7.

239 *See* Bos. Sci. Corp. v. Cook Grp. Inc., 269 F. Supp. 3d 229, 243 (D. Del. 2017).

240 *See id.*

241 *See id.* at 251.

242 *See* Simpson Performance Prods., Inc. v. NecksGen, Inc., No. 5:16-CV-00153-RLV-DCK, 2017 WL 3616764, at *7–8 (W.D.N.C. Aug. 23, 2017).

would not pose a risk to the plaintiff of a statute of limitations bar.[243] Therefore, the court transferred the case.[244]

Chief Judge Frank D. Whitney of the United States District Court for the Western District of North Carolina concluded that the defendant in *Eyetalk365, LLC v. Skybell Technologies, Inc.* waived its venue challenge because it proceeded with the litigation for over two months following the *TC Heartland* decision and prior to filing its motion on the basis of improper venue.[245]

In *Cobalt Boats, LLC v. Brunswick Corp.*, Senior Judge Henry Coke Morgan, Jr. of the United States District Court for the Eastern District of Virginia found that the defendant forfeited its venue defense because the instant motion was untimely, as the defendant did not "adequately contest venue" prior to the case reaching "the point of no reasonable return," and was one of a series of delay tactics in the case.[246]

3. Fifth Circuit

Judge Vanessa D. Gilmore of the United States District Court for the Southern District of Texas found in *BASF Corp. v. SNF Holding Co.* that the defendants did not waive their venue defense by failing to raise such pursuant to 28 U.S.C. § 1400(b).[247] Therefore, the court granted the defense motion for reconsideration and transferred the case.[248]

In *Nichia Corp. v. Vizio, Inc.*, Judge Rodney Gilstrap of the United States District Court for the Eastern District of Texas addressed motions to dismiss or transfer for improper venue made by the defendants.[249] The plaintiff argued for a narrow reading of

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243 *See id.* at *7.

244 *See id.* at *8.

245 *See* Eyetalk365, LLC v. Skybell Techs., Inc., No. 3:16-CV-00702-FDW-DCK, 2017 WL 3669548, at *1 (W.D.N.C. Aug. 24, 2017).

246 *See* Cobalt Boats, LLC v. Brunswick Corp., No. 2:15CV21, 2017 WL 6034504, at *12–13 (E.D. Va. Dec. 4, 2017).

247 *See* BASF Corp. v. SNF Holding Co., No. 4:14-CV-2733, 2017 WL 7790618, at *1 (S.D. Tex. Dec. 19, 2017).

248 *See id.*

249 *See* Nichia Corp. v. Vizio, Inc., No. 2:16-CV-01453-JRG, slip op. at 1 (E.D. Tex. Feb. 2, 2018).

In re Micron on the basis that the objection to venue became available upon TC Heartland's filing of a petition for certiorari at the U.S. Supreme Court on September 12, 2016.[250] The plaintiff also asserted that failure to assert such an objection to venue in a responsive pleading when there is a good-faith argument for making a change in the law constitutes a waiver.[251] However, the court rejected these arguments, noting that the Court of Appeals for the Federal Circuit has found waiver arguments to be excepted in light of the intervening change of law in *TC Heartland*.[252] In observing that the defendants also had not committed non-Rule 12 waivers, Judge Gilstrap found venue to be improper and granted the defendants Feit, Vizio, and LG Sourcing's motions to dismiss.[253]

In *Blue Spike, LLC v. Nook Digital, LLC*, Magistrate Judge John D. Love of the United States District Court for the Eastern District of Texas found that the defendant did not waive its venue objection, as there had not been extensive litigation in the case, and the plaintiff's allegation that the timing of the defendant's instant motion was made in bad faith was unsubstantiated.[254]

In *Kaist IP US LLC v. Samsung Electronics Co.*, Magistrate Judge Roy S. Payne of the United States District Court for the Eastern District of Texas issued a Report and Recommendation with respect to the two defendants' motions to dismiss or transfer

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250 *See id.* at 7.

251 *See id.* at 7–8.

252 *See id.* at 9. The court noted that this rejection is consistent with Federal Circuit precedents in *In re Cutsforth, Inc.*, 2017 WL 5907556 (Fed. Cir. 2017), which held that failure to assert an improper venue defense at the initial stages of litigation prior to *TC Heartland* did not constitute a waiver, and in *In re Fluidmaster, Inc.*, No. 18-109 (Fed. Cir. Jan. 17, 2018), which similarly held that failure to assert an improper venue defense in a responsive pleading or amendment permitted as a matter of course did not constitute a waiver because such a defense was barred at the time the objection would have been proper. *See id.* at 8–9.

253 *See id.* at 10–11.

254 *See* Blue Spike, LLC v. Nook Dig., LLC, No. 6:16-CV-1361-RWS-JDL, 2017 WL 3263871, at *3 (E.D. Tex. July 28, 2017), *adopted by sub nom.* Blue Spike, LLC v. Caterpillar, Inc., No. 6:16-CV-1361-RWS, 2017 WL 4129321 (E.D. Tex. Sept. 19, 2017).

on the basis of improper venue.[255] In addressing when a defendant waives the defense of improper venue in a patent infringement suit, the court noted four circumstances under which a defendant may waive such a defense: (1) failure to move the court pursuant to Federal Rule of Civil Procedure 12(h)(1)(B)(i); (2) failure to object to venue in a responsive pleading or amendment permitted under Federal Rule of Civil Procedure 15(a)(1) as a matter of course; (3) failure to object to venue when moving the court pursuant to Federal Rule of Civil Procedure 12 for reasons other than venue; and (4) litigating a case, even after an initial objection to venue.[256] The court found the Court of Appeals for the Federal Circuit's suggestion that courts consider waiver of the venue defense in the time frame from when the defense became available to when the defense is asserted instructive.[257] Because of the defendants' respective delays of approximately four and five months following the Supreme Court's decision in *TC Heartland* and the litigation schedule, regardless of the discussions with plaintiff Kaist concerning venue alternatives, Judge Payne recommended the denial of the motions.[258]

Judge Rodney Gilstrap of the United States District Court for the Eastern District of Texas addressed the defendants' motions to dismiss on the basis of improper venue in *Intellectual Ventures II LLC v. FedEx Corp.*[259] While recognizing the recent decision by the Court of Appeals for the Federal Circuit in *In re Micron*, the court noted that the power to find a waiver of the venue defense on the basis of conduct or circumstances outside the purview of the *In re Micron* decision remained within the province of district courts.[260] Noting the instructions by the Court of Appeals for the Federal Circuit to consider the possibility of such a waiver from the time the defense becomes available, the court in the instant

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255 *See* KAIST IP US LLC v. Samsung Elecs. Co., No. 2:16-CV-01314-JRG-RSP, 2017 WL 7058227, at *1 (E.D. Tex. Dec. 18, 2017) *adopted by* No. 2:16-CV-01314-JRG-RSP, 2018 WL 2731932 (E.D. Tex. June 6, 2018).

256 *See id.*

257 *See id.* at *1–2.

258 *See id.* at *2.

259 *See* Intellectual Ventures II LLC v. FedEx Corp., No. 2:16-CV-00980-JRG, 2017 WL 5630023, at *1 (E.D. Tex. Nov. 22, 2017).

260 *See id.* at *3.

case looked to the defendant's conduct after the date of the *TC Heartland* decision.[261] The defendants actively continued with the litigation for months by, for example, serving subpoenas, filing responsive briefings, and engaging in claim constructions.[262] Additionally, the defendants filed a motion to transfer the case to another jurisdiction on a basis other than improper venue, 28 U.S.C. § 1404, prior to the *TC Heartland* decision but did not raise the issue of improper venue, pursuant to 28 U.S.C. § 1406, which led to the appearance that the defendants intended to defend the case on the merits.[263] In light of this analysis, the court concluded that the defendants had waived their objection to venue based upon their conduct, judicial economy interests, and potential prejudice to the plaintiff.[264]

4. Sixth Circuit

In considering the waiver issue in *Automated Packaging Systems, Inc. v. Free-Flow Packaging International, Inc.*, Judge Sara Lioi of the United States District Court for the Northern District of Ohio found that (1) concessions made by the defendant that venue was proper prior to *TC Heartland* were of no effect because they were made when the defense was unavailable; (2) the defendant did not unreasonably delay its objection to venue, as it filed its motion to dismiss for improper venue within one month of the *TC Heartland* decision; (3) transfer would not be prejudicial as the case was in an early procedural stature; and (4) trial was not immediately impending.[265] Therefore, the court found that the defendant had not waived its venue defense.[266]

In denying the defendant's motion to dismiss or transfer in *Bettcher Industries, Inc. v. Hantover, Inc.*, Judge Jeffrey J. Helmick of the United States District Court for the Northern District of Ohio found waiver of the objection to venue on the

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261 *See id.*

262 *See id.*

263 *See id.*

264 *See id.* at *4.

265 *See* Automated Packaging Sys., Inc. v. Free-Flow Packaging Int'l, Inc., No. 5:14-CV-2022, 2018 WL 400326, at *4–5 (N.D. Ohio Jan. 12, 2018).

266 *See id.* at *5.

basis of the defendant's assent to a settlement agreement providing for jurisdiction over the case in the district.[267]

5. Seventh Circuit

Considering a supply agreement between the defendant and a third party under which allegedly infringed products were sold in *Cellular Dynamics International, Inc. v. Lonza Walkersville, Inc.*, Magistrate Judge Stephen L. Crocker of the United States District Court for the Western District of Wisconsin held that the forum selection clause in the agreement did not provide for proper venue in the instant patent infringement action because the supply agreement did not govern the patent infringement action.[268] Therefore, the court transferred the case.[269]

Chief Judge Theresa L. Springmann of the United States District Court for the Northern District of Indiana found in *Agri-Labs Holding LLC v. Taplogic, LLC* that, even though the defendant objected to venue one month after *TC Heartland*, the defendant waived its venue defense because of the late procedural stature of the case.[270] Consequently, the court declined to dismiss the case on the basis of improper venue.[271]

6. Eighth Circuit

Judge Susan Richard Nelson of the United States District Court for the District of Minnesota in *Cutsforth, Inc. v. LEMM Liquidating Co., LLC* noted (1) the mere sixteen days between the *TC Heartland* decision and the defense seeking of leave to file a motion to transfer and the lack of underlying strategic tact in doing so, (2) the greater prejudice to the defendants in subjecting them to improper venue than prejudice to the plaintiffs in transferring the

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267 *See* Bettcher Indus., Inc. v. Hantover, Inc., No. 3:14-CV-406, 2018 WL 1942179, at *3–4 (N.D. Ohio Apr. 25, 2018).

268 *See* Cellular Dynamics Int'l, Inc. v. Lonza Walkersville, Inc., No. 17-CV-0027-slc, 2017 WL 4046348, at *7 (W.D. Wis. Sept. 12, 2017).

269 *See id.* at *8.

270 *See* Agri-Labs Holding LLC v. Taplogic, LLC, No. 1:15-CV-26-TLS, 2018 WL 437560, at *4 (N.D. Ind. Jan. 16, 2018).

271 *See id.*

case, and (3) the lack of readiness of the case for trial.[272] The court therefore transferred the case.[273]

7. Ninth Circuit

In *Allsop, Inc. v. Ambient Lighting, Inc.*, Judge Richard A. Jones of the United States District Court for the Western District of Washington found no waiver of the venue defense on the basis of prompt filing of the relevant motion to dismiss and the early procedural stature of the case.[274]

In response to the plaintiff's assertion that the defendants waived their objections to venue in *National Products Inc. v. Bracketron, Inc.*, Judge James L. Robart of the United States District Court for the Western District of Washington reasoned that the relevant date from which to consider possible waiver was the date of the *TC Heartland* decision and that the defendants did not waive the venue defense, as trial was not imminent; though the six-month delay between the decision of *TC Heartland* and the filing of the instant motions was on the high end of a reasonable amount of time, the delay would not prejudice the plaintiff or cause judicial inefficiencies.[275] Therefore, the court granted the defense's motion to transfer the case to a proper venue.[276]

Judge Ronald B. Leighton of the United States District Court for the Western District of Washington in *Nautilus, Inc. v. Icon Health & Fitness, Inc.* held that any prejudice to the plaintiff due to the passage of time in the litigation or the litigation conduct by the defendant was not due to the actions of the defendant but due to the *TC Heartland* decision and the court docket and calendar in Utah.[277] The court therefore transferred the case.[278]

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272 *See* Cutsforth, Inc. v. LEMM Liquidating Co., LLC, No. 12-1200 (SRN/LIB), 2018 WL 847763, at *3–5 (D. Minn. Feb. 13, 2018).

273 *See id.* at *5–6.

274 *See* Allsop, Inc. v. Ambient Lighting, Inc., No. C17-549 RAJ, 2018 WL 828225, at *2 (W.D. Wash. Feb. 12, 2018).

275 *See* Nat'l Prods. Inc. v. Arkon Res. Inc., Nos. C15-1984JLR, C15-1985JLR, C15-2024JLR, C16-0109JLR, 2018 WL 1457254, at *4–5 (W.D. Wash. Mar. 23, 2018).

276 *See id.* at *8.

277 *See* Nautilus, Inc. v. Icon Health & Fitness, Inc., No. C16-5393-RBL, 2017 WL 5952375, at *2 (W.D. Wash. Sept. 13, 2017).

278 *Id.*

8. Tenth Circuit

Judge Christine M. Arguello of the United States District Court for the District of Colorado found no waiver of the defense objection to venue in *RMH Tech LLC v. PMC Industries, Inc.*[279] Additionally, the defendant did not forfeit its ability to make a venue challenge by filing the instant motion to challenge venue on the same day that the court denied reconsideration of claim construction.[280]

Judge Dale A. Kimball of the United States District Court for the District of Utah found waiver in *InsideSales.com, Inc. v. SalesLoft, Inc.* when the defendant waited multiple weeks to supplement its motions to dismiss on the basis of unpatentability with objections on the basis of venue.[281]

The decisions on motions referenced above found no waiver or forfeiture in seventeen cases and waiver or forfeiture in seven cases.[282] As *In re Micron* deemed *TC Heartland* to be an intervening change in the law of patent venue, the remaining bases for asserting waiver or forfeiture of an objection on the basis of improper venue were unchanged by *TC Heartland*.

TABLE 5:

Waiver or Forfeiture Absent	Waiver or Forfeiture Present
16	7

[279] *See* RMH Tech LLC v. PMC Indus., Inc., No. 16-CV-01762-CMA-KMT, 2018 WL 1566839, at *4 (D. Colo. Mar. 30, 2018).

[280] *See id.*

[281] *See* InsideSales.com, Inc. v. SalesLoft, Inc., No. 2:16CV859DAK, 2017 WL 4280386, at *3 (D. Utah Sept. 26, 2017).

[282] *See* discussion *supra* notes 225–79.

B. Relevant Date of Venue Analysis in Motions to Dismiss or Transfer on the Basis of Improper Venue

With respect to the relevant date of analysis for venue, the case law is unclear as to whether the appropriate date from which to determine proper venue is the date of the filing of the complaint, the date of service of the complaint upon the defendant, or the time at which the cause of action accrued.[283]

1. First Circuit

Judge John A. Woodcock, Jr. of the United States District Court for the District of Maine concluded in *Presby Patent Trust v. Infiltrator Water Technologies, LLC* that the proper date of analysis as to whether the defendant has a regular and established place of business in the jurisdiction is the accrual of the claim, provided that the suit is filed within a reasonable time following claim accrual.[284]

2. Third Circuit

In *Infinity Computer Products, Inc. v. OKI Data Americas, Inc.*, Judge Nitza I. Quiñones Alejandro of the United States District Court for the Eastern District of Pennsylvania rejected a rule of law that would find venue to be proper "when a defendant had a regular and established place of business in a district, and the plaintiff initiated the action within a reasonable time after the place of business was closed."[285]

3. Eleventh Circuit

In finding venue to be proper in *Omega Patents, LLC v. CalAmp Corp.*, Judge Paul G. Byron of the United States District Court for the Middle District of Florida held "that venue must be

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283 CHISUM, *supra* note 10, § 21.02(2)(g).

284 *See* Presby Patent Tr. v. Infiltrator Water Techs., LLC, No. 2:17-CV-00068-JAW, 2017 WL 5895127, at *4 (D. Me. Nov. 29, 2017).

285 *See* Infinity Comput. Prods., Inc. v. OKI Data Ams., Inc., Nos. 12-6797, 12-6799, 12-6800, 12-6806, 2018 WL 1035793, at *10 (E.D. Pa. Feb. 23, 2018).

determined at the time the action is filed and not at some future date in the proceedings."[286]

The decisions on motions referenced above providing an affirmative rule held that the proper date of the venue analysis is the filing of the complaint in one instance and the accrual of the cause of action in another instance.[287] Consequently, the date from which the venue analysis occurs could use further clarification and unification.

TABLE 6:

Filing of Complaint	Accrual of the Cause of Action	Unclear Rule
1	1	1

C. Pendent Venue

In deciding whether to adjudicate patent infringement claims pursuant to pendent venue,[288] courts, as a general rule, refuse to exercise pendent venue over patent infringement claims.[289] Nevertheless, the two primary approaches to pendent venue are (1) to give effect to specific venue provisions as controlling and superseding the general venue provisions and (2) to allow courts to determine the primary claim(s) in the suit and then apply the corresponding venue statute.[290]

1. Fourth Circuit

Judge Jacquelyn D. Austin of the United States District Court for the District of South Carolina did not exercise pendent venue over the patent infringement claims in *Flexible Technologies, Inc. v. SharkNinja Operating LLC* because the claims for patent

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[286] *See* Omega Patents, LLC v. CalAmp Corp., No. 6:13-CV-1950-Orl-40DCI, 2017 WL 4990654, at *3 (M.D. Fla. Sept. 22, 2017).

[287] *See supra* notes 282–84.

[288] Pendent venue is also known as supplemental jurisdiction.

[289] Wet Sounds, Inc. v. Powerbass USA, Inc., No. H-17-3258, 2018 WL 1811354, at *3 (S.D. Tex. Apr. 17, 2018).

[290] *See id.*

infringement were the principal claims, venue over which was improper, and because venue over the other claims was also improper.[291]

2. Fifth Circuit

In *Wet Sounds, Inc. v. Powerbass USA, Inc.*, Judge Lee H. Rosenthal of the United States District Court for the Southern District of Texas faced the issue of pendent venue in the instant case, in which the plaintiff amended its complaint to add claims for trademark infringement following a request from the court for a supplemental briefing on venue.[292] The court ultimately found pendent venue to be improper, as the primary claim in the instant case was for patent infringement.[293]

3. Eleventh Circuit

Because the parties stipulated to venue in the district with respect to one patent, and the other patents shared with it "a common nucleus of fact," Judge Paul G. Byron of the United States District Court for the Middle District of Florida found pendent venue to be proper in *Omega Patents, LLC v. CalAmp Corp.*[294]

The decisions on motions referenced above found pendent venue to be improper in two cases and proper in one case.[295] The sample size here is small, but the two approaches governing pendent venue in patent litigation are well-developed.

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[291] *See* Flexible Techs., Inc. v. SharkNinja Operating LLC, No. 8:17-CV-00117-DCC, 2018 WL 1175043, at *7–8 (D.S.C. Feb. 14, 2018) *adopted by* No. 8:17-CV-00117-DCC, 2018 WL 1158425 (D.S.C. Mar. 5, 2018).

[292] *Wet Sounds*, 2018 WL 1811354, at *3.

[293] *See id.*

[294] *See* Omega Patents, LLC v. CalAmp Corp., No. 6:13-CV-1950-Orl-40DCI, 2017 WL 4990654, at *3–4 (M.D. Fla. Sept. 22, 2017).

[295] *See supra* notes 289–92.

TABLE 7:

Pendent Venue Improper – Primary Claim Rule	Pendent Venue Proper – Common Nucleus Rule
2	1

D. Agency Relationships

Courts generally apply a corporate separateness test, which is satisfied if "corporate formalities are ignored" and there exists an alter ego relationship between the corporate entities, in suits for patent infringement when determining if proper venue as to a corporate relative can be imputed to the corporate defendant.[296]

1. Third Circuit

Judge Andrews of the United States District Court for the District of Delaware found in *T-Jat Systems 2006, Ltd. v. Expedia, Inc. (DE)* that the defendant could not be found to have a regular and established place of business in the jurisdiction on the basis that the principal of the defendant resided in the district and therefore granted the defendant's motion to dismiss for improper venue.[297]

2. Fourth Circuit

Judge Nitza I. Quiñones Alejandro of the United States District Court for the Eastern District of Pennsylvania rejected the assertion by the plaintiff that venue was proper as to one of the defendants in *Infinity Computer Products, Inc. v. OKI Data Americas, Inc.* because venue may have been proper with respect to one of the defendant's wholly owned subsidiaries.[298]

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[296] *See, e.g.*, Soverain IP, LLC v. AT&T Inc., No. 2:17-CV-00293-RWS, 2017 WL 6452802, at *1–2 (E.D. Tex. Dec. 18, 2017); Post Consumer Brands, LLC v. Gen. Mills, Inc., No. 4:17-CV-2471 SNLJ, 2017 WL 4865936, at *2–3 (E.D. Mo. Oct. 27, 2017).

[297] *See* T-Jat Sys. 2006, Ltd. v. Expedia, Inc. (DE), No. 16-581-RGA, 2018 WL 1525496, at *7–8 (D. Del. Mar. 28, 2018).

[298] *See* Infinity Comput. Prods., Inc. v. OKI Data Ams., Inc., Nos. 12-6797, 12-6799, 12-6800, 12-6806, 2018 WL 1035793, at *8–9 (E.D. Pa. Feb. 23, 2018).

Because of the corporate separateness between the defendant and Lego Brand Retail in *Symbology Innovations, LLC v. Lego Systems, Inc.*, Judge Arenda L. Wright Allen of the United States District Court for the Eastern District of Virginia held that the stores of Lego Brand Retail in the district could not be imputed to the defendant to establish a regular and established place of business in the district.[299]

3. Fifth Circuit

In considering whether venue was proper in *Soverain IP, LLC v. AT&T Inc.*, Judge Robert W. Schroeder III of the United States District Court for the Eastern District of Texas reasoned that proper venue as to a subsidiary cannot be imputed to the parent, unless the corporate relatives act as a single unit, and consequently held venue to be improper as to the corporate parent.[300]

In *Blue Spike, LLC v. Nook Digital, LLC*, because the defendant and its corporate parent maintained their corporate separateness, Magistrate Judge John D. Love of the United States District Court for the Eastern District of Texas held that venue considerations of the parent could not be imputed to the defendant.[301]

4. Eighth Circuit

While a corporate relative of the defendants maintained a physical place in the district in *Post Consumer Brands, LLC v. General Mills, Inc.*, Judge Stephen N. Limbaugh, Jr. of the United States District Court for the Eastern District of Missouri declined to impute such physical place to the defendants because of the corporate separateness of the relevant entities.[302]

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299 *See* Symbology Innovations, LLC v. Lego Sys., Inc., 282 F. Supp. 3d 916, 933 (E.D. Va. 2017).

300 *See Soverain IP*, 2017 WL 6452802, at *1–2.

301 *See* Blue Spike, LLC v. Nook Dig., LLC, No. 6:16-CV-1361-RWS-JDL, 2017 WL 3263871, at *3 (E.D. Tex. July 28, 2017), *adopted by sub nom.* Blue Spike, LLC v. Caterpillar, Inc., No. 6:16-CV-1361-RWS, 2017 WL 4129321 (E.D. Tex. Sept. 19, 2017).

302 *See* Post Consumer Brands, LLC v. Gen. Mills, Inc., No. 4:17-CV-2471 SNLJ, 2017 WL 4865936, at *2–3 (E.D. Mo. Oct. 27, 2017).

5. District of Columbia Circuit

In *Tower Laboratories, Ltd. v. Lush Cosmetics Ltd.*, Judge James E. Boasberg of the United States District Court for the District of Columbia rejected the plaintiff's assertion that suit could be sustained against a corporate family in the district on the basis of the operation of a store by one member of the corporate family in the district.[303]

The decisions on the seven motions referenced above all found venue on the basis of another corporate relative to be improper with respect to the defendant(s).[304] Though the motion outcomes are one-sided, the corporate separateness test is uniformly applied.

TABLE 8:

Venue on the Basis of Agency Relationship Improper	Venue on the Basis of Agency Relationship Proper
7	0

E. Burden of Proof in Motions to Dismiss or Transfer on the Basis of Improper Venue

With respect to the burden of proof as to proper venue, there was a significant diversion among the courts as to whether the plaintiff or the defendant bears the burden of proof in a venue challenge.[305]

Of the seventy-two decisions on motions referenced above, ten decisions placed the burden of proof on the defendant, evidenced either explicitly or through decisional language, five of which granted the instant motion and five of which denied the instant motion[306]; twenty-five decisions placed the burden of proof on the

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303 *See* Tower Labs., Ltd. v. Lush Cosmetics Ltd., 285 F. Supp. 3d 321, 324–25 (D.D.C. 2018).

304 *See* discussion *supra* notes 295–301.

305 *See* Galderma Labs., L.P. v. Teva Pharm. USA, Inc., No. 3:17-CV-01076-M, 2017 WL 6505793, at *3 (N.D. Tex. Nov. 17, 2017).

306 *See* Wet Sounds, Inc. v. Powerbass USA, Inc., No. H-17-3258, 2018 WL 1811354, at *1 (S.D. Tex. Apr. 17, 2018); Celgene Corp. v. Hetero Labs Ltd, No. 17-3387 (ES) (MAH), 2018 WL 1135334, at *2 (D.N.J. Mar. 2, 2018); Infinity Comput. Prods., Inc. v. OKI Data Ams., Inc., Nos. 12-6797, 12-6799, 12-6800, 12-6806, 2018 WL 1035793, at

plaintiff, evidenced either explicitly or through decisional language, twenty-four of which granted the instant motion and one of which denied the instant motion[307]; and thirty-seven decisions

*3 (E.D. Pa. Feb. 23, 2018); Uniloc USA, Inc. v. Nutanix, Inc., No. 2:17-CV-00174-JRG, slip op. at 2 (E.D. Tex. Dec. 6, 2017); Intellectual Ventures II LLC v. FedEx Corp., No. 2:16-CV-00980-JRG, 2017 WL 5630023, at *5 (E.D. Tex. Nov. 22, 2017); Am. GNC Corp. v. ZTE Corp., No. 4:17-CV-00620-ALM-KPJ, 2017 WL 5157700, at *1 (E.D. Tex. Nov. 7, 2017); *Post Consumer Brands*, 2017 WL 4865936, at *1; Bristol-Myers Squibb Co. v. Mylan Pharm. Inc., No. 17-379-LPS, 2017 WL 3980155, at *1 (D. Del. Sept. 11, 2017); Snyders Heart Valve LLC v. St. Jude Med. S.C., Inc., No. 4:16-CV-00812-ALM-KPJ, 2017 WL 4563076, at *4 (E.D. Tex. Aug. 29, 2017), *adopted by* No. 4:16CV812, 2017 WL 4552517 (E.D. Tex. Oct. 12, 2017); Bos. Sci. Corp. v. Cook Grp. Inc., 269 F. Supp. 3d 229, 237 (D. Del. 2017).

[307] *See* RMH Tech LLC v. PMC Indus., Inc., No. 16-CV-01762-CMA-KMT, 2018 WL 1566839, at *2 (D. Colo. Mar. 30, 2018); Hildebrand v. Wilmar Corp., No. 17-CV-02821-PAB-MEH, 2018 WL 1535505, at *2 (D. Colo. Mar. 29, 2018), *adopted by* No. 17-CV-02821-PAB-MEH, 2018 WL 4356789 (D. Colo. Sept. 13, 2018); Peerless Network, Inc. v. Blitz Telecom Consulting, LLC, No. 17-CV-1725 (JPO), 2018 WL 1478047, at *2 (S.D.N.Y. Mar. 26, 2018); Flexible Techs., Inc. v. SharkNinja Operating LLC, No. 8:17-CV-00117-DCC, 2018 WL 1175043, at *2 (D.S.C. Feb. 14, 2018) *adopted by* No. 8:17-CV-00117-DCC, 2018 WL 1158425 (D.S.C. Mar. 5, 2018); Realtime Data LLC v. Nexenta Sys., Inc., CV 2:17–07690 SJO (JCx), 2018 WL 2724776, at *1 (C.D. Cal. Jan. 23, 2018); *Tower Labs.*, 285 F. Supp. 3d at 323; RAH Color Techs., LLC v. Quad/Graphics, Inc., No. 17 C 4931, 2018 WL 439210, at *1 (N.D. Ill. Jan. 16, 2018); Automated Packaging Sys., Inc. v. Free-Flow Packaging Int'l, Inc., No. 5:14-CV-2022, 2018 WL 400326, at *3 (N.D. Ohio Jan. 12, 2018); Fox Factory, Inc. v. SRAM, LLC, No. 3:16-CV-00506-WHO, 2018 WL 317839, at *4 (N.D. Cal. Jan. 8, 2018); Reflection, LLC v. Spire Collective LLC, No. 17CV1603-GPC(BGS), 2018 WL 310184, at *1 (S.D. Cal. Jan. 5, 2018); Westech Aerosol Corp. v. 3M Co., No. C17-5067RBL, 2017 WL 6034222, at *2 (W.D. Wash. Dec. 6, 2017); Personal Audio, LLC v. Google, Inc., 280 F. Supp. 3d 922, 924 (E.D. Tex. 2017); Nike, Inc. v. Skechers U.S.A., Inc., No. 3:16-CV-007-PK, 2017 WL 7275389, at *5 (D. Or. Nov. 14, 2017); Precision Fabrics Grp., Inc. v. Tietex Int'l, Ltd., Nos. 1:13-CV-645, 1:14-CV-650, 2017 WL 5176355, at *10 (M.D.N.C. Nov. 7, 2017); Niazi v. St. Jude Med. S.C., Inc., Nos. 17-CV-183-jdp, 17-CV-184-jdp, 17-CV-185-jdp, 17-CV-283-jdp, 2017 WL 5159784, at *2–3 (W.D. Wis. Nov. 7, 2017); BillingNetwork Patent, Inc. v. Modernizing Med., Inc., No. 17 C 5636, 2017 WL 5146008, at *2 (N.D. Ill. Nov. 6, 2017); Jinni Tech Ltd. v. Red.com, Inc., No. C17-0217JLR, 2017 WL 4758761, at *8 (W.D. Wash. Oct. 20, 2017); Regents of the Univ. of Minn. v. Gilead Scis., Inc., No. 3:17-CV-06056-JCS, slip op. at 10 (D. Minn. Oct. 20, 2017); CAO Lighting, Inc. v. Light Efficient Design, No. 4:16-CV-00482-DCN, 2017 WL 4556717, at *2 (D. Idaho Oct. 11, 2017); JPW Indus., Inc., v. Olympia Tools Int'l, Inc., No. 3:16-CV-03153-JPM). 2017 WL 4512501, at *2 (M.D. Tenn. Oct. 10, 2017); Symbology Innovations, LLC v. Lego Sys., Inc., 282 F. Supp. 3d 916, 925 (E.D. Va. 2017); Proctor & Gamble Co. v. Ranir, LLC, No. 1:17-CV-185, 2017 WL 3537197, at *2 (S.D. Ohio Aug. 17, 2017); Prolacta Bioscience, Inc. v. Ni-Q, LLC, No. CV 17-04071 SJO (Ex), 2017 WL 5664985, at *2 (C.D. Cal. Aug. 7, 2017); Stuebing

failed to clearly indicate the party upon which the burden of proof was placed, twenty and a half of which granted the instant motion and sixteen and a half of which denied the instant motion.[308]

Automatic Mach. Co. v. Gavronsky, No. 1:16-CV-576, 2017 WL 3187049, at *3 (S.D. Ohio June 12, 2017); *Galderma Labs.*, 2017 WL 6505793, at *3.

[308] *See* Bettcher Indus., Inc. v. Hantover, Inc., No. 3:14-CV-406, 2018 WL 1942179 (N.D. Ohio Apr. 25, 2018); T-Jat Sys. 2006, Ltd. v. Expedia, Inc. (DE), No. 16-581-RGA, 2018 WL 1525496 (D. Del. Mar. 28, 2018); Nat'l Prods. Inc. v. Arkon Res. Inc., Nos. C15-1984JLR, C15-1985JLR, C15-2024JLR, C16-0109JLR, 2018 WL 1457254 (W.D. Wash. Mar. 23, 2018); ParkerVision, Inc. v. Apple, Inc., No. 3:15-CV-01477-BJD-JRK (M.D. Fla. Mar. 8, 2018); Mya Saray, LLC v. Dabes, No. 3:17CV00016, 2018 WL 1161145 (W.D. Va. Mar. 5, 2018); SportPet Designs Inc. v. Cat1st Corp., No. 17-CV-0554, 2018 WL 1157925 (E.D. Wis. Mar. 2, 2018); Cutsforth, Inc. v. LEMM Liquidating Co., LLC, No. 12-1200 (SRN/LIB), 2018 WL 847763 (D. Minn. Feb. 13, 2018); Allsop, Inc. v. Ambient Lighting, Inc., No. C17-549 RAJ, 2018 WL 828225 (W.D. Wash. Feb. 12, 2018); Nichia Corp. v. Vizio, Inc., No. 2:16-CV-01453-JRG (E.D. Tex. Feb. 2, 2018); Agri-Labs Holding LLC v. Taplogic, LLC, No. 1:15-CV-26-TLS, 2018 WL 437560 (N.D. Ind. Jan. 16, 2018); BASF Corp. v. SNF Holding Co., No. 4:14-CV-2733, 2017 WL 7790618 (S.D. Tex. Dec. 19, 2017); 3G Licensing, S.A., v. HTC Corp., No. 17-83-LPS-CJB, 2017 WL 6442101 (D. Del. Dec. 18, 2017); Soverain IP, LLC v. AT&T Inc., No. 2:17-CV-00293-RWS, 2017 WL 6452802 (E.D. Tex. Dec. 18, 2017); GEODynamics, Inc. v. DynaEnergetics US, Inc., No. 2:17-CV-00371-RSP, 2017 WL 6452803 (E.D. Tex. Dec. 18, 2017); KAIST IP US LLC v. Samsung Elecs. Co., No. 2:16-CV-01314-JRG-RSP, 2017 WL 7058227 (E.D. Tex. Dec. 18, 2017) *adopted by* No. 2:16-CV-01314-JRG-RSP, 2018 WL 2731932 (E.D. Tex. June 6, 2018); Plexxikon Inc. v. Novartis Pharm. Corp., No. 17-CV-04405-HSG, 2017 WL 6389674 (N.D. Cal. Dec. 7, 2017); Cobalt Boats, LLC v. Brunswick Corp., No. 2:15CV21, 2017 WL 6034504 (E.D. Va. Dec. 4, 2017); Presby Patent Tr. v. Infiltrator Water Techs., LLC, No. 2:17-CV-00068-JAW, 2017 WL 5895127 (D. Me. Nov. 29, 2017); Treehouse Avatar LLC v. Valve Corp., No. 15-427-JFB-SRF, 2017 WL 5564153 (D. Del. Nov. 20, 2017) *adopted by* No. 1:15CV427, 2017 WL 6210506 (D. Del. Dec. 8, 2017); Lites Out, LLC v. OutdoorLink, Inc., No. 4:17-CV-00192, 2017 WL 5068348 (E.D. Tex. Nov. 2, 2017); Patent Holder LLC v. Lone Wolf Distribs., Inc., No. 17-23060-Civ-Scola, 2017 WL 5032989 (S.D. Fla. Nov. 1, 2017); IPS Grp., Inc. v. CivicSmart, Inc., No. 17-CV-0632-CAB (MDD), 2017 WL 4810099 (S.D. Cal. Oct. 25, 2017); Red.com, Inc. v. Jinni Tech Ltd., No. SACV 17-00382-CJC(KESx), 2017 WL 4877414 (C.D. Cal. Oct. 11, 2017); XpertUniverse, Inc. v. Cisco Sys., Inc., No. 3:17-CV-03848-RS, 2017 WL 4551519 (N.D. Cal. Oct. 11, 2017); InsideSales.com, Inc. v. SalesLoft, Inc., No. 2:16CV859DAK, 2017 WL 4280386 (D. Utah Sept. 26, 2017); Talsk Research, Inc. v. Evernote Corp., No. 16-CV-2167, 2017 WL 4269004 (N.D. Ill. Sept. 26, 2017); Omega Patents, LLC v. CalAmp Corp., No. 6:13-CV-1950-Orl-40DCI, 2017 WL 4990654 (M.D. Fla. Sept. 22, 2017); Telebrands Corp. v. Ill. Indus. Tool, Inc.,, No. 17-3411 (JLL), 2017 WL 4157533 (D.N.J. Sept. 18, 2017); Nautilus, Inc. v. Icon Health & Fitness, Inc., No. C16-5393-RBL, 2017 WL 5952375 (W.D. Wash. Sept. 13, 2017); Cellular Dynamics Int'l, Inc. v. Lonza Walkersville, Inc., No. 17-CV-0027-slc, 2017 WL 4046348 (W.D. Wis. Sept. 12, 2017); Townsend v. Brooks Sports, Inc., No. 2:17-CV-62-FtM-38MRM, 2017 WL 6417328 (M.D. Fla. Aug. 31, 2017); Eyetalk365, LLC v. Skybell Techs., Inc., No. 3:16-

TABLE 9:

Motion Granted			Motion Denied		
Plaintiff: 24	Defendant: 5	Unclear: 20.5	Plaintiff: 1	Defendant: 5	Unclear: 16.5

IV. MODERN TRENDS IN PATENT VENUE LAW

In reversing the decision of the Court of Appeals for the Federal Circuit in *VE Holding* and holding that *Fourco* "definitively and unambiguously held that the word 'reside[nce]' in § 1400(b) has a particular meaning as applied to domestic corporations[, in that i]t refers only to the State of Incorporation," the U.S. Supreme Court unified the application of law as to the first prong of the patent venue statute.[309] However, the resolution of the meaning of the first prong of the patent venue statute in *TC Heartland* has led to a revival of litigation surrounding the second prong of the patent venue statute, which is an area of law that is uncertain and unsettled.[310]

After 1990, litigants rarely debated § 1400(b) because the Court of Appeals for the Federal Circuit held that a corporate patent defendant "resides" anywhere it is subject to personal jurisdiction, *VE Holding Corp. v. Johnson Gas Appliance Co.*, 917 F.2d 1574, 1584 (Fed. Cir. 1990), rendering the venue question redundant. But in *TC Heartland LLC v. Kraft Foods Group Brands LLC*, 137 S. Ct. 1514, 1517 (2017), the Supreme Court overruled *VE Holding*, concluding that "a domestic corporation

CV-00702-FDW-DCK, 2017 WL 3669548 (W.D.N.C. Aug. 24, 2017); Simpson Performance Prods., Inc. v. NecksGen, Inc., No. 5:16-CV-00153-RLV-DCK, 2017 WL 3616764 (W.D.N.C. Aug. 23, 2017); Maxchief Invs. Ltd. v. Plastic Dev. Grp., LLC, No. 3:16-CV-63, 2017 WL 3479504 (E.D. Tenn. Aug. 14, 2017); Gillespie v. Prestige Royal Liquors Corp., No. 4:16-CV-02392-HSG., 2017 WL 3232462 (N.D. Cal. July 31, 2017); Blue Spike, LLC v. Nook Dig., LLC, No. 6:16-CV-1361-RWS-JDL, 2017 WL 3263871 (E.D. Tex. July 28, 2017), *adopted by sub nom.* Blue Spike, LLC v. Caterpillar, Inc., No. 6:16-CV-1361-RWS, 2017 WL 4129321 (E.D. Tex. Sept. 19, 2017); Diem LLC v. BigCommerce, Inc., No. 6:17-CV-00186, 2017 WL 3187473 (E.D. Tex. July 26, 2017).

309 TC Heartland LLC v. Kraft Foods Grp. Brands LLC, 137 S. Ct. 1514, 1520 (2017).

310 *See In re* Cray Inc., 871 F.3d 1355, 1359–60 (Fed. Cir. 2017); *see also* 28 U.S.C. § 1400(b) (2012).

'resides' only in its State of incorporation for purposes of the patent venue statute." With a much narrower interpretation of the first half of § 1400(b) now established by the Supreme Court, it was inevitable that challenges to venue would become more frequent and require courts to consider anew whether the requirements of the second half of the provision are satisfied in a particular case.[311]

Much of the ambiguity resulting from the *TC Heartland* decision has been resolved.[312] Of course, *TC Heartland* resolved the issue of the meaning of "residence" pursuant to the first prong of the patent venue statute, with respect to domestic corporate defendants; therefore, the disparity in decisions on motions, with findings of proper residence in five cases and lack of proper residence in two cases, should be coming to an equalization.[313]

With respect to the "regular and established place of business" element of the second prong of the patent venue statute, the guidance from the Court of Appeals for the Federal Circuit in *In re Cray* served to effectively outline the requirements for such; however, the decisions on motions found a lack of a regular and established place of business in twenty-six cases and satisfaction of such in only six cases. This disparity will also likely be equalized as the effects of the *In re Cray* decision come to fruition and the cases that were pending prior to *TC Heartland* and purportedly in the proper venue pursuant to the prior residence standard but later analyzed pursuant to the second prong of the statute are dismissed or transferred to a proper venue.[314]

The means for satisfying the "acts of infringement" requirement, also pursuant to the second prong of the patent venue statute, is definitively described in 35 U.S.C. § 271, although some latent uncertainties are apparent in cases dealing with the Hatch-Waxman Act. The disparity in the decisions, with four decisions finding a lack of acts of infringement in the district and nine

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311 *See, e.g.*, Niazi v. St. Jude Med. S.C., Inc., Nos. 17-CV-183-jdp, 17-CV-184-jdp, 17-CV-185-jdp, 17-CV-283-jdp, 2017 WL 5159784, at *1 (W.D. Wis. Nov. 7, 2017).

312 *See id.* at *2.

313 *See supra* note 68; *see generally TC Heartland*, 137 S. Ct. 1514.

314 *See supra* note 155; *see generally In re Cray*, 871 F.3d 1355.

decisions finding acts of infringement in the district, will steady as the actions that were filed under the now incorrect residence standard and then analyzed pursuant to the requirements of having a regular and established place of business and having committed acts of infringement in the district are dismissed or transferred to the proper venue.[315]

Additionally, *In re Micron* addressed the issue of if and when the venue defense is waived or forfeited; while sixteen decisions found no waiver or forfeiture and seven decisions found waiver or forfeiture, the guidance from the Court of Appeals for the Federal Circuit has set forth a definite standard for evaluating waiver under *TC Heartland* and left the forfeiture evaluation largely to the discretion of the district courts.[316]

The analysis with respect to the relevant date for the venue inquiry and pendent venue are issues that arose much less frequently than the issues referenced above.[317] Also, the decisions with respect to agency relationships and foreign defendants were unanimous in finding venue to be improper and proper, respectively.[318]

Therefore, the remaining issue to be clarified by the courts was the burden of proof inquiry.[319] The decisions as to where to place the burden in a venue challenge were significantly disparate among the courts following *TC Heartland*.[320] The burden was placed on the defendant in ten decisions on motions, five of which were granted and five of which were denied. On the other hand, the burden was placed on the plaintiff in twenty-five decisions on motions, twenty-four of which were granted and one of which was denied. The placement of the burden was unclear in thirty-seven

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315 *See* 35 U.S.C. § 271 (2012); *see also* Celgene Corp. v. Hetero Labs Ltd., No. 17-3387 (ES) (MAH), 2018 WL 1135334 (D.N.J. Mar. 2, 2018); Galderma Labs., L.P. v. Teva Pharm. USA, Inc., No. 3:17-CV-01076-M, 2017 WL 6505793 (N.D. Tex. Nov. 17, 2017); Bristol-Myers Squibb Co. v. Mylan Pharm., Inc., No. 17-379-LPS, 2017 WL 3980155 (D. Del. Sept. 11, 2017); *supra* note 218.

316 *See supra* note 280; *see generally In re* Micron Tech., Inc., 875 F.2d 1091 (Fed. Cir. 2017).

317 *See* discussion *supra* notes 285, 293.

318 *See* discussion *supra* notes 161, 302.

319 *See* discussion *supra* notes 304–06.

320 *See Galderma Labs.*, 2017 WL 6505793, at *3.

decisions on motions, twenty-and-a-half of which were granted and sixteen–and-a-half of which were denied.[321]

Although the placement of the burden on the defendant resulted in the same number of motions granted and denied, the placement of the burden on the plaintiff resulted in almost unanimous granting of the motions, and the lack of clarity as to the application of the burden in thirty-seven motions was problematic in itself.[322] Therefore, a sensible solution to this problem would be to uniformly apply the law of the Court of Appeals for the Federal Circuit to this issue, as, "[i]n matters unique to patent law, this court applies its own law. Section 1400(b) is unique to patent law, and 'constitute[s] "the exclusive provision controlling venue in patent infringement proceedings". . . .' Thus, Federal Circuit law, rather than regional circuit law, governs our analysis of what § 1400(b) requires."[323] Additionally, given the data on the application of the burden of proof in the decisions on motions on the basis of improper venue to this point, it seems that placing the burden on the plaintiff results in inordinately skewed results, failing to apply a burden clearly is not a valid option, and that placing the burden on the defendant results in the most even, uniform, and equal outcomes.[324] Therefore, the best option for proceeding with this facet of the law would likely be to place the burden of proof in a venue challenge on the defendant in a uniform manner throughout the United States.[325]

In response to this need for clarification and unification and through a petition for a writ of mandamus by ZTE (USA) Inc.,[326] the Court of Appeals for the Federal Circuit recently requested additional briefing on the following issues: "(1) Does Federal Circuit or regional circuit law apply to the question of who bears the burden of proof on a challenge to venue under 28 U.S.C. §

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321 *See supra* notes 304–06. Note that some decisions were granted-in-part and denied-in-part.

322 *See supra* notes 304–06.

323 *In re* Cray Inc., 871 F.3d 1355, 1360 (Fed. Cir. 2017).

324 *See supra* notes 304–06.

325 *See supra* notes 304–06.

326 *See generally* Petition for Writ of Mandamus, *In re* ZTE (USA) Inc., No. 18-00113 (Fed. Cir. Nov. 30, 2017).

1406 in a patent case? (2) On this question, which party bears the burden of proof?"[327] The Court of Appeals for the Federal Circuit answered the first question by holding that the Federal Circuit law governs the establishment of proper venue in a patent infringement action and the associated burdens, and the court responded to the second question by holding for the first time that, in cases in which the defendant challenges venue in a patent infringement action, the plaintiff bears the burden of establishing that venue is proper, reasoning that this placement of the burden comports with the narrowness of the applicable statute.[328]

The one case in which the court placed the burden of establishing proper venue on the plaintiff and also denied the defendant's motion to dismiss (or transfer) on the basis of improper venue was *RAH Color Technologies, LLC v. Quad/Graphics, Inc.*[329] In reasoning as to why the defendant failed in its venue challenge, the court emphasized that the burden on the plaintiff is "low" and reiterated multiple times that factual disputes must be resolved in favor of the plaintiff at this stage.[330] Therefore, while the Court of Appeals for the Federal Circuit's decision in *In re ZTE (USA) Inc.* should cause plaintiffs to be weary of a venue challenge in light of the narrowing construction of proper venue in a patent infringement action and the placement of the burden on the plaintiff in such a challenge, jurisdiction-specific, plaintiff-friendly jurisprudence on Federal Rule of Civil Procedure 12(b)(3) generally may provide a refuge for patent owner plaintiffs in an age of stringent constructions of patent venue requirements.

CONCLUSION

The *TC Heartland* decision has overhauled the prior framework for proper venue in patent litigation, specifically as to

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327 *See In re* ZTE (USA) Inc., No. 18-00113, slip op. at 1 (Fed. Cir. Feb. 20, 2018).

328 *See In re* ZTE (USA) Inc., 890 F.3d 1008, 1012–14 (Fed. Cir. 2018).

329 *See* RAH Color Techs., LLC v. Quad/Graphics, Inc., No. 17-C-4931, 2018 WL 439210, at *1, *3 (N.D. Ill. Jan. 16, 2018).

330 *See id.* at *1–3.

where a corporate defendant is deemed to reside.[331] This change in the interpretation of "residence" in 28 U.S.C. § 1400(b) has led to a reexamination of the law of regular and established places of business, acts of infringement, and the rules governing foreign defendants. Additionally, the issues of waiver and forfeiture of the venue objection, the appropriate date of the venue analysis, pendent venue, the impact of agency relationships on the proper venue determination, and the proper placement of the burden of proof in venue challenges have been revived and, in some instances, clarified. However, the placement of the burden of proof in venue challenges is the strongest indicator of motion outcomes concerning venue in patent litigation. Placement of the burden on the defendants results in the most equitable and consistent outcomes, so, in light of the Court of Appeals for the Federal Circuit's holdings in *In re ZTE (USA) Inc*., plaintiffs should (1) be cautious to file patent infringement actions in order to conform with the narrowing construction of proper patent venue and (2) evaluate the disputed jurisdiction's jurisprudence with respect to its treatment of Federal Rule of Civil Procedure 12(b)(3) motions generally in order to determine potential susceptibility to a venue challenge.

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331 *See generally* McDole et al., *supra* note 8.